

Edited by R.E. Breuker & T.D.L.H. van Gardingen

PEOPLE FOR  
PROFIT

NORTH KOREAN  
FORCED LABOUR  
ON A GLOBAL SCALE



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# PEOPLE FOR PROFIT

## NORTH KOREAN FORCED LABOUR ON A GLOBAL SCALE

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## CONTENTS

### ACKNOWLEDGEMENTS 7

### INTRODUCTION 9

**CHAPTER 1:** ACCOUNTABILITY FOR DPRK WORKERS IN THE VALUE CHAIN: THE CASE OF PARTNER SHIPYARD, A POLISH SHIPBUILDER AND ITS DUTCH PARTNERS 15

**CHAPTER 2:** SURVEILLANCE AND LONG HOURS: NORTH KOREAN WORKERS IN RUSSIA 49

**CHAPTER 3:** UNCOVERING NORTH KOREAN FORCED LABOUR IN AFRICA: TOWARDS A RESEARCH FRAMEWORK 69

**CHAPTER 4:** EMPLOYING NORTH KOREAN WORKERS IN THE CZECH REPUBLIC 89

**CHAPTER 5:** THE NETWORKS THAT SHAPE OVERSEAS DPRK LABOUR 129

- FINANCIAL NETWORKS 131
- POLISH COMPANIES 137
- NORTH KOREAN NETWORKS AND THEIR SECRETS: THE CASE STUDY OF TAIWAN 144

**CHAPTER 6:** ‘SLAVES TO THE SYSTEM’, AWARENESS OF NORTH KOREAN FORCED LABOUR 159

**CHAPTER 7:** NON-ENFORCEMENT: THE CONSCIOUS CHOICE NOT TO ENFORCE 173

**CHAPTER 8:** COMPLIANCE AND ENFORCEMENT 191

**PROJECT TEAM MEMBERS 206**

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<sup>1</sup> The publication of this preliminary report was timed to coincide with the international premiere of *Dollar Heroes*. As such, this version may still have minor mistakes, typographical errors, and other deficiencies in it. Publication in book format will follow soon, after a process of copy-editing and such.



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Remco Breuker

Imke van Gardingen





## INTRODUCTION

We started our previous report by noting that a North Korean welder had burned to death while working on an assignment on a Polish shipyard in 2014. Chŏn Kyŏngsu's gruesome death galvanised awareness of what precisely had been happening to DPRK labourers all over the world. It seems fitting that we start the introduction to our follow-up report by telling a bit more about Chŏn, details and stories that emerged during the research of the past year and a half.

Chŏn was 41 when he died, a native of Pyongyang's Man'gyŏngdae neighbourhood. He left behind a wife and a nine-year old son. A man of few words, generally liked by his peers, he did not drink or smoke, but he was fond of the North Korean card game *chup'ae*. He had worked in Poland for fewer than two years when he died. Originally, he was assigned to do work that paid badly, but he pleaded with management to be transferred to where he could either earn more or be sent home. Perhaps because he was a trusted worker who functioned as a cell secretary and organised ideological lectures, he was then assigned a position as a welder.

His accidental death, according to a former colleague, was not the result of Chŏn's negligence, but due to a lack of ventilation in the space where Chŏn was welding, leading to a build-up of gas. Sparks from the welding ignited the gas and burnt Chŏn. After the accident, it was not immediately clear who had died, because the body had been burnt beyond recognition. However, Chŏn's smartphone was discovered near the place of the accident, unscathed, and pictures of his family identified the phone as his. Chŏn died two weeks after his birthday on August 15, the day the Korean peninsula's liberation from Japanese domination is celebrated.

The story of Chŏn's death has taken years to collect and put together; in order to discover the meagre details we now know, we have had to dig through reports written in Polish by the Polish Labour Inspectorate, talk to North Koreans who worked abroad, do research in EU member states, in South Korea, sift through seemingly endless digital and other archives, and try to form a picture of what the situation Chŏn was in was like. Despite our efforts, it is still an incomplete and fragmented story, much of which we will never know. In that sense, it is

very much like our research. Despite our best efforts, it is still an incomplete and fragmented story, much of which we will never know.

There are a number of reasons for the fact that as the project team leader and as researchers we have never felt more strongly that the research done is incomplete and fragmented yet may realistically be as good as it gets. There is the fact that the project never had full-time people working on it and that most of us had to somehow combine it with our regular duties. Combined with the transnational and interdisciplinary nature of the research, which will easily transport one from familiar surroundings to professional terra incognita, the sheer diversity of sources needed, the many different research locales, the geographical diversity, the different historically formed practices in different places, the interplay between governments, private companies, state institutions, workers, and the like, and the fact that the issue is extremely politicised, created a complex and layered discourse that still awaits analysis. So hoping to come up with any kind of definitive analysis with a small, part-time team – no matter how hard talented team members worked – never was a realistic option.

Normally, when faced with such a situation, an academic will try to get a grant, so that extra funding buys time and expertise. The politicised nature of the discourse, however, makes applying for grants almost impossible. Politically neutral grants are fiercely competitive and the DPRK's peculiar international position precludes for example many EU grants (and that surprisingly on grounds of principle). Subsidies that were available to us, we had to say no to, due real possibilities of political intervention and –real or perceived– association with overt political and ideological objectives.

Why then the decision to publish admittedly incomplete and fragmented research? To a certain extent, all research is always incomplete and fragmented of course, but that is not a very satisfactory explanation. The reason to publish at this moment is quite simply not that we feel we are anywhere near what could reasonably be called the end of the research project, but because we judge we have enough to mark a substantial moment. To put it very simply, this is but a stop in the way to the final destination. We also hope that in publishing this, we contribute to the formation of a critical mass, academically and in terms of human rights, that will help creating increasing synergies.

This report is partly a follow-up of the previous report, in that it again has a focus on Poland, which is regrettable and unfortunate in certain respects, but inevitable in others. We have tried to begin mapping the phenomenon of DPRK overseas labour globally and historically. As such, the now historical case of the Czech Republic has been investigated in detail; apart from its historical value in itself, it also contributes to our understanding of DPRK

overseas labour in a broad, structural perspective over the –relatively– *longue durée*. The chapter on Africa is in a way the opposite of the Czech Republic chapter. Not in the sense that it is not historical – history plays a very important role in the research on Africa –, but in the sense that where our research into the Czech Republic and the DPRK labour presence there has finished, that in Africa has not. The Africa chapter also contributes to a wider understanding of DPRK overseas labour, but at the same time signals this project’s intention to delve much deeper into the DPRK presence in Africa, historically and at present. The chapter on Russia highlights a number of characteristics that seem most prevalent in Russia, but that may also be found in other regions that yet await further investigation. This chapter is impressive in the way it chronicles the experiences of individuals working in Russia. One way of investigating DPRK overseas labour is by focusing on the financial networks, instigating and making possible the contacts that shape DPRK overseas labour. The case of Taiwan shows just how difficult research on DPRK networks abroad is – and how necessary. The dearth of available sources on Taiwan contrasts sharply with the wealth of information available for Poland: the analysis of the networks is not any easier though. The networks chapter is at the same time very illuminating in how DPRK networks are structures, but it is also the most unfinished chapter in terms of research that remains to be done. The enforcement and the awareness chapters map the impact that report has had on different levels, nationally and internationally.

Enforcement remains a difficult issue. The chapter on non-enforcement is forced to conclude that in giving room to DPRK overseas forced labour and contemporary slavery, we – in a general sense – are all complicit. Whether academically, politically, financially, ideologically, administratively, or in other ways, it has become clear that it is in the end profitable enough not to make DPRK overseas forced labour impossible. Ironically (at least, if there is a place where irony slowly morphs into tragedy), the sanctions on the DPRK put together and monitored by the UN Panel of Experts have been circumvented and have been made much more useless than they could have been, by the ways in which overseas North Korean labour has been vigorously enabled and defended by the same states that declared themselves in favour of sanctions to stop the development of nuclear and other weapons.

The chapter at the heart of this report is the concrete investigation into accountability. To our surprise and dismay, we found ourselves focusing again on Poland and the DPRK workers there. Given the consistent association of overseas DPRK labour with instances of human trafficking, contemporary slavery, forced labour, labour exploitation, and sanction evasions, we wonder whether this chapter, with its concrete elaboration of the individuals, networks and companies, knowingly or often unknowingly, involved, will give rise to further action, legal

and other. It is the unknowing part here that is so concerning. If companies cannot tell they are relying on North Korean forced labour in their –short– production chain, how then can we not breach the human rights of the DPRK workers, how can we not contribute financially to the further nuclear strengthening of the DPRK? We do not even see it when it is happening right under our noses.

Academically, this report has, as we hope, contributed to the further consolidation of the validity of North Korean perspectives in North Korean Studies – in particular those of a group maligned on both sides of the 38th parallel: refugees, defectors, exiles, or whatever inevitably politically charged term one uses to refer to former citizens of the DPRK state with the inside knowledge and experience so needed in this academic field. I hope that this report –as well as our previous one– have made clear that this methodological advocacy does not come at the expense of critical rigour.

One of the characteristics of overseas DPRK labour today is that, in contrast with how it started in the sixties of the previous century, now only persons perceived as loyal to the state, but whose knowledge is not seen as a risk to that same state, are allowed to go: ‘Even now that there are not enough people to send abroad, applications to go abroad are not accepted from those who worked for the First Brigade (the construction regiment devoted to building exclusively for the Kim family), former members of the Guard Command, university graduates, inhabitants of neighbourhoods in Pyongyang such as Man’gyŏngdae and Yongsŏng, former employees of the Central Liaison Department (training ground for spies), convicted criminals (prison camps or mobile labour brigades), and people with a bad background.’<sup>2</sup>

This is in fact something that had been implicit in our first report: the surprising find that almost three quarters of the workers at Crist shipyard were in fact party members. Another characteristic picked up through the testimonies of former workers is the relative efficiency of ‘human post’ (*inp’yŏn*), the practice of sending money and/or letters home with colleagues who were returning home or who had earned a month holiday at home after three to seven years abroad.<sup>3</sup> While some of our findings of the previous report were confirmed (one worker who had been caught stealing was punished by withholding his pay for a year; minders of the security services played an important role; ideological sessions are part and parcel of life overseas), others were contradicted (against the rules, all workers turned out to have smartphones, although it is not clear if they were fully functional; some workers had more social interaction

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<sup>2</sup> Interview with Mr K., 19 December 2017. Although we have found exceptions to this, this does seem to be the rule.

<sup>3</sup> Interview with Mr K., 19 December 2017.

with locals than we previously thought).<sup>4</sup> Former diplomat Thae Yong–Ho told us that fights between female workers at Polish tomato farms were encouraged by management as a way to channel frustrations and anger about the hard work, non–payment, and being cut off from their families for three or more years.<sup>5</sup> A former male worker in Poland stated the same about his group.<sup>6</sup> A further disturbing fact about overseas labour is that workers who have been wronged, know better than to try and exact revenge during their stay abroad. They wait until they return to North Korea and then have their vengeance on the perpetrator.<sup>7</sup>

Another academic contribution this report hopes to make, is in our insistence that overseas DPRK labour is more than a political and ideological matter: it is of vital importance to the running of the DPRK and can tell us much that is otherwise hard to access. Related to this is our conviction that proper academic investigation of this on many levels hugely important phenomenon is long overdue due to the overt politicisation of the relevant discourses.

Let us finish this introduction by repeating the assertion that this report in itself is unfinished, fragmentary, and incomplete. It also brings new information to light, new insights, and in particular a number of avenues to be academically explored in the future. While we will, individually and/or as a group, will follow some of those avenues in the pursuit of further research, we hope that we will be joined in our research efforts by a diverse variety of colleagues.

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<sup>4</sup> Interview with Mr K., 19 December 2017.

<sup>5</sup> Conversation with Thae Yong–Ho, Seoul, April 30. According to Mr K., there are still more than 100 North Korean women picking tomatoes in Poland when he fled in June 2017.

<sup>6</sup> Interview with Mr K., 19 December 2017.

<sup>7</sup> Interview with Mr K., 19 December 2017.



# CHAPTER 1

## ACCOUNTABILITY FOR DPRK WORKERS IN THE VALUE CHAIN: THE CASE OF PARTNER SHIPYARD, A POLISH SHIPBUILDER AND ITS DUTCH PARTNERS

### INTRODUCTION

The case of DPRK overseas workers is mostly seen as a problematic case to be dealt with in the international community since it generates undesirable income for North Korea. It is seen as a problem that can and should be solved by UN member states. The legal position of DPRK workers however, gets less attention, if any at all. DPRK workers are seldom regarded for what they are; migrant workers in transit countries and host countries, and as such in possession of independent rights. For example, the right to effective access to justice and legal remedies, even if that would mean that procedures seeking redress and compensation would continue for years, maybe even after the practice itself had disappeared, *if* UN sanctions would be rightfully enforced. Also, the role of companies hiring and benefitting from North Korean cheap labour does not receive due attention. The case DPRK overseas workers however, is eminently suitable for a study in the liability of corporations with regard to human rights and labour rights infringements in their company, in the value chain and with their subsidiaries.

This chapter will introduce the legal position of migrant workers in general. And in order to specify the particular situation of DPRK workers it will refer to findings in our previous report. Furthermore, relevant information obtained after the previous report, for example the 16 inspections conducted in 2016 in Poland by the Polish Labour Inspectorate and a detailed interview with a former worker at Crist Shipyards (the case that was examined in our previous report) will be discussed. Finally, one specific case will be used as an example to illustrate how corporate liability could work out in practice. It is not within the scope of this chapter to offer a study on all perspectives of corporate accountability for human rights and labour rights abuses. It merely aims to present one specific case, and aims to raise relevant questions, findings and remarks that hopefully will lead to further activities and research.

### THE LEGAL POSITION OF OVERSEAS DPRK WORKERS

Overseas DPRK workers are migrant workers. They are a special kind of migrant workers, however. They are workers who migrate, only with the consent of, on behalf of and mainly to the benefit of the DPRK regime. Since 2013, DPRK leader Kim Chŏngŭn has prioritized the recruitment of labourers to work overseas to the extent that middle and high school students are needed to fill in the resulting vacancies within the country, as a recently defected DPRK worker explains.<sup>8</sup>

The control and supervision of the DPRK regime start in the recruitment process and continues abroad. As we have shown in our previous report, *Slaves to the System, North Korean Forced Labour in the European Union: the Polish Case*, the entire process from recruitment, to employment and housing to the collection of salaries is organized by the DPRK state or by its representatives. However, in spite of the effort to keep DPRK workers abroad within the grasp of DPRK rules and ideology, in the host countries, as well as in transit countries, the workers, their employers, and their hirers are subject to the values and relevant treaties of the international community, and to regional, national and local rules and regulations.

As labour migrants, DPRK workers are protected by international standards, such as the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Family.<sup>9</sup> It takes into account the relevant ILO Conventions such as the Migration for Employment Convention (No. 97), the Convention concerning Migrations in Abusive Conditions and the Promotion of Equality of Opportunity and Treatment of Migrant Workers (No. 143), and the Convention concerning Forced or Compulsory Labour (No. 29). These ILO conventions aim to protect the vulnerable position of migrant workers and their families while working abroad. Article 6 of the ILO Migration for Employment Convention requires a treatment for migrant workers that is ‘no less favourable than that which applies to their own nationals in respect to a number of matters, including conditions of employment, membership of trade unions, and collective bargaining and accommodation.’<sup>10</sup> The Migrant Workers (Supplementary Provisions) Convention (No. 143)<sup>11</sup> sets forth in article 1 that, ‘Each Member for which this Convention is in force undertakes to respect the basic human rights of all migrant workers.’ And working on EU territory, migrant workers enjoy the protection of similar fundamental principles as laid down in the European Social Charter and the European Convention on Human Rights in the sphere of economic and social rights. Additionally, as we

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<sup>8</sup> Interview conducted with Mr K., 19 December, 2017.

<sup>9</sup> <http://www.ohchr.org/Documents/ProfessionalInterest/cmw.pdf>.

<sup>10</sup> [http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C097](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C097).

<sup>11</sup> [http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C143](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C143).



have set forth in our previous report, the EU directives related to Third Country Nationals as they have been implemented in national law are applicable to DPRK workers, as well as the national legislation of the host country.

### **HUMAN LABOUR RIGHTS VIOLATIONS DPRK WORKERS FACE IN THE EU**

In our previous report, we outlined in detail how North Koreans in the European Union are subject to a wide range of human rights and labour rights violations. Based on labour inspection reports, direct observations, and testimonies, it is safe to state that the labour rights and human rights of DPRK workers as Third Country National migrant workers, working and living in the EU, have been and are structurally neglected. They are told where to live, often in cramped accommodation, and while working and living on someone else's property (e.g. at the company they also work for), have no freedom or practical means to leave. Payments are irregular, and if paid at all, the pay is just a fraction of the remuneration they should have received. Working conditions have in some specific cases proven to be dangerous, and even fatal. And workers constantly face structural and excessive overtime work. In this regard, it is important to mention ILO convention 29 that prohibits all forms of forced or compulsory labour and to note that the ILO regulation doesn't require intent on the perpetrator's side. In 2014 the ILO adopted a new legally binding Protocol on Forced Labour, supported by a Recommendation (No. 203), aiming to advance prevention, protection and compensation measures, as well as to intensify efforts to eliminate all forms of forced labour, including trafficking in persons. It entered into force on Nov. 9<sup>th</sup> 2017. Poland ratified this Protocol on March 10<sup>th</sup> 2017, the Netherlands on Aug. 8<sup>th</sup> 2017. This makes the Protocol binding in these states. Now that the Protocol has entered into force, all member states that have ratified it are requested to report on the application of its rules to the ILO. In all probability, this process should start soon at the ILO. Mere inclusion of the Protocol's provisions into the law is not sufficient, the member state is obliged to report on application in actual practice and on the steps it has taken or will take in order to remedy violations of Convention 29 and the Protocol.<sup>12</sup>

The question is often raised whether the workers chose to work overseas voluntarily. But apart from the legal consideration that voluntary consent does not figure into the conclusion whether someone is the victim of forced labour or human trafficking, given the dire situation within North Korea where opportunities to work and earn a living wage are scarce, and

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<sup>12</sup> An analysis from the perspective of forced labour in the light of the ILO Forced Labour Convention will be part of in the final version of this report. It will be authored together with Professor Klara Boonstra (Free University of Amsterdam, international labour law).

considering the brutal character of the DPRK regime that urges its citizens to work overseas, it should rather be questioned whether one can even speak of a voluntary choice in this matter for most DPRK citizens. The DPRK state is fully aware it stands to make immense profits from having its citizens working overseas, while keeping their salaries for itself. International hirers of cheap DPRK labour also profit greatly. These characteristics explain the basic principle of the business model for overseas DPRK labour. They are also clear indicators of forced labour.

The International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) codify human rights applicable to North Korean labourers working overseas; they are entitled to the liberty of movement and freedom to choose their residence; they have the right not to be subjected to arbitrary and unlawful interference with their privacy, family, home or correspondence; the right to freedom of thought, conscience and religion; the right to hold opinions without interference and freedom of expression; the right of peaceful assembly; and the right of freedom of association.’<sup>13</sup> In Chapter Two of our previous report we exhaustively substantiated that DPRK workers have been denied these rights.<sup>14</sup> This is acknowledged in the US State Department’s 2017 report on the ‘Trafficking of Persons’ referring to the issue of DPRK migrant workers as follows,

*Many North Korean labourers sent by the government to work abroad under bilateral contracts with foreign governments also face conditions of forced labour. [...] Credible reports show many North Korean working under these contracts are subject to conditions indicative of forced labour, such as working excessively long hours in hazardous temperatures with restricted pay, for up to three years at a time. North Korean government ‘minders’ restrict and monitor their movements and communications. North Koreans sent overseas do not have a choice in the work the government ultimately assigns to them and are not free to change jobs. These workers face threats of government reprisals against them or their relatives in the DPRK if they attempt to escape or complain to outside parties. Workers’ salaries are appropriated and deposited into accounts controlled by the North Korean government, which justifies its retention of most of the money by claiming various ‘voluntary’ contributions to government endeavours. Workers receive only a fraction of the money and face punishment if they fail to meet production or work targets.*<sup>15</sup>

The same US State department report on Human Trafficking points to the risks Third Country Nationals run, falling victim to trafficking and exploitation in Poland and specifically refers to DPRK workers:

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<sup>13</sup> R.E. Breuker & I.B.L.H. van Gardingen (eds.), *Slaves to the System, North Korean Forced Labour in the European Union: the Polish Case*. Leiden: LeidenAsiaCentre Press, 2016. P. 29.

<sup>14</sup> Ibid. P. 35.

<sup>15</sup> <https://www.state.gov/documents/organization/271339.pdf>.

*Poland is a source, transit, and destination country for men, women, and children subjected to forced labour and sex trafficking. Labour trafficking is increasing in Poland; victims originate from Europe, Asia, and Africa. There is an increasing vulnerability to labour trafficking among Poland's growing Ukrainian migrant population and North Korean migrant workers.*

## **LABOUR RIGHTS VIOLATIONS DPRK WORKERS FACE IN THE EU**

As for the infringements related to labour rights, similar conclusions were drawn in our previous report. In chapters Three, Four, and Five, it became clear that there is a structural absence of access to core labour standards, such as earning a living wage, the freedom of association and the right to organize, the right to equal remuneration, and the right to be protected from forced labour. Between 2013 and 2015, the Polish Labour Inspectorate carried out 13 inspections (four inspections in 2013, three inspections in 2014, and six inspections in 2015) in companies employing DPRK workers and reported specific cases of illegal employment and irregularities.<sup>16</sup> The findings of the conducted inspections are listed in a letter sent by the Chief Labour Inspectorate and consist of:

- 29 cases of illegal employment in the Pomorskie Province and 10 in Malopolskie Province.
- Irregularities related to the legality of employment of foreigners and running employment agencies:
  - o Persuading foreigners to perform work illegally by misleading them;
  - o Entrusting foreigners with work in positions (or on terms) other than specified in the work permit or the permit for temporary stay and work;
  - o Excluding the terms of employment specified in the work permit from the contract concluded with the foreigner.
- Irregularities related to legal protection of labour due to breaches of requirements:
  - o to ensure that foreigners being posted workers enjoy the terms of employment no less favourable than laid out in the Polish Labour Code provisions on the norms ad length of working time, periods of daily and weekly rest and the rule of an average five-day working week;
  - o to pay salaries for work;
  - o to calculate and pay leave benefits to the workers;
  - o to draw up individual sheets of paid salaries for work and other work-related benefits;
  - o to fill in working time records reflecting the actual working time of workers and granted leaves.
- Infringements of provisions on occupational safety and health, among others concerning:
  - o Securing workstations during performance of particularly hazardous work in confined spaces;
  - o Securing places of work at height;
  - o Performing particularly hazardous work tasks in line with the required procedures;

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<sup>16</sup> GNL-575-0512-7-2/17. Written correspondence from the National Labour Inspectorate, 09/06/2017.

- Assigning and equipping workers with properly selected personal protective devices, clothes and footwear to which they are entitled in specific workstations;
- Allowing workers to perform work without valid medical certificates confirming the lack of contraindications to performing work tasks entrusted to them;
- Conducting OSH training for workers;
- Using personal protective equipment (fall-arresters) by workers.

In 2016, the National Labour Inspectorate conducted 16 inspections. The inspections covered 457 citizens of North Korea. This was occasioned by the ‘recurring information on the performance of work in the territory of Poland by citizens of North Korea posted to Poland’.<sup>17</sup> The inspectorate revealed similar ‘breaches of provisions included in the *Act on the promotion of employment and labour market institutions* and of the labour law provisions’, such as irregularities related to duties of entities entrusting work of foreigners and duties connected with operating as employment agencies, irregularities related to legal protection of labour and infringements of provisions on occupational safety and health.<sup>18</sup>

The findings in the Labour Inspectorate’s reports range from illegal employment and the misleading of workers, to non-payment, violations of working time regulations, and safety necessary measures. Although these observations are serious in themselves, they provide just a glimpse of the range of infringements DPRK workers face on a daily basis. The interviews that we relied on extensively in our previous report, new interviews that have been conducted since, as well as interviews with employers and hirers of DPRK workers prove that the hidden reality is far worse than the on-paper reality the Labour Inspectorate can access and is authorized to investigate.

#### **TESTIMONIES FROM A FORMER DPRK WORKER AT CRIST SHIPYARD**

In our previous report, we examined the case of DPRK workers at Crist Shipyard in Gdynia, Poland. The report’s findings were based on labour inspection reports following a fatal accident at the shipyard with a DPRK worker, on journalistic investigations that led to the documentary *Cash for Kim*, on testimonies, and immigration office and chamber of commerce data. Some employees had been interviewed briefly, but because of security issues, it had not been possible to interview an employee from Crist – our case study– extensively. Since our previous report however, a former DPRK employee at Crist has been interviewed and provided valuable information on the actual working situation. The testimony gives important details on the

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<sup>18</sup> Written correspondence from the Chief Labour Inspectorate, 9/6/2017, p 3.

specific situation at the working sites he was dispatched to, but also gives a clear insight on the general procedures for DPRK workers in Poland. The worker –for security reasons referred to with the pseudonym mr. K., started working in Poland in 2014, for Crist Shipyard. He worked on the reparation of Dutch ships until June 2016 when he and his colleagues were ordered not to work on Dutch vessels anymore and was dispatched to work elsewhere in Poland.

Mr. K. was asked about all the details of his experience working in Poland, from the recruitment until his departure from Poland. A number of relevant quotes that give insight in the general practice of dispatching workers overseas have been reproduced below in separate themes. Most of the information confirms what is already known and has been analyzed in our previous report. Some of the information is relatively new, also because it gives a very up-to-date picture of what was going on.

- **Before leaving**

*Your passport, visa and everything you need for the dispatch abroad is taken care of by the Foreign Construction Supervisory Bureau. I had never even heard of an employment contract or of a working permit. (p.5)*

*Before I left Pyongyang, I was told I would be dispatched to Poland. But there was no official information on anything else. Informally I heard rumors or stories from people who had been there. Everyone knows it is no use asking about the labour conditions when you are going to work overseas, so no one does. (p.13)*

- **Upon arrival in Poland**

*I brought 12 letters from families in Pyongyang for their relatives working abroad. The first thing I did when I arrived at our accommodation at the Gdynia working site was handing these over to the party secretary together with my passport. (p.6)*

- **Knowledge about working conditions**

*I never got an official explanation. Even if you would want to know about the employment conditions, there was no way to find out. It would only harm me if I would want to try and find out, so I didn't bother. (p.6)*

- **Company of employment**

*Eleven of us had been placed to work as welders on a shipyard in Gdynia in Poland. Several ships from European countries were there to be repaired. But when in the summer of 2016, researchers from the European Union announced their concerns with regard to human rights following the death of Chŏn Kyŏngsu, we were forced to leave the shipyard. From the day, I arrived on the Crist Shipyard in Gdynia on Februari 21, 2014, I worked as a welder, repairing and maintaining Dutch ships. But in June 2016, we received the instruction 'not to work on the Dutch ship anymore' (we were engaged in repairing and maintaining a Dutch cruise ship). Towards the end of July, we had to leave the shipyard.*

(p.8)

- **Working hours**

*We used to work 10–12 hours a day. A regular working day is 8 hours, but the manager or the foreman would encourage extending the shifts. On a rare occasion it could happen, if we received special instructions, that I'd have to work 24 hours, then rest some 30 minutes and then continue again next day. That happened twice to me. Of course, you would do that, expecting to be able to earn more money, but you would never get paid the hours you actually worked. It was physically very hard, I couldn't do that anymore.*

*We were told that we could have a rest on Sundays, but that would depend on the foreman. If he'd say we had to work overtime, we'd have to do it. (p.11)*

- **Holidays**

*After four years you would be allowed to apply for a holiday to go back home. But for some special occasions it would be possible to have a holiday after 3 years. If you'd be allowed to have a holiday and go home, you could stay one month, but there were also a lot of people who didn't get to have holidays and did not return home for seven or eight years. (p. 12)*

- **Salary and payment**

*They said every month on the 15<sup>th</sup> it would be payday, but I never received my salary on time. I didn't get my salary every month, it was mostly paid once every 2 or 3 months. (p. 14)*

*When I started my work as a welder, I received my first salary after five months. They didn't give me more than 1.5 dollars as a monthly wage for the first three months. When I was working as a welder, the lowest amount I got was 6 PLN (about 1.5 dollars), and at the most 700 PLN (about 180 dollars). Even if I worked 13 hours a day, and worked at night, that was all I got. (p. 14)*

*North Korean workers cannot use a bank account (p. 15)*

*The manager would list the names of all the workers on the salary list and next to our names we would have to write our signature, but it didn't record the actual salaries we received. The list was merely prepared for the inspector of the labour authority; that is why they kept the list on which all salaries were registered. (p. 16)*

*Once I protested that the document said I should receive 4500 PLN, I said, 'I've never received this amount, and you want me to confirm it?', and the manager said, 'What is the matter with you, you know exactly why.' Replying that I just asked for things that were obvious, I just gave up my protest. (p. 17)*

*Comparing my situation with the foreign workers, I really envy them, and at the same time, I felt pity for myself. In all aspects, it was such a contrast. [...] When they told me they received 6000 PLN a month, I was obliged to reply I got 2000 PLN. While actually, my official salary was 500 PLN. I have to say also my self esteem didn't allow me to say so. (p. 12)*

*After 3 years and 4 months, I had earned 2,500 dollars. But I had sent some money to my wife 4 or 5 times, so that didn't leave me with much to spend. Altogether I'd say I*

*sent only some 1,600 dollars to my family, from the 2,500 dollars I earned in total. So my monthly average expenses would have been 27 dollars a month (including 200 dollars lent from a colleague).<sup>19</sup>*

- **Accommodation**

*The manager provides for the accommodation, and the costs are deducted from the salary.*

*Saying we had to save on electricity and water costs, we were not allowed to watch TV, and even when it was cold, the heater wasn't turned on.*

*We lived in a very moisty room, and there was mold in several corners of the room. I suffered from headaches because of the mold stench.*

*We also weren't allowed to use warm water in the housing facility, so we used to wash ourselves quickly at the working site and then return home. (p. 18–19)*

## **HUMAN/ LABOUR RIGHTS INFRINGEMENTS AS A BUSINESS MODEL**

DPRK migrant workers abroad are caught in situations of structural labour exploitation. The denial of fundamental liberties, human rights, and labour rights is characteristic of the way DPRK workers are treated in hosting countries everywhere and herein lies the fundamental basis of the revenue model; people work and live under constant surveillance, are not free to leave, have no knowledge of their rights and employment conditions, are structurally underpaid, and receive only a fraction of what they should earn (if they are paid at all), work in unsafe conditions, face excessive overtime work, live in designated accommodations, often cramped and shared with a large number of co-workers, mostly do not keep their own identity papers, do not have access to health care, and have no union rights. These are the constituent elements of a structural pattern that, *mutatis mutandis*, one invariably encounters when researching overseas North Korean labour. The exploitation of DPRK workers is a lucrative business model for both the supplier and the user company of cheap DPRK labour. This is to the detriment of the workers, however, who are in no position to disengage themselves from the abusive situations, cannot protect themselves, and have no access to legal or other remedies.

Recent UN sanctions banning the issuing of working permits to DPRK workers focus on the political undesirability of this profitable revenue model for the DPRK regime. The structural infringements on core labour standards and fundamental human rights, however, should at the same time raise questions about the legitimacy of this revenue model for hirers of DPRK workers. This revenue model, that tramples basic human and labour rights, raises

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<sup>19</sup> This part of the interview was further detailed on February 3 in a personal communication with Mr K.

questions about the legitimacy of hiring DPRK workers, about social responsibility, as well as the liability of companies hiring and/or profiting from cheap and underpaid DPRK labour.

The framework and essential guidelines on how the relation between companies and human rights should be perceived can be found in the UN Guiding Principles on Business and Human Rights. The OECD guidelines furthermore provide ‘non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards’<sup>20</sup> And the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy<sup>21</sup> is undergirded by international labour standards (ILO conventions and recommendations). According to the ILO 2016 Resolution concerning Decent Work in the Supply Chain, all member states involved carry responsibility in battling fundamental human rights abuses in supply chains. Under the ILO supervisory machinery, the member state is required to allow the trade unions and employers’ organisations to comment on these reports before they are sent to the International Labour Office. There, it will be scrutinized by the Committee of Experts on the application of standards and it can be discussed in the plenary meeting of the Committee on the application of standards at the International Labour Conference that is held in Geneva every year in June. The representatives of the member states involved are requested to publicly comment upon the presented case.<sup>22</sup>

The guidelines of these international institutions are widely recognized as public codes of conduct. Encouraging social responsible behavior, they set standards for companies, their subsidiaries, and the contractual network. According to these standards corporations at the least have a moral obligation. The question then remains to what extent these guidelines and standards for ‘desirable conduct’ impose legal obligations on corporations, on their subsidiaries, and in their value chain. Further, in the case of DPRK workers, the question arises; are companies legally accountable for the human rights violations and labour exploitation that DPRK workers face? Can a company be held accountable for profiting from infringements on human and labour rights? Do user companies have a duty of care towards DPRK workers in the value chain? To what extent should companies actively ensure that there is no forced DPRK labour in the company’s value chain? To what extent are they obliged to improve the situation if they do find that this is the case? A fair question could be: did they benefit from the

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<sup>20</sup> OECD Guidelines for Multinational Enterprises, 2011: <http://www.oecd.org/daf/inv/mne/48004323.pdf>.

<sup>21</sup> Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration) – 5<sup>th</sup> Edition (March 2017): [http://www.ilo.org/empent/Publications/WCMS\\_094386/lang—en/index.htm](http://www.ilo.org/empent/Publications/WCMS_094386/lang—en/index.htm).

<sup>22</sup> The ILO 2016 Resolution concerning Decent Work in the Supply Chain will be discussed with in the final version of the report.



exploitation? And if so, did they intentionally benefit? And under which jurisdiction, before which court, should these questions be addressed? All these questions may be best elaborated upon by illustration with a concrete case.

### **THE CASE OF PARTNER SHIPYARD: A POLISH SHIPBUILDER AND ITS DUTCH PARTNERS**

The case to be examined in detail is the case of Partner Shipyard in Szczecin, Poland, where investigative journalistic work was done for the documentary *Dollar Heroes*.<sup>23</sup> Journalists went to Szczecin where allegedly DPRK workers were hired and found DPRK workers living and working on the terrain of Partner Shipyard. This part of the chapter – and for that matter much of this report – is also based on the documentary *Dollar Heroes* and the footage shot by the makers of this documentary but that was not used for the documentary and that was made available to the research team. The footage came in raw, unedited format, which makes it of particular interest and value to the researchers. We have based our analysis on what is to be seen and heard in the documentary and the raw footage.<sup>24</sup> Because of the detailed information that could be obtained in the case of Partner Shipyard, it is worth exploring with the above questions in mind. For the sake of clarity, the facts and circumstances have been numbered. For the sake of privacy, individuals who have not been identified in other publications yet, will be referred to by initials or by one initial and their job description (such as Mr P. the chair; Mr. O the interpreter; CHR). Individuals who have been named before in other publications or in open source materials will be named.

#### *Chamber of commerce registrations in Poland and the Netherlands*

1. Partner Shipyard is a shipbuilding company that is based in Szczecin, in the Northern part of Poland, ten kilometers from the German border. The earliest Polish Chamber of Commerce register that is added in the appendix dates from 19 August 2003.<sup>25</sup> The company however seems to have been established some twenty years ago according to one of its employees.<sup>26</sup> At the same address, at least five other

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<sup>23</sup> *Dollar Heroes* is a feature-length documentary sponsored by the Why? Foundation as part of a year-long international effort to raise awareness about contemporary slavery. The documentary focuses on the practice of sending North Korean workers abroad.

<sup>24</sup> In the raw footage, company names are mentioned. We have used this information in our analysis. It is not part of the academic methodology to practice an adversarial procedure. However, the research team is aware of the fact that journalists working on this particular topic have approached the companies mentioned here for their reaction.

<sup>25</sup> Data rejestracji w Krajowym Rejestrze Sadowym 28.03.2003. Numer KRS: 0000156712.

<sup>26</sup> The company background is explained in the raw footage for *Dollar Heroes* [170911\_STETTIN\_HIDDEN 01:18:31].

companies are registered with the same or overlapping (partial) ownership.<sup>27</sup>

2. On a different address, there are (at least) three chamber of commerce registrations of companies with (partly) the same owners, namely Partner Shipyard Spolka, Sail Szczecin and Offshore Marine Construction.<sup>28</sup>
3. Partner Shipyard is also registered in the Dutch Chamber of Commerce.<sup>29</sup> The company Partner Shipyard Spółka z ograniczona odpowiedzialnoscia was registered in the Netherlands on 1 May 2013 as an employment agency (SBI-code: 78201). The owners are partly the same as the Polish Partner Shipyard company (registration number 000015612), and partly the same as the owners from the other entities. The visiting address is the same as the address as where the companies with the chamber of commerce numbers 0000393374, 0000551343, 0000421704 are registered.
4. In raw footage for *Dollar Heroes*, it is explained how the founders came up with the company name 'Partner Shipyard.'<sup>30</sup> The manager of the export division explains that when they first established the company, they did not have any idea for a company name. But their Dutch business relations kept talking about being partners and often used the word, and so the name Partner Shipyard came to mind. And that worked out well, the export manager explains. Furthermore, it is explained that the company was founded by a few people with some knowhow, some contacts and some money. And together with the Dutch partner they started their business. That's how it further developed.

#### *Media attention to DPRK workers on Partner shipyard*

5. As early as 2011, media have reported that North Korea workers were working for Partner Shipyard, building ships for Dutch companies. A simple Google search shows that on March 3, 2011 the Polish website 24kurier.pl stated, '*North Korean*

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<sup>27</sup> Partner Stocznia (2008, Numer KRS: 0000311909), Partner Jacek Szlachcikowski Andrej Stanislaw Maczka Spolka Jawna (2003, Numer KRS: 0000160770), J.M.A. Spolka Z Ograniczona Odpowiedzialnoscia (2012, Numer KRS: 0000411407), 'Malserswis' Spolka Z Ograniczona Odpowiedzialnoscia (2008, Numer KRS: 00003 00036).

<sup>28</sup> Partner Shipyard Spółka Z Ograniczona Odpowiedzialnoscia Spolka Komandytowa (2012, numer KRS: 0000421704), 'Sail Szczecin' (2011, Numer KRS: 0000393374), Offshore Marine Construction (2015, krs: 0000551343).

<sup>29</sup> Dutch chamber of commerce number: 57981485.

<sup>30</sup> Raw footage *Dollar Heroes* [170911 \_Stettin\_hidden 1:18:50].

*workers work on shipbuilding for a Dutch shipper at a former paper mill in Skolwin. They work all week, regardless of weather conditions.*<sup>31</sup>

6. Newsweek reported on August 28, 2013 that DPRK workers were building ships at Partner Shipyard, hiring workers from Redshield, ‘*Several dozen Koreans work for the Partner Shipyard of the Police. – We have concluded a contract with Redshield of Szczecin, which performs welding work for us. Redshield employs North Korean citizens on the basis of the permits issued by the Provincial Labour Office,*’ says *Andrzej Maczka from the Board of the Shipyard Partner. The Koreans [...] are living in a workers’ hostel, adapted from a postoperative clinic. Cramped: bed next to bed, with one toilet and one fridge on the floor.*’<sup>32</sup>
7. The documentary *Dollar Heroes* shows that DPRK workers were still working for Partner Shipyard at the end of 2017. The footage<sup>33</sup> shows the accommodation of the DPRK workers, on the Partner Shipyard terrain, next to the main entrance and visible for anyone who enters the shipyard. The documentary shows recorded interviews with Polish managers from Partner Shipyard. They talk about the DPRK workers living in their accommodation on the Partner Shipyard compound, working on their shipyard and also partly elsewhere in Szczecin. *Dollar Heroes* also shows interviews with DPRK managers who employ and then lend on the DPRK workforce through a DPRK-owned company called Redshield.<sup>34</sup> It also shows the former paper mill that was referred to in 2011 and that it is still being used by Partner shipyard.<sup>35</sup>

#### *Sources of information on Partner Shipyard and on the employment of DPRK workers*

8. The footage for *Dollar Heroes* shows the surroundings of the Partner Shipyard and the ships that were being built at the moment of shooting. The interviews that are recorded give insight in the company’s history, its revenue model, partners, employees, the DPRK workers and how the workers are employed, and also elaborate on the way rules and regulations are evaded. In one of the interviews, the

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<sup>31</sup> website salon24-pl-u-koreapolnocna, accessed on 22th November 2017.

<sup>32</sup> *Newsweek*, 28 August, 2013 15:27, ‘Dachhunds for the dictator.’

<sup>33</sup> Some of the footage which has not been used in the documentary has been made available to the research team.

<sup>34</sup> Redshield Spolka Z Ograniczona Odpowiedzialnoscia, Numer KRS: 0000508779, ‘REDSHIELD’ SPÓŁKA Z OGRANICZONĄ Numer KRS: 0000417288, REDSHIELD SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ numer KRS: 0000417288.

<sup>35</sup> Raw footage *Dollar Heroes* [170911 \_Stettin\_hidden 1:29:00].

Partner Shipyard export manager explains that about half of their 300 workers is Polish and the rest is from the Ukraine, Uzbekistan, Vietnam and North Korea.<sup>36</sup> The footage also shows Redshield, the DPRK company that supplies the labourers, and its representatives Mr P. (Mr P., chair) and translator–foreman, Mr O. They talk about their part in business transactions.

9. Redshield, the company employing the DPRK workers, was inspected by the Polish Labour Inspectorate on 7, 14, 21 and 24 June, 2016.<sup>37</sup> The labour inspection report provides a glimpse of how labour relations are formalized on paper and even though this on–paper reality is quite far removed from the daily practical reality, the report contains valuable observations from the inspector.
10. The Partner Shipyard website [www.partnerstocznia.pl](http://www.partnerstocznia.pl) contains crucial information on the business relationships of the company, their certificates, products and their buyers. It lists 43 ships with their respective names and numbers, built on the Partner Shipyard. With those names and numbers, the ships can easily be tracked, which gives clear insights on what company commissioned the order, and who is the end–buyer. At least thirty–six of these ships were commissioned and/or bought by Dutch end–buyers.
11. Apart from the Partner Shipyard website, the website of the companies that commissioned the product, or the end–users, provide valuable information on how the supplier and buyer companies are intertwined and on their involvement in the production process.

#### *The employment relation; Partner Shipyard and Redshield*

12. In the Newsweek newspaper article in 2013, Andrezej Marcka, from the board of Partner Shipyard mentioned, *‘We have concluded a contract with Redshield of Szczecin, which performs welding work for us. Redshield employs North Korean citizens on the basis of the permits issued by the Provincial Labour Office.’*<sup>38</sup>
13. Redshield is a company owned by North Koreans. It has two Chamber of Commerce

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<sup>36</sup> Raw Footage *Dollar Heroes* [170911 \_Stettin\_hidden 1:14:35].

<sup>37</sup> Reg. No. 1402–53100–K045–Pt/16, Polish Labour Inspectorate. Szczecin 24 June, 2016.

<sup>38</sup> *Newsweek*, 28 August, 2013 15:27, ‘Dachhunds for the dictator.’

registrations, one dated April 6, 2012 and the other one dated May 21, 2014,<sup>39</sup> for contracting welders for the shipbuilding industry. On the Chamber of Commerce documents the company is registered at Stoliczynska, 100D, 71-869 Szczecin. The footage of *Dollar Heroes* however shows that in reality a former school, now empty is located on this address. The Redshield office turns out to be registered on number 100, next to Partner Shipyard (registered on number 104), but the Redshield premises are located *on* the terrain of Partner Shipyard, in the same building where the DPRK workers are accommodated.<sup>40</sup>

14. The DPRK workers are employed by the North Korean company Redshield, which lends the workers to their main contractor, Partner Shipyard. In a revealing interview with the interpreter and the director of Redshield (who are both DPRK citizens) in *Dollar Heroes*, the two men – Mr O. and Mr P., make a convincing sales pitch for their employees, noting how they work without taking a break, are always willing to work in the weekends, rest once a month, and if they have a holiday at all, it is an unpaid leave. In another interview with managers from Partner Shipyard, the same message is repeated by the export manager, adding that the North Koreans earn just a few dollars, ‘if they get any of the money at all.’ The two DPRK managers add that the DPRK workers can, with the consent of Partner Shipyard, work elsewhere, but not outside of Poland. The Redshield chair, Mr P. explains in the documentary that Redshield mainly works for Partner Shipyard and companies with an interest in hiring the Redshield DPRK workers have to contact Partner Shipyard.<sup>41</sup>

15. The number of DPRK workers that is mentioned varies. The concierge at the entrance of Partner Shipyard talks about 80 DPRK workers living on the Partner Shipyard terrain, forty of them working for Partner Shipyard. Interpreter-foreman Mr O. speaks of about 50 DPRK welders. And the inspection report lists 28 DPRK workers.

#### *Partner Shipyard: close ties with the Netherlands*

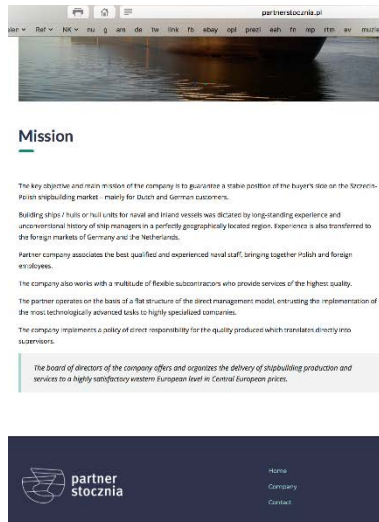
16. The Partner Shipyard company website [www.partnerstocznia.pl](http://www.partnerstocznia.pl) states that their main customers are Dutch.

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<sup>39</sup> Numer KRS: 0000508779 and Numer KRS: 0000417288, Mr O. and Mr P. (Mr P.).

<sup>40</sup> Numer KRS: 0000417288; Numer KRS: 0000508779.

<sup>41</sup> Raw footage *Dollar Heroes* [DH\_171211\_07\_ENG.mov 00:38:54:18].



The website boasts that the company associates with the best qualified and experienced naval staff, bringing together Polish and foreign employees. And it boasts about its Central European prices.

17. The Dutch companies are their main customers, and overall the connection with the Netherlands is close on several levels. As referred to earlier, the name of the company Partner Shipyard derives from the close partnership with the Netherlands since the company was first established. The export manager, CEO of the export subsidiary of Partner Shipyard, JMA, explains that they build some eight ships a year and that the vast majority of the ships is for Dutch customers.<sup>42</sup> He adds that the Dutch know the shipbuilding industry very well. They know exactly what goes on, where you can buy steel for good prices, and understand about delivery dates.<sup>43</sup> Later on in the footage, he adds that materials are obtained from the Dutch company CIG Centraal Staal.<sup>44</sup> The export manager also explains that the Dutch are very helpful on the financial side of things. He explains how their work is done and financed; they get the orders and manufacture the ships, but the last part of the process is done in the Netherlands, in order to get their work financed by Dutch banks. He explains that in order to be financed by Dutch banks a ‘stamp’ made in the Netherlands is required, so they see to it that a part of the process is executed in the Netherlands.<sup>45</sup> In another part of the interview he explains that the ships for the Dutch customers

<sup>42</sup> Raw footage [170911 \_Stettin\_hidden 1:49:00].

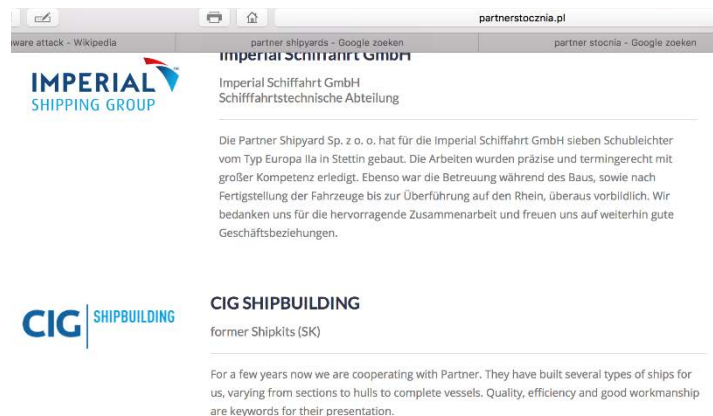
<sup>43</sup> Raw footage [170911 Stettin\_hidden 02:20:02].

<sup>44</sup> Raw footage 170911 Stettin\_hidden 02:14:28].

<sup>45</sup> Raw footage [170724 \_Stettin\_hidden 1:48:00].

are in fact made turnkey ready and that just the last bolts are put in in the Netherlands in order to get financed by Dutch banks. As for EU funding, the export manager explains that they aimed at building a hall with a press and a plasma production line. They considered applying for EU funding and had to use Dutch technology to obtain it funding. He then adds that they received it.<sup>46</sup>

18. The main Dutch customer is the company Shipkit (Central Industry Group International B.V.). Shipkit is a Dutch shipbuilding company. Their chamber of commerce registration lists a bankruptcy and a takeover, but they still operate under the name ‘Shipkit International’, as well as ‘CIG Shipbuilding.’<sup>47</sup> Shipkit is, according to the ships listed on the website, an important export partner for Partner Shipyard and is mentioned on the Partner Shipyard website as such.<sup>48</sup>

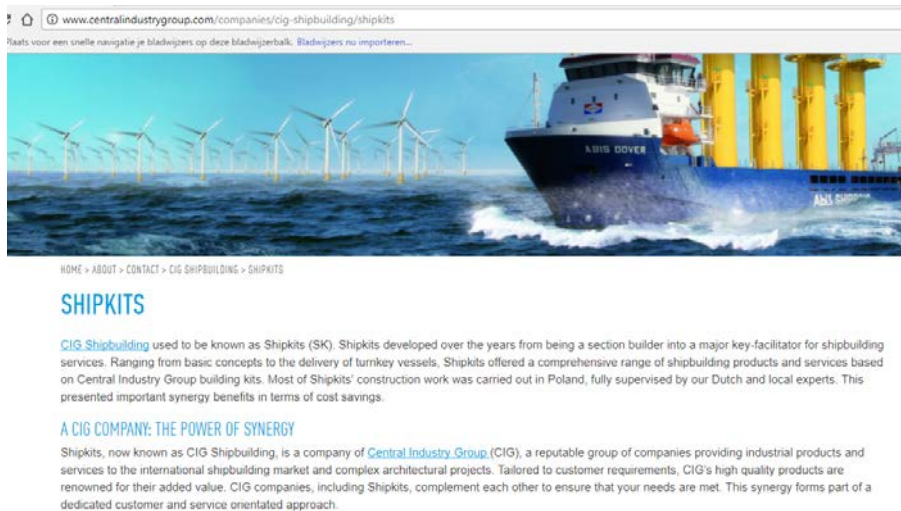


19. Shipkit for their part, mentions on their own website: ‘Most of Shipkit’s construction work was carried out in Poland, fully supervised by our Dutch and local experts. This presented important synergy benefits in terms of cost savings.’ Shipkit promotes, just as Partner Shipyard does, the cost saving element of working with Partner Shipyard.

<sup>46</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:46:45:20].

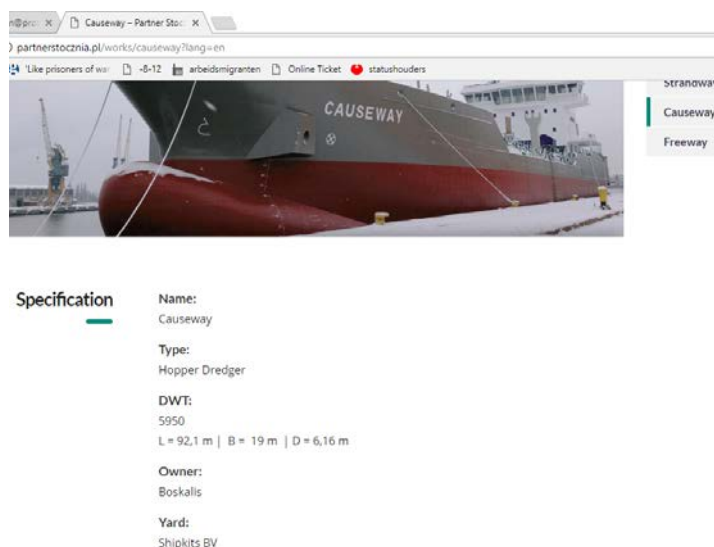
<sup>47</sup> Shipkits International B.V. (chamber of commerce number: 01068039), sole shareholder: Central Industry Group International B.V.

<sup>48</sup> [www.partnerstocznia.pl](http://www.partnerstocznia.pl).



In an article on the website [www.binnenvaart.nl](http://www.binnenvaart.nl), the company refers in more detail to the close cooperation with 'their Polish shipyard'. The Partner Shipyard is referred to as 'their own shipyard in Szczecin' and it is mentioned that their craftsmen come to the shipyard to instruct the workers in Szczecin.<sup>49</sup>

20. The Partner Shipyard website shows a list of ships that it manufactured. Forty-three ships are mentioned on the website, and at least thirty-six of these were built for Dutch shipyards and/or end users.<sup>50</sup> Twenty-two of the forty-three ships were commissioned by Shipkit. The ships are all presented in the following format:



<sup>49</sup> See *De Binnenvaartkrant*, 12 December, 2013, [www.binnenvaartkrant.nl](http://www.binnenvaartkrant.nl).

<sup>50</sup> According to their own website, Partner Shipyard has built 43 vessels, at least 36 of which were built for Dutch customer companies. See [www.partnerstocznia.pl](http://www.partnerstocznia.pl), accessed on 6 December, 2017.



21. The names of the at least 36 ships that were built for Dutch shipbuilders and/or end users have all been crosschecked.<sup>51</sup> Many of the recently built ships also appear on Dutch company websites, singing the praises of the building process and mentioning the shipyard in Szczecin as the shipbuilder.
22. Recently, Shipkit built four ships that were also mentioned on Dutch websites, one for Van Oord and three for Boskalis. The ‘Acta Orion’ (2015) was commissioned by Acta Marine, for Dutch Royal Van Oord. The Actamarine website notes, *‘The Acta Orion, a 108 mtr long and 16 mtr wide wind farm support vessel, will be delivered by CIG Shipbuilding in September 2015. [...] After delivery, the vessel will be deployed on behalf of Van Oord for work on the Gemini offshore wind farm, 85 km off the northern Dutch coast.’*<sup>52</sup> On the Van Oord website, the Gemini offshore wind farm is presented as *‘one of the largest offshore wind projects in the world’, with a value of more than EUR 1,3 billion.*<sup>53</sup>
23. The other three ships that were recently built for Shipkit on Partner Shipyard and have been referred to on Dutch websites, were commissioned by the Dutch multinational Royal Boskalis. The ships are three Hopper Dredgers: the Strandway, the Freeway, and the Causeway. In an article dated June 28, 2016, Boskalis explains that it supervised and managed the process of the shipbuilding itself. It explains that, normally, the coordination would lie in the hands of the shipyard, but that it chose to manage the whole process itself, the advantage being that doing so saved costs and would give Boskalis the direction for the entire process, *‘It concerns the ‘Shoalway (2010), ‘Causeway’ (2013), ‘Freeway (2014) and ‘Strandway’ (2014) [...]. There are roughly two options for the construction of dredgers: cheap building in China or ordering a quality product from IHC Merwede or Damen. [...] There is also a third possibility, however, and that is to arrange, develop and take responsibility for the construction of your new ships as much as possible. And that is what Boskalis has done with this new series of four. [...] ‘In contrast to ordering*

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<sup>51</sup> This is a selection of the ships. Screenshots of the details and a more extensive list of the shipbuilders and buyers is in the possession of the research team.

<sup>52</sup> [www.actamarine.com/nieuws/3/Ship-management-contract-Acta-Orion](http://www.actamarine.com/nieuws/3/Ship-management-contract-Acta-Orion).

<sup>53</sup> [www.vanoord.com/activities/gemini-offshore-wind-park](http://www.vanoord.com/activities/gemini-offshore-wind-park).

at a yard, in this case the entire management was with us. Where normally the coordination at a yard is, we have done that ourselves in this case, 'explains [mr. E.]. *The risk of something going wrong lies with Boskalis itself in such a case*, [mr. O.] adds. CIG subsidiary Shipkits took care of assembling the hull at a shipyard in Poland *under its own supervision*.<sup>54</sup> In the footage of *Dollar Heroes* the export-manager confirms they built ships for Boskalis,<sup>55</sup>

24. Dutch company Royal Bodewes (Koninklijke Bodewes) had three of their ships built on the Partner Shipyard in 2016, two Cargo Ships (the Mirva VG and the Eera VG) for Meriara Ltd and one Cement Carrier (the Furuvik). The website [www.binnenvaartkrant.nl](http://www.binnenvaartkrant.nl) mentioned: 'Royal Bodewes acquired the knowledge for building the Eeva VG and Mirva VG by working together closely with subcontractors.'<sup>56</sup> One of the subcontractors here was Partner Shipyards. The website Maritiemnederland.nl reported that the cascos (Eeva VG and Mirva VG) were built on the Partner shipyard in Szczecin in Poland.<sup>57</sup> The Furuvik was commissioned by Eureka Shipping of Oslo, Norway and was developed and built by Royal Bodewes. The World Maritime News compliments the shipbuilder this ship, particularly with its design and the cost-saving aspects.<sup>58</sup>

*Commissioned by Eureka Shipping of Oslo, Norway, Royal Bodewes has developed and built a 6,145 DWAT cement carrier named Furuvik. [...] The shipyard was awarded with the predicate 'Royal' in 2012. The Royal Bodewes philosophy is that the market dictates the configuration of ships, not vice versa. [...] Consequently, a changing market requires evolving designs to keep pace with the changes. Although based on a proven design, which is standardised in many cost-saving aspects,*

<sup>54</sup> Maritiem Nederland, 28 juni 2016, [www.maritiemnederland.com/techniek-innovatie/boskalis-speelt-voor-scheepsbouwer/item1971](http://www.maritiemnederland.com/techniek-innovatie/boskalis-speelt-voor-scheepsbouwer/item1971), last visited at 15 January 2018. 'Het gaat om de 'Shoalway (2010), 'Causeway' (2013), 'Freeway (2014) en 'Strandway' (2014). Grofweg bestaan er voor de bouw van baggerschepen twee opties: goedkoop laten bouwen in China of een kwaliteitsproduct bestellen bij IHC Merwede of Damen. Er is echter ook nog een derde mogelijkheid en dat is zoveel mogelijk in eigen huis regelen, ontwikkelen en zelf de verantwoordelijkheid nemen voor de bouw van je nieuwe schepen. En dat is wat Boskalis met deze nieuwe serie van vier heeft gedaan. 'In tegenstelling tot het bestellen bij een werf lag in dit geval de hele regie bij onszelf. Waar normaal de coördinatie bij een werf ligt, hebben wij dat in dit geval zelf gedaan', legt [dhr. E.] uit. Het risico dat er iets misgaat, ligt in zo'n geval ook bij Boskalis zelf, vult [dhr. O.] aan. CIG-dochter Shipkits zorgde voor het op een werf in Polen onder eigen toezicht in elkaar gelaste casco'.

<sup>55</sup> Raw footage *Dollar Heroes* [170911 \_Stettin\_hidden 1:21:40].

<sup>56</sup> De kennis voor de bouw van Eeva VG en Mirva VG haalde Royal Bodewes in huis door nauw samen te werken met toeleveranciers. ([www.binnenvaartkrant.nl/nieuws/vaart/trots-op-gezamenlijke-presatie-ecocoaster-mirva.vg](http://www.binnenvaartkrant.nl/nieuws/vaart/trots-op-gezamenlijke-presatie-ecocoaster-mirva.vg)).

<sup>57</sup> <http://www.maritiemnederland.com/techniek-innovatie/royal-bodewes-levert-eerste-op-visolie-varende-ecocoaster-op/item2078>, last visited on February 2, 2018. 'De casco's van de EcoCoasters zijn gebouwd op de werf van Partner in het Poolse Stettin, de afbouw gebeurde bij Bodewes Papenburg GmbH in het Duitse Papenburg. Royal Bodewes heeft de eerste EcoCoaster Eeva VG in september opgeleverd. De oplevering van de tweede, de Mirva VG, staat gepland voor midden november.'

<sup>58</sup> <https://worldmaritimenews.com/archives/224654/furuvik/>.

*Furuvik is a good example of extensive customising to meet the customer's requirements.*

25. Other ships worth mentioning that were built on Partner Shipyard are the *Arctic Dawn*, *Indian Dawn*, and the *Abis Esbjerg*. In an article on the 'De Binnenvaartkrant' website, it is explained that for these ships most construction work was done on 'our own Partner Shipyard' in the Polish city of Szczecin. And it is mentioned that the local workers were supervised by Dutch shipbuilding experts, '*For example, the hulls of the three Multi Purpose Heavy lift ships were built on the own Partner Shipyard. The local craftsmen are accompanied by Dutch shipbuilding experts.*'<sup>59</sup> In Poland the building of the ships is promoted in an article on 30 March, 2015:<sup>60</sup>

*In Szczecin, the multi-purpose heavy-lift vessel is nearing completion in joint effort of Polish and foreign companies. The ship was contracted with Central. Industry Group (CIG) by ABIS Shipping, both of the Netherlands. CIG, in turn, subcontracted the construction of partially outfitted hull to Partner shipyard (Partner Stocznia Sp. z o.o.).*

*Szczecin based companies, mainly Partner shipyard, have been co-operating with Central Industry Group and Shipkits B.V. for quite a time, supplying Dutch companies with partly outfitted ships or ship blocks and sections. ABIS Esbjerg, however, will be the first ship to be outfitted and turn-key delivered entirely in Poland.*

*The ship, newbuilding no. 123, is the fifth unit from the series represented by existing Arctic Dawn, Indian Dawn, ABIS Dusavik and ABIS Dunkerque, with partially outfitted hulls also coming from Poland. This is the 'E'-series in Owners' nomenclature or CIG HLV 4400 type in main contractor – Central Industry Group – designation.*

26. The *Dollar Heroes* footage shows two ships that are at this moment built for Dutch customers. One ship is shown in detail showing the inside of the hull. The sales manager explains that the ship that is shown is built there and also that they hydraulics, motors and the like are installed there. But, the last bolt has to be put in in the Netherlands he explains.<sup>61</sup> The other ship is allegedly being built for the Dutch company Royal Niestern Sander (which, however, has been denied by Niestern

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<sup>59</sup> Zo werden de casco's van de drie Multi Purpose Heavy lift schepen gebouwd op de eigen Partner Shipyard. De lokale vaklieden worden hierbij begeleid door Nederlandse scheepsbouwexperts. Website <http://www.binnenvaartkrant.nl/nieuws/vaart/shipkits-levert-eerste-multi-purpose-heavy-lift-atlantic-dawn-op/>.

<sup>60</sup> [www.polandatsea.com/fully-equipped-ship-from-szczecin-for-cig-and-abis-shipping-nears-completion/](http://www.polandatsea.com/fully-equipped-ship-from-szczecin-for-cig-and-abis-shipping-nears-completion/)

<sup>61</sup> Raw footage *Dollar Heroes* [170911 \_Stettin\_hidden 1:41:52].

Sander), according to what the export manager said on the footage.<sup>62</sup> This has however not been verified by documents and we cannot judge the truthfulness of this remark. Standing in front of the ship, someone points to the workers working on the ship allegedly for Niestern Sander and asks if the people that can be seen on the ship are ‘the Asians’? The sales manager confirms and when asked if they are any good, the reply is, ‘Yes very good, they are very diligent. If we ask the Polish to work on Saturday or Sunday, no chance. If we ask the Asian, it is never a problem, in daytime or at night it doesn’t matter, always so we really need them.

### *Labour conditions*

27. The conditions in which the DPRK workers find themselves at the Partner Shipyard are the same as anywhere else; they have no freedom to choose their residence, receive just a fraction of their salary, if any at all, and face excessive overtime work. They rest once a month and have no paid holiday leave. They have no right to unionise.
28. While the journalists at the beginning of the documentary are looking where the DPRK workers are stationed, they ask people in the vicinity if they have seen any DPRK workers. Then a person in the neighborhood replies that the North Koreans came by more than once. The group was accompanied by an officer who gave commands. Now he no longer sees them marching by, but he does see a car with darkened windows driving back and forth.<sup>63</sup> The fact that DPRK workers are guided by an official is confirmed by the former ambassador to the United Kingdom, Tae Yong-Ho. He explains that for workers who are sent to Poland there are always people on the ground who are responsible for monitoring and managing them. This includes security officers as well as administrative officers.<sup>64</sup>

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<sup>62</sup> Raw footage [170911 Stettin\_hidden 02:24:54]. The export manager mentions that the ship is being built for Niestern Sander. Niestern Sander has reacted by denying that it had given orders to have a ship built at Partner Shipyards for the last eleven years. According to Partner’s website, the last ship it built for Royal Niestern Sander was in 2005, 13 years ago. This does not explain why the export manager says that the ship they are looking at was being built for Royal Niestern Sander. The export manager is the only one who can explain that. As mentioned above, we have relied on what we see and hear in the footage, and leave further conclusions to others. The project leader received an email from the managing director of Niestern Sander (received on February 5, 2018), stating that Royal Niestern Sander did not have any ships built at Polish shipyards for the last eleven years; that it appreciates and supports anti-slavery efforts; and that it is not involved in slavery-like practices as a consumer or a principal.

<sup>63</sup> Raw footage [DH\_171211\_07ENG.mov 00:32:01:23].

<sup>64</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:35:35:18].

29. In June 2016 Redshield was inspected by the Polish Labour inspection. The inspection was carried out in the presence of Mrs. C. – person responsible for human resources and payroll, Mr. H. – person responsible for occupational health and safety, and Mr O., interpreter–foreman. The inspection lists 28 workers. Some of them have a residency permit as a long–term EU resident, others have a residency permit with access to the job market. At least nine workers are long–term residents. This is a status that can be given to a person who has lived legally in an EU state for an uninterrupted period of five years. This is however dependent upon the person having a stable and regular source of income, health insurance, and, when required by the EU state, having complied with integration measures.<sup>65</sup>
30. The inspection report is brief and shows it merely or mostly checked paperwork. As for the salary, the labour inspectorate concludes the salary for all workers is 2000 PLN a month, which amounts to the minimum wage. This is however contradicted by every person who was interviewed. When the export manager is being asked about the cost advantages and the wages, he replies, ‘We don’t have minimum wages’. Asked if there aren’t any trade unions who would negotiate for the workers’ salaries, the export managers firmly reply that there are no trade union members, that one worker inclined to becoming a member, but he was fired straight away.<sup>66</sup> Later on the same export manager talks about the UN sanctions on DPRK overseas labour. He argues, ‘They say that the regime is supported. And people don’t want that. We understand that. But on the other hand, if the simple workers get some of that, whether they get any is another question, but if they get some, then this is a basis. Because they get a glimpse of the world. And they get a few zloty or a few dollars. And that probably helps the entire family.’<sup>67</sup> This is confirmed by the concierge who explains that as for the salaries, the ‘guy’ takes everything and the workers only get a pittance. The family back home in North Korea is better off, he adds.<sup>68</sup>
31. Also, Korean interpreter–foreman Mr O. who was present during the inspection, Mr. O., clarifies in the documentary that Redshield and their workers are very profitable

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<sup>65</sup> Council Directive 2003/109/EC of 25 November 2003 concerning the status of third–country nationals who are long–term residents.

<sup>66</sup> Raw footage [170724\_Stettin\_hidden 01:48:35:19].

<sup>67</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:55:44:13].

<sup>68</sup> Raw footage [HIDDEN\_CAM\_04\_25P\_CONVERT #0051].

for Partner Shipyard.<sup>69</sup> He explains that they have some 50 welders, and continues to explain that they work together with Partner Shipyard. He says, ‘They know exactly how profitable we are for them. Our guys are here only to work. They only take unpaid holidays. When there are deadlines we work without breaks. Not like the Polish.’

32. The labour inspectorate observes that a correct calculation of the remuneration however is not possible to check, because of the absence of a registration of work time, *‘without specifying the start and end times of work (work within individual man–days) it is not possible to determine whether employees are provided with daily and weekly rest or whether any work was performed at night. This way of keeping work time records prevents correct identification of the remuneration for work’*.<sup>70</sup>

The labour inspector does register that workers at Redshield work in three shifts,

- First shift from 6:00 am to 2 pm;
- Second shift from 1:00 pm to 9:00 pm;
- Third shift from 9:00 pm to 5:00am.

But, according to information obtained during the inspection, work was performed in one shift, and, since no registration was kept, there is no clarity on the working hours. During the interviews however, it is made clear that the workers are available any time; day or night, weekends and holidays.

33. As for the communication with North Koreans, the Polish export manager explains that the DPRK workers have been here for a long time, but don’t speak one word of Polish. But if they explain in Polish what to do, they do exactly what they should do.<sup>71</sup> This is also the case for the workers having obtained a long–term residency.

34. In the documentary, the concierge at the entrance of Partner Shipyard is asked if there are labourers living on the shipyard. He refers to the North Koreans and explains it is a company. It has workers in Partner Shipyard and in other companies in Szczecin. According to the concierge the North Koreans have been living and working for Partner Shipyard for eight to ten years and all they can say is ‘Hello’,

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<sup>69</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:38:54:18].

<sup>70</sup> Inspection, registration number; Reg. No. 140213–53100–K045–Pt/16.

<sup>71</sup> Raw footage [170911 \_Stettin\_hidden 1:14:40].

and ‘I want the key.’<sup>72</sup>

35. The export manager shows the accommodation of the workers,<sup>73</sup> and explains, ‘This is our hotel for the guys. So they don’t have to walk too much. When they would live in the city, I’m not sure if they would find their way here after the weekend. But here, that’s okay. Everything under control, somehow.’

36. When the journalist mentioned there would probably be unions that negotiate wages, the export manager replies, ‘We have no unions. One person who tried to establish that got sacked. We don’t need that, it just causes problems.’<sup>74</sup>

37. The concierge explains that the North Korean workers start early because they have their accommodation at the shipyard. And they are very disciplined, they do not screw up. He explains, ‘To them, work is paramount otherwise their families in Korea get their asses kicked. He knows this, he says, because they have been working there for years.’<sup>75</sup> Not all people working with DPRK workers are aware of this fact, but the Polish government is. In the International Labour Organization hearing in June 2017, the Polish government official stated,

*The speaker considered such a situation as challenging and sensitive, especially if actions taken by the host country could pose a threat to the worker or his or her family residing in the country of origin, and expressed interest in hearing the experience of other countries and social partners on how to cope with such challenges.*<sup>76</sup>

38. The workers have no union rights. The export manager states that if there are union members, they will be fired. He says that at one point there was one who tried to set up a union, but they fired the worker, six or eight years ago. Because this causes a lot of problems.<sup>77</sup>

39. Certification of work and workers is crucial in shipbuilding. The documents, nor the interviews give insight in how the workers and the work have been and are certified.

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<sup>72</sup> Raw footage, [DH\_171211\_07\_ENG.mov 00:37:35:24].

<sup>73</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:32:02:19].

<sup>74</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:55:13:13].

<sup>75</sup> Raw footage [DH\_171211\_07\_ENG.mov 00:34:30:13].

<sup>76</sup> WCMS, ILC106-PR15-Part II-NORME-170615-3-EFS-docx, P. 41.

<sup>77</sup> Raw footage, [170724\_Stettin\_hidden 01:48:35:19]

In the documentary footage, they talk about the issue of certificates. Bureau Veritas is mentioned and furthermore it is added that they have ‘a lot of certificates’ and when they don’t they organize it.<sup>78</sup> Furthermore the sales managers mostly evades the issue responding that this is an internal affair.<sup>79</sup>

40. The interviews confirm the essential elements of the business model on hiring of DPRK workers. And in this case, the intermediate North Korean company Redshield not only supplies DPRK workers, but also deals with all the paperwork. But the actual situation and the testimonies of the managers confirm what happened in other shipyards in Poland and arguably anywhere in the world; the DPRK workers are victims of labour exploitation and trafficking.

#### *Certificate on labour standards*

41. The Partner Shipyard website shows that the company is certified in terms of the labour standards. The company is presented as a trustworthy company, ‘being NEN 4400–2 certified in the Netherlands and working mainly for Dutch and German companies.’ NEN 4400–2 is a standard for companies that have their ‘registered office outside the Netherlands that provides workers for the purpose of working under the supervision or direction of a third party and for testing and assessing any contractor or subcontractor having its registered office outside the Netherlands in order to determine that they are organized in such a way that it may be safely assumed the obligations from employment are complied with.’<sup>80</sup>

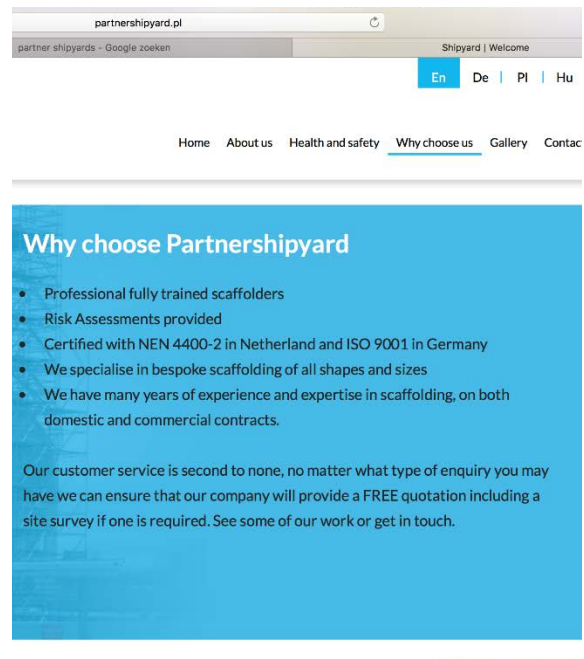
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<sup>78</sup> Raw footage [170911\_STETTIN\_HIDDEN 01:17:28]. Bureau Veritas, <http://www.bureauveritas.nl/>: *Bureau Veritas is a professional service organization worldwide. We offer tailor-made solutions to help organizations realize, maintain and demonstrate their obligations in the area of quality, safety, health, environment and corporate social responsibility (QHSE & SA – Quality, Health & Safety, Environment and Social Accountability).*

<sup>79</sup> Raw footage [170724\_Stettin\_hidden 1:21:00].

<sup>80</sup> <https://www.normeringarbeid.nl/labour-standards-register>.





The website shows the Dutch ‘Stichting Normering Arbeid’ (SNA, certificate on labour standards) certificate.

42. Additionally, the sales manager states that with regard to certifications, they work with certification bureau ‘Bureau Veritas’. He explains, ‘We have all kind of certificated, and when we don’t have a certificatie we need, we organise it from somewhere.’<sup>81</sup> He then explains how that is done.

## BUSINESS AND HUMAN RIGHTS: LIABILITY OF DUTCH PARTNERS IN THE PARTNER SHIPYARD–CASE?

In the introduction of this chapter international guidelines were referred to as widely recognized public codes of conduct. Whether or not these codes of conduct impose legal obligations on corporations is yet another question which again leads to many more questions. The crucial question however is this: can corporations, their business partners or subsidiaries be held accountable for the human rights and labour rights violations DPRK workers face and the profits they obviously make because of that?

<sup>81</sup> Raw footage [170911 \_Stettin\_hidden 1:17:35]

It is beyond the scope of this research to present a comprehensive analysis and conclusive answer to that question. The facts as presented above however do encourage to make some introductory remarks on the possible corporate liability or at least raise relevant follow-up questions to be examined at a later stage.

## **HUMAN RIGHTS VIOLATIONS**

First, it should be clear what human right violations have been committed. It goes without saying that the DPRK is notorious for human rights abuses. The UN commission of inquiry report labeled the DPRK human rights infringements as being ‘without parallel’ towards their citizens. Many reports and journalistic investigations have revealed the injustices done to DPRK overseas workers. But how does that all relate to this specific case?

In this case, as in many others, we ascertained a huge discrepancy between the reality on the working sites and the paper reality. Ironically, the gap widens as more research is done, and the misdeeds get more attention. Not because anything changes on the working sites, but because better ways are found to deal with the paperwork. And this is exactly what international standards aim to protect workers against. A Dutch report on labour exploitation in the Netherlands and the EU, commissioned by the Ministry of Social Affairs and Employment and carried out by the DSP group in collaboration with the International Victimology Institute Tilburg (INTERVICT) of Tilburg University put it as follows:

*The approach is getting more and more professional. Regardless of the type of exploitation, the organizations behind the exploitation are school examples of learning organizations that always adapt to the loopholes of the law and the committed use of investigation and follow-up. The employers / exploiters always adapt their methods and organization in order not to be traced.’*

The main conclusion in the research, summarizes the problem effectively,

*If one message emerges from the research, it is that the forms of labour exploitation continuously change. Every time a law is amended or the investigation and prosecution sharpen, the modus operandi is adjusted. Collected labour exploiters in Europe act as a learning organization. The new phenomena are like the regenerating heads of the Hydra of Lena, the monster from Greek mythology of which each head that was cut off grew back as two new heads.<sup>82</sup>*

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<sup>82</sup> Manja Abraham, Paul van Someren, Jan van Dijk, Conny Rijken, ‘Nieuwe fenomenen van arbeidsuitbuiting, een veelkoppig monster; Onderzoek naar nieuwe fenomenen van arbeidsuitbuiting en hoe Europese informatie hierover systematisch kan worden uitgewisseld.’ Amsterdam, 8 juli 2015. [https://www.dsp-groep.nl/wp-content/uploads/Nieuwe\\_fenomenen\\_van\\_arbeidsuitbuiting\\_DSP-groep\\_8juli15.pdf](https://www.dsp-groep.nl/wp-content/uploads/Nieuwe_fenomenen_van_arbeidsuitbuiting_DSP-groep_8juli15.pdf).

In this case, the statements in the interviews on the conditions DPRK workers find themselves in, all point to abuse and exploitation; the workers all live within the borders of the shipyard, they are said to earn just a few pennies, zloty or dollars, if they get any at all. They are said to be obedient, hardworking, take no breaks, work night and day if necessary, work in the weekends, only rest once a month, and they are not unionized. The accommodation on the compound of the shipyard is praised by the export manager for being close to work, so the workers do not have to walk too much. For example, when they would not find their way back after the weekend and he adds that like this, the workers living on the compound, everything is ‘under control.’<sup>83</sup> The interviewed persons all praised profitability of the workers; cheap and always available. No one mentioned something that could be interpreted as recognizing the DPRK workers as possessing core labour rights. This fits with what we have seen of the practice of exploiting DPRK workers abroad, but it could not be more contradictory to the June 2016 Labour Inspection Report at Redshield. According to the report, workers earn the minimum wage of 2000 PLN and no infringement is recorded apart from the fact that the way working schedules are registered is not transparent. As the research team, we can then only conclude the practice of abusing DPRK workers has not changed since our previous report, but that the way it is covered up has been professionalized. The way Redshield operates in close alliance with Partner Shipyard appears legitimate based on paperwork from the outside, but every statement of the persons involved contradicts the non-abusive nature of the labour relation. As the former worker of Crist shipyard stated, they just signed the pay slips while it was common knowledge that this was just done for the labour inspection and did not bear any relation to the actual paid salary.

## **KNOWLEDGE ABOUT VIOLATIONS**

If it could be ascertained that there is a justified presumption of human rights and labour law violations, the next question would be to what extent the profiting company knew or should have known. As for Partner Shipyard, the chance of the corporation not knowing what goes on, on their working sites and accommodation can be ruled out, since it literally happens in their backyard. As for the partner companies, it has been a well-known fact that DPRK workers were building Dutch ships, and under what conditions, from 2011 when it came in the media onwards. Also, the publication of our previous report, investigating the case of Crist Shipyard, getting media attention worldwide and leading to questions in the Dutch parliament and EU

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<sup>83</sup> Raw footage [170911\_STETTIN\_HIDDEN 02:32:28:03].

parliament, should have raised awareness among Dutch shipbuilders and buyers having their ships built in Poland. As the Partner Shipyard export manager explains, in the world of shipbuilding everyone knows what is going on. He specifically mentions the Dutch who know everything that goes around in the shipbuilding industry.<sup>84</sup> If you would make a mistake, next day everyone would know. It is a part of due diligence to keep track of important developments that could have a negative impact on the value chain. The fact that DPRK workers were active in the shipbuilding industry has been all over the news for years now. One may argue that from that moment on, at the very least the companies involved should have been vigilant for similar situations and probably should have actively investigated whether this also occurred in their own supply chain. In this case, not knowing may mean not wanting to know. On the other hand, not knowing about the presence of North Korean forced labour in one's production chain if it happens right under your nose, may be equally worrisome.

Moreover, the close and multi-faceted cooperation between Partner Shipyard and the Dutch companies has become clear: the cooperation includes financing vessels, supplying of parts, project management, technical knowhow, securing and sharing of EU funding, and even the shipyards' company name. This is also the case for the manufacturing process itself. The Shipkit website states, *Most of Shipkits' construction work was carried out in Poland, 'fully supervised by our Dutch and local experts.'*<sup>85</sup> Moreover, the Partner Shipyard is referred to as 'our own shipyard in Szczecin' and it is mentioned that Shipkit craftsmen come to the shipyard to instruct the workers in Szczecin.<sup>86</sup> As for Boskalis, a Boskalis projectmanager explains that he supervised and managed the process of the shipbuilding himself. He explains that the coordination would normally lie in the hands of the shipyard, but that Boskalis chose to manage the whole process itself, the advantage being that doing so saved costs and would give Boskalis full control over the construction process. The website [www.binnenvaartkrant.nl](http://www.binnenvaartkrant.nl) mentioned: 'Royal Bodewes acquired the knowledge for building the Eeva VG and Mirva VG through working together closely with subcontractors.'<sup>87</sup>

As it appears then, these companies knew or should have known that DPRK labour was used in their supply chain. Whether or not the companies profited from cheap labour is beyond the scope of this research to determine. It can be established however, referring to the quotes – mentioned earlier in this chapter– from the companies' websites, that most appraise

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<sup>84</sup> Raw footage [170911 Stettin\_hidden 02:20:02].

<sup>85</sup> [www.centralindustrygroup.com/companies/cig-shipbuilding/shipkits](http://www.centralindustrygroup.com/companies/cig-shipbuilding/shipkits).

<sup>86</sup> See De Binnenvaartkrant, 12 December, 2013, [www.binnenvaartkrant.nl](http://www.binnenvaartkrant.nl).

<sup>87</sup> 'De kennis voor de bouw van Eeva VG en Mirva VG haalde Royal Bodewes in huis door nauw samen te werken met toeleveranciers.' ([www.binnenvaartkrant.nl](http://www.binnenvaartkrant.nl)).

the collaboration with Partner Shipyard, amongst others for the cost-saving aspects. The website of CIG specifically notes:

*Most of Shipkits' construction work was carried out in Poland, 'fully supervised by our Dutch and local experts. This presented important synergy benefits in terms of cost savings.'*

The next question then to be answered in terms of legal liability, is to what extent these companies were expected to take measures safeguard the rights of DPRK employees and whether they actually took such measures.

## LEGAL FRAMEWORK

Relevant legal obligations for corporations in the Netherlands in this respect are included in company law, tort law, and criminal law. The current legal framework does however not offer a clear-cut answer in the questions of liability above-raised. The facts of the DPRK case are spread out over several jurisdictions (DPRK, Poland, and the Netherlands) and most of the 'direct' human rights violations seem to have taken place in Poland. This leads to questions about the exertion of jurisdiction and the applicability of different national laws.

On the other hand, recent years show an increasing body of literature and examples from daily practice where multinationals are faced with criminal investigations and civil liability claims for human rights violations committed abroad (by them or their subsidiaries).<sup>88</sup>

We already referred to the 'soft law' instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, there is also 'hard law' such as tort law on negligence and the EU directive 2011/36/EU on preventing and combating trafficking in human beings and protecting its victims, which has been implemented in clause 273f of the Dutch Penal Code. This clause could be relevant in this case.<sup>89</sup>

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<sup>88</sup> See for example the tort case against Royal Dutch Shell for oil spills in Nigeria: Akpan v. Royal Dutch Shell PLC, Arrondissementsrechtbank Den Haag [District Court of The Hague], Jan. 30, 2013, Case No. C/09/337050/HA ZA 09-1580 (ECLI:NL:RBDHA:2013:BY9854); and the recent criminal complaint which was filed against Rabobank: <https://www.volkskrant.nl/binnenland/aanklacht-rabobank-medeplchtig-aan-moord-en-misdaden-drugskartels~a4456671/>. See for a recent elaborate study on criminal cross-border accountability: Cedric Ryngaert, 'Accountability for corporate human rights abuses: lessons from the possible exercise of Dutch National Criminal Jurisdiction over multinational Corporations.'

<sup>89</sup> Additionally, several provisions of the Dutch Penal Code may also apply in this case, but it would be beyond the scope of this article to provide an extensive analysis in this respect.

A recent study focusses on the criminal liability with regard to corporate involvement in human rights violations in transnational supply chains, and uses the Dutch criminal law system as a case study.<sup>90</sup> Ryngaert examines state jurisdiction and liability from a criminal law perspective in corporate parent–subsidiary relationships, and raises the following question: ‘Given the transnational character of complex corporate supply chains, these issues are of major importance: on what grounds can states establish domestic jurisdiction over a corporation linked to a human rights violation committed abroad, and on what grounds can such a violation be attributed to that corporation for criminal liability purposes?’<sup>91</sup> As for the jurisdiction in criminal law, not tort law, regarding the subcontractor, Ryngaert argues that in the case of Dutch end users it would suffice to refer to ‘the international law of jurisdiction: the state will have jurisdiction insofar as a (substantial) connection to the state can be found.’<sup>92</sup> The facts and circumstances as outlined in the previous paragraph could be a starting point in establishing whether or not the Dutch (corporate) ties with Partner Shipyard and the registration of Partner Shipyard in the Dutch chamber of commerce can be seen as a ‘substantial’ connection. As for the basis of the liability, the author adds:

*(...) [S]uch abuses ordinarily result from corporate organizational failures to take precautionary measures in relation to the risk of abuse abroad, often at the hands of other persons, such as subsidiaries, branches, contractors, suppliers, or security personnel. In liability law, such failures can be addressed by the application of duty of care standards. [...] What is required for such liability is that it was reasonably possible for the Dutch corporation to take precautionary measures, in light of the information that was available to it, or that it could reasonably gather, and in light of the influence the corporation could reasonably exert on other actors.*<sup>93</sup>

With regard to the import of products from a foreign subsidiary or supplier by Dutch (parent) corporations, that have been generated or produced by means of the perpetration of criminal offenses abroad, the author argues as follows:

*It suffices that the original violation also qualifies as a criminal law violation in the foreign state, and that the Dutch parent could have reasonably presumed that the relevant goods originated from the perpetration of criminal offenses’ This standard of reasonableness may point to a duty of care or ‘should–have–known standards’ in that it requires that the parent corporation actively inquire whether the products and funds from which it benefits have*

*not been generated by means of rights abuses abroad. [...] There is no requirement that the parent corporation intended such abuses to be committed.*<sup>94</sup>

The Partner Shipyard case offers some strong features which are exemplary for the situations discussed in the Ryngaert article. The flagrant human rights violations in combination with the apparent knowledge (and in some instances, even direct involvement) of Dutch companies could trigger the attention of Dutch law enforcers. The authors of this report wonder if the circumstances in this case should not at least give reason to consider the necessity of commencing broad investigations regarding the role of Dutch companies in the economic exploitation of the DPRK workers abroad. Moreover, the companies could be vulnerable to a civil claim, in so far as they knew or should have known about forced DPRK labour in their supply chain and purposely or negligently failed to take adequate measures. Time will show whether the Partner Shipyard case will prove to be another groundbreaking precedent of holding Dutch corporations accountable for serious human rights violations committed abroad.





## CHAPTER 2

### SURVEILLANCE AND LONG HOURS: NORTH KOREAN WORKERS IN RUSSIA

#### INTRODUCTION

North Korean workers have been present in Russia for decades.<sup>95</sup> Soviet Russia fulfilled the role of strategic economic partner immediately following the establishment of the Democratic People's Republic of Korea although this role has diminished significantly since the collapse of the Soviet Union.<sup>96</sup> Nevertheless, Russia still plays a major role in sustaining the dispatch of these workers and allowing facilitators to generate hard (foreign) currency for the benefit of the North Korean regime.<sup>97</sup>

The Russian–North Korean economic relationship is one of the few aspects of North Korean studies that have been relatively well–documented. For example, analysing official documents from governments and companies and adding verification from Russian individuals experienced in this particular field, Liudmilla Zakharova offers a detailed view on the development of economic ties between the two countries. Increasingly, the issue of North Korean workers in Russia is also finding its way into mainstream English–language media. In late 2011, CNN published an online piece detailing the harsh working conditions these labourers faced in Siberia, Russia, basing their conclusions on VICE video material released earlier that year. The VICE video material was taken from VICE's own extensive documentary

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<sup>95</sup> Chan Hong Park, *Conditions of Labor and Human Rights: North Korean Overseas Labors in Russia* (Seoul: NKDB, 2016), 18.

<sup>96</sup> Liudmila Zakharova, "Economic cooperation between Russia and North Korea: New goals and new approaches," *Journal of Eurasian Studies* 7 (2016): 151.

<sup>97</sup> Chan Hong Park. *Conditions of Labour and Human Rights: North Korean Overseas Labours in Russia* (Seoul: NKDB, 2016), 62.

series on the issue.<sup>98</sup> More recently, in November 2017, *The New York Times* published an extensive article documenting the situation of North Korean workers in Russia, revealing its primary conclusion in its title: ‘North Koreans in Russia Work ‘Basically in the Situation of Slaves.’’<sup>99</sup> The exploration in this article includes the fall of the rouble in value, and the consequent need for more roubles for a regime craving dollars, ending with a comment from a Russian diplomat stating that ‘it is much better here than in Pyongyang.’<sup>100</sup> *The Washington Post* published a similar story, headlining their article ‘How North Korea takes a cut from its workers abroad,’ emphasizing the financial dealings that impede North Korean workers from receiving the full extent of the salaries earned with their labour. However, how this practice has materialised in historical context remains elusive in these accounts.

One contrasting exploration is found in an article in *Le Monde Diplomatique*. This article relies on the expertise of a historian from Valdivostok, Larisa Zabrovskaya. According to Zabrovskaya there were multiple waves of North Korean immigrants during the 20<sup>th</sup> century that were sent to Russia. Zabrovskaya states that the first wave emerged at the end of World War II when the liberation of Korea took place. This was the time when North Korean workers were needed in the Soviet Union’s fish-treatment factories. The second wave took place after a meeting between Leonid Brezhnev and Kim Ilŏng in Vladivostok in 1966, where they decided to send more workers to work on logging in timber camps.<sup>101</sup> And only very recently, Russia and North Korea have once again deepened their bilateral relations with the implementation of a so called ‘labour immigration agreement.’<sup>102</sup>

Although the economic side of North Korean–Russian relations has been discussed in academic literature, major explorations of North Korean forced labour in Russia remain largely absent. Few studies are as extensive as those provided by the Database Center for North Korean Human Rights (NKDB), and academic literature such as this can often remain divisive as it relies heavily on a human rights perspective. This chapter attempts to address the structural foundations of North Korean forced labour in practice by establishing a broad data query and subsequently contextualizing the findings. In doing so, it attempts to add to research on this

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<sup>98</sup> Shane Smith, “North Korean Labor Camps,” *Vice*, December 12, 2011, [https://www.vice.com/en\\_us/article/kwnw3w/north-korean-labor-camps-part-1](https://www.vice.com/en_us/article/kwnw3w/north-korean-labor-camps-part-1).

<sup>99</sup> Andrew Higgins, ‘North Koreans in Russia Work ‘Basically in the Situation of Slaves’,’ *The New York Times*, 11 July 2017, <https://www.nytimes.com/2017/07/11/world/europe/north-korea-russia-migrants.html>.

<sup>100</sup> Ibid.

<sup>101</sup> Alain Devalpo, “North Korean Slaves,” *Le Monde Diplomatique*, April 8, 2006, <https://mondediplo.com/2006/04/08koreanworkers>.

<sup>102</sup> Elizabeth Shim, “Russia, North Korea sign ‘labor immigration’ accord,” *UPI*, March 27, 2017, <https://www.upi.com/Russia-North-Korea-sign-labor-immigration-accord/4261490633465/>.

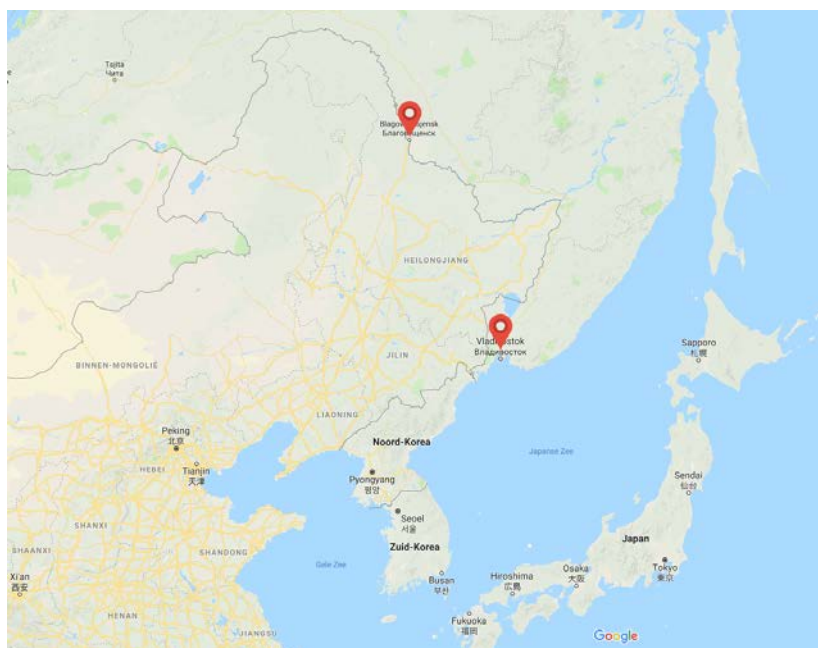
specific issue, within its geographical scope, and contribute to a deeper understanding of a, regrettably, underdeveloped field.

This chapter focuses its analysis on information gleaned from raw video footage taken in Russia by a team of investigative journalists working on a documentary on North Korean forced labour named *Dollar Heroes*. The material included here is significant for it has been analysed by the research team in its raw, unedited form, allowing the researchers to cover both the visual and audio material and place the findings in the context explored above.

## METHODOLOGY

The findings presented in this chapter rely on an exploration of visual material recorded in multiple locations in Russia. Using a visual analysis approach, the researcher explores raw video material received from the team of investigative journalists involved in the making of the *Dollar Heroes* documentary. Supplementing the visual analysis, the researcher also explores existing testimonies and literature on the topic.

The video material (raw footage) was recorded in 2017. The language of the audio was mainly Korean, Russian and English. Preliminary translations of the recorded material accompanied the data. The researcher updated and modified translations where this was deemed necessary for the clarity of the analysis. In total, the analysis includes 270 minutes (or 4 hours and 30 minutes) of raw video footage taken in the Russian city Blagoveshchensk, a developing city near the Sino–Russian border. In addition to this footage, the analysis includes 1431



minutes (or 23 hours and 51 minutes) of raw video footage taken in the Russian city Vladivostok, a harbour city located closely to North Korea and Japan.

*Figure 1: Locations Blagoveshchensk and Vladivostok*

Regretfully, a large section of the footage recorded in Vladivostok was not intelligible due to static noise. These sections were not included in the analysis of the audio material, but were left intact for the analysis of the video material, and have been included in the analysis in this chapter. The footage of Blagoveshchensk consisted primarily of interviews with North Korean workers and a defector. The footage taken in Vladivostok consisted mostly of North Korean buildings and included sightings of North Korean labourers working on construction sites. The footage was taken by a team of (undercover) investigative journalists. The research team received this footage in its original and unedited format. The data was stored on an offline drive and was processed using a separate device used solely for the purpose of analysis.

Following the findings from the analysis, the visual material and audio material gleaned from the raw footage was placed in the broader context of forced North Korean labour in Russia. One of the books used in this contextualization was published by the Database Center for North Korean Human Rights titled: 'Conditions of Labour and Human Rights: North Korean Overseas Labourers in Russia' (2016). This particular volume contains a large body of transliterated, transcribed, and translated testimonies and interviews from (former) North Korean overseas labourers. Additional literature used in the processing of the material is referenced when necessary.

The material was coded on the basis of relevancy to the analytical categories constructed after initial sampling. Recurring themes were noted and placed in individual nodes. The researcher consequently joined similar nodes and constructed five analytical categories: decision-making, family, financial resources (money), surveillance, and the emulation of existing and documented North Korean forced labour structures. Although there is strong overlap between different nodes, for practical reasons the categories have been ordered by theme, and explored separately below.

All the workers interviewed are referred to as 'witnesses.' All of the witnesses are men, and all of them are or have been construction workers during their tenure in overseas North Korean work sites in Russia. The following is a list of the witnesses covered in the analysis:

- Witness A is a former North Korean labourer who worked in Blagoveshchensk on construction sites. He defected around 2015.
- Witness B is a North Korean labourer working in Blagoveshchensk. During research in Blagoveshchensk the *Dollar Heroes* team came across him while he was working.
- Witness C is a former North Korean labourer who defected. He worked in Vladivostok.
- Witness D is a North Korean labourer in Vladivostok currently working on construction sites.
- Witness E is a North Korea labourer in Vladivostok. It is not clear whether he defected or not.
- Witness F is a North Korean labourer in Vladivostok who was working on the inside of an unfinished building when he was approached.
- Witness G is a former North Korean labourer who worked in Siberia (still during the Soviet–Union) as a truck driver in a logging camp. He defected in 2005 to South Korea and brought his family with him. He appears uncensored on the documentary because he is not afraid that his family will get hurt, since they are not in North Korea anymore.
- Witness H is a North Korean labourer in Vladivostok. He was hired by undercover journalists to renovate a building they rented.

For safety and consistency, the identities of the individuals have been anonymized. Their names are not given, and their locations generalised. Identifying characteristics such as age and surname have been purposefully left out of the analysis.

### **GOING OVERSEAS: DECISION–MAKING PROCESS**

There are several factors that influence the decision–making process of North Korean workers. By no means is the decision necessarily passive, and the promises that accompany working abroad are attractive, especially if the reality of work is not known to those being sent. In addition, the imperative to go abroad intensifies when the conditions at home have become untenable. The decision–making process is therefore complex and cannot be generalised without risking a certain degree of semantic abbreviation. Nevertheless, in the exploration of narratives this remains necessary, the following two witnesses to offer a glimpse into the main

motivators for applying for work abroad, and for transferring from one location to another when working conditions become thusly severe that workers run a high risk of losing their lives.

Witness A, abbreviated as ‘A’ in the following section, falls in the previous category by wanting to leave North Korea himself. Emphasizing that he believes survival is unlikely in his home country, ‘A’ states in his testimony that he voluntarily wanted to leave North Korea to go work abroad:

I couldn't survive in North Korea. During my vacation, my last time in North Korea, they gave each person seven kg of potatoes for a month to survive. Seven kilograms of potatoes! I eat one meal a day, and the food is all gone!<sup>103</sup>

In further explanation with regard to the motivating factor in his move abroad, ‘A’ describes the dysfunctional food distribution system in North Korea claiming that citizens were given seven kilos of potatoes. This ration was supposedly for one month. In order to facilitate his working abroad, ‘A’ asserts that he had to pay money to go to Russia. He did so and ended up paying around \$250 USD to be allowed to work abroad.<sup>104</sup>

Witness G (‘G’) stated that he wanted to work abroad because his family was very poor. The motivating factor in his application to work in Russia is because he personally felt the need to do something about his and his family’s situation. After arriving in Russia and working there for a period, ‘G’ became disillusioned. His living facilities were severely inadequate, and ‘G’ claims that the place where he slept was so cold that he cried because of his intense longing for a heater. His working conditions did not far exceed the egregiousness of his living conditions according to ‘G,’ stating that he had seen many people die in his work place.<sup>105</sup>

When arriving on their designated location labourers are unable to choose their own workplace, nor are they granted the freedom to choose a living space, or the weight of their personal workload. Labourers also are able to bribe their way into a transfer. This is done for various reasons, most often to get assigned to a worksite that has better living or working conditions, or when possible, both.<sup>106</sup>

In conclusion, the driving force to leave North Korea seems to be because they could not stay in North Korea anymore due to circumstances. Some want a better life for their families back in North Korea, others because of their will to survive.

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<sup>103</sup> Raw footage Blagoveshchensk video 2, 01:41:17:22 – 01:41:42:04.

<sup>104</sup> Raw footage Blagoveshchensk video 2, 01:41:49:10 – 01:42:42:06.

<sup>105</sup> *Dollar Heroes*, The Why Foundation, 2018, 3:25 – 5:18

<sup>106</sup> Park, *North Korean Overseas Labours in Russia*, 143.

## THE FAMILY AS LEVERAGE

Eligibility for working overseas is not a path open for every North Korean citizen. According to earlier research, North Korean workers sent abroad primarily consist of those who are married and have a family. Family members remain in North Korea during their stay abroad. Although the reason behind this particular criterium remains unformulated in official documentation in North Korea, witness testimonies have highlighted the responsibility constructed by familial bonds as a practicable tool of governance over overseas workers. This position has been formulated in earlier research as well as contemporary research.<sup>107</sup>

The importance of these family bonds is confirmed by Witness H ('H'), who stated that: 'If I didn't have a family, I would not return.'

Working conditions, however harsh, frequently meet higher standards than conditions found at home. Similarly, the pay in foreign countries is higher and the promise of foreign currency is alluring. 'H' adds that the conditions he is in currently in, in Russia, are qualitatively of higher standard than they are back in North Korea.<sup>108</sup>

During his testimony, 'A' expresses his personal concern about his family multiple times in a similar fashion as 'H.' His family is still residing in North Korea. 'A' has made the decision to leave his workplace in Russia, and has chosen to defect. According to him, the only reason his family remains alive is because he is considered a missing person: 'But if they learn I'm living like this in Russia, my whole family would probably be killed.'<sup>109</sup>

He hopes they can reunite with them one day in South Korea. This emphasizes the importance of family as a criterium for working abroad. 'A' is aware of the consequences of his decision to defect, and realizes that his family is effectively being used as leverage by the authorities back in North Korea.

In his consideration towards other workers and reasoning the possibility of defecting from their perspective, 'A' shows a clear awareness of the magnitude of the choice. The reason, according to 'A,' that not a lot of workers around him have also defected is that most workers in the forestry and construction companies are 'simple country folk.' These 'folks' are mostly from South Pyongan Province and Hwanghae Province in North Korea.<sup>110</sup> 'A' is implying that

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<sup>107</sup> Park, *North Korean Overseas Labours in Russia*, 102.

<sup>108</sup> *Dollar Heroes*, The Why Foundation, 2018, 19:17 – 20:20

<sup>109</sup> Raw footage Blagoveshchensk video 2, 00:35:26:06 – 00:35:41:08

<sup>110</sup> Raw footage Blagoveshchensk video 2, 00:47:48:17 – 00:48:14:19

these workers are unlikely to make such a big decision or even imagine the possibility of defecting.<sup>111</sup>

In conclusion, the family the workers have in North Korea play a huge role in whether they can or want to defect or not. ‘A’ made the decision to defect, leaving his family behind in North Korea. As stated above, he worries about them and he hopes to be reunited with them in the future in South Korea. Through these testimonies it becomes clear that having a family in North Korea is used as a form of leverage to prevent the workers from leaving their work place and defecting. As a result, these workers remain under the effective control of the North Korean authorities, even if they are abroad.

### **PROMISES OF MONEY**

The workers are sent abroad in order to earn money for the regime. Not all workers are aware of the way they will earn money for themselves and how much they will actually be able to keep for themselves.

Upon his initial arrival in Russia, ‘G’ was optimistic about new opportunities. When he was according to ‘G,’ he eventually found out that the fruits of his work were being channelled into different directions than towards himself. He tells that he eventually found out after a period of working in Russia, that he was being exploited by the government. At the start of his tenure at his new workplace, he was not aware that there was something like minimum wages in Russia.<sup>112</sup> In Russia workers are supposed to earn minimum wage, which is 9489 roubles a month (approximately \$168 USD<sup>113</sup>).<sup>114</sup> Calculating back, ‘G’ states that he was only receiving 7% of his total salary, adding that the largest part of his earnings went to North Korea. This was a mandatory arrangement, as ‘G’ tells that a few other labourers asked their Russian employers if they could pay them directly. This did not go by unnoticed to the present authorities, however, and those who requested direct payment were sent to camps and were subsequently accused of treason.<sup>115</sup> The case ‘G’ presents is not an isolated phenomenon, as ‘A’ suggests.

‘A’ states that every labourer is mandated to earn, and is required to ‘give,’ between 200,000 and 250,000 won (approximately \$200) to the North Korean government, each week.

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<sup>111</sup> Raw footage Blagoveshchensk video 2, 00:48:25:11 – 00:48:39:10

<sup>112</sup> *Dollar Heroes*, The Why Foundation, 2018, 03:52 – 04:10

<sup>113</sup> €135. “XE Currency Converter,” XE, accessed February 4, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

<sup>114</sup> “Putin Vows To Raise Russian Minimum Wage On May 1,” RadioFreeEurope RadioLiberty, 10 January 2018, accessed 2 February 2018, <https://www.rferl.org/a/putin-vows-to-raise-minimum-wage/28967551.html>.

<sup>115</sup> *Dollar Heroes*, The Why Foundation, 2018, 04:13 – 14:20



Failure is not permitted, and if workers are unable fulfil this task, they are immediately sent back to North Korea. This is not a group effort, and each worker must earn \$200 per week, individually, for the purposes of the North Korean authorities.<sup>116</sup> ‘A’ says that earning money was the hardest part of his job. He sometimes would have to work from 6AM in the morning until 4AM the next morning in order to earn a sufficient amount.

I'd have to work until 4am. Because I had to pay my contribution to the company, and the rest I kept. I'd have to work a lot to make any money. If I didn't work a lot, I could not save after paying contribution.<sup>117</sup> [...] Working from 6am to 4am just to pay contributions to the North and earn money. Working to death like that is hard.<sup>118</sup>

This naturally resulted in him suffering extreme sleep deprivation. This scenario is, however, not necessarily applicable to all workers as in some cases workers do not receive money at all.

When a worker cannot reach the minimum of \$200 each week they are sent back to North Korea.<sup>119</sup> There is also another option, which is having to work on a specific building without getting paid. This specific building was known as *Novaya*. If people could not pay the quota they were ordered there. This was not limited to workers who were unable to meet their quota in a specific week. Workers who did reach their minimum quota but had worked outside ‘regular’ hours were also sent to work on this building, usually in the weekend, and also without getting paid.<sup>120</sup> ‘A’ was also required to work in this building for five hours each Saturday and each Sunday without getting paid.<sup>121</sup>

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<sup>116</sup> Raw footage Blagoveshchensk video 2, 00:29:32:13 – 00:29:48:07

<sup>117</sup> Raw footage Blagoveshchensk video 2, 00:17:24:24 – 00:17:38:14

<sup>118</sup> Raw footage Blagoveshchensk video 2, 00:54:37:23– 00:54:48:05

<sup>119</sup> Raw footage Blagoveshchensk video 2, 00:30:09:18 – 00:30:15:02

<sup>120</sup> Raw footage Blagoveshchensk video 2, 00:56:12:20 – 00:58:01:12

<sup>121</sup> Raw footage Blagoveshchensk video 2, 00:58:06:14 – 00:58:17:14



*Figure 2: Novaya taken from the raw footage in Blagoveshchensk*

Nevertheless, ‘A’ was able to take vacations back to North Korea to go back to his family. In order to do so, however, ‘A’ had to send in his contributions for the months he would be on leave. In other words, workers like ‘A’ were able to take leave and visit North Korea, but were not paid to do so. In fact, workers have to earn enough money and accumulate enough funds to meet the quotas of the working days they are missing to be able to pay for their absence.<sup>122</sup>

Witness C (‘C’) stated that the money earned in Russia is kept by North Korean officers and that the workers only received food coupons for the fulfilment of their most basic needs.<sup>123</sup> Witness D (‘D’) adds that some workers earn \$50 per month, some \$100 per month, but that there are also workers who do not earn anything. A significant number of these workers even go back to North Korea in debt. They do not much because their salary is going to the regime, and if these workers cannot fulfil the minimum quota that is required they are routinely sent back to North Korea. The minimum quota is not a fixed amount, and rises annually.

According to ‘D,’ workers that were sent to Russia ten years ago were obliged to earn 15.000 roubles to send back to North Korea (this is approximately \$265 USD<sup>124</sup>). This amount

<sup>122</sup> Raw footage Blagoveshchensk video 2, 00:30:23:01 – 00:30:53:15

<sup>123</sup> Dollar Heroes, The Why Foundation, 2018, 15:45 – 16:55

<sup>124</sup> Approximately €213 EUR. “XE Currency Converter,” XE, accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

was to be earned on a monthly basis. The quota has doubled in the past ten years, and now he has to send 30.000 roubles (approximately \$530 USD<sup>125</sup>) back every month. ‘D’ predicts that the minimum quota will likely rise to 50.000 rouble (approximately \$883 USD<sup>126</sup>) within the year. If this development takes place, workers will have to earn more than 70.000 rouble (approximately \$1236 USD<sup>127</sup>) to be able to save and send some money back to their families back home. This is almost twice as much as the average Russian worker earns per month.<sup>128</sup> Although this system of allocation seems to be fixed, the amount is not.

‘H,’ for example, has stated that he has to earn at least 100.000 rouble (approximately \$1,767 USD<sup>129</sup>) if he wants to allow himself some financial leeway and to be able to send some money back to his family in North Korea.<sup>130</sup> This is double the minimum that other workers in different locations in Russia have to earn. How these labourers earn additional money for personal purposes differs from their regular work. Witness E (‘E’) states that in the evening after they finish their work, some workers would go on to work on other construction sites for Russian employers. They did so in order to earn extra money for themselves. They would go there to work the whole night until the morning. According to ‘E’ this is considered personal income.<sup>131</sup> The severity of workers’ long hours is highlighted in these testimonies. Regarding their regular work hours as outside of personal income, workers are forced to relocate additional hours to other locations, supplementing their meagre earnings by making extremely long hours.

‘A’ states that North Korean labourers usually wake up at 6AM in the morning, start working at 7 AM in the morning and end their regular shifts at 9PM or 10PM in the evening. These regular shifts are on average 14 to 16 hours per day. When workers are unable to finish the task at hand, however, they are forced to work until 12AM or even 1AM. It was also possible that shifts continued throughout the night.

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<sup>125</sup> Approximately €425 EUR. “XE Currency Converter,” XE, accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

<sup>126</sup> Approximately €709 EUR. “XE Currency Converter,” XE, accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

<sup>127</sup> Approximately €992 EUR. “XE Currency Converter,” XE, accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

<sup>128</sup> *Dollar Heroes*, The Why Foundation, 2018, 7:07 – 18:09.

<sup>129</sup> Approximately €1418 EUR. “XE Currency Converter,” XE, accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=15000&From=RUB&To=USD>.

<sup>130</sup> *Dollar Heroes*, The Why Foundation, 2018, 19:17 – 20:20.

<sup>131</sup> *Dollar Heroes*, The Why Foundation, 2018, 18:20 – 18:53

*Figure 3: North Korean labourer (taken from raw footage in Vladivostok)*



*Figure 4: North Korean labourers working on a roof (taken from raw footage in Vladivostok)*

On top of their regular shifts, workers added additional hours at other locations to earn money for themselves. ‘A’ exemplifies this by adding that he sometimes worked until 4AM in the morning in order to earn money. He states that he had to work a lot in order to save enough money for himself.

The minimum amount of money workers have to send to the North Korean authorities varies depending of the work site and the city the workers are living in. However, from their testimonies it is clear that is increasingly difficult to earn money to send back to their family,

or even save money for themselves to be able to afford a vacation back to North Korea. The working hours are exceedingly long and it is not exceptional that workers work deep into the night to earn sufficient funds for themselves to subsist.

## **SURVEILLANCE OF THE WORKERS**

There was a rise in North Korean labourers who escaped from their work place around 1996 or 1997 according research from the NKDB. Their findings were based on defector testimonies. This development took place during the time that there was also extreme famine in the DPRK due to stringent economic problems and the collapse of the domestic food distribution system.<sup>132</sup> Workers who were working abroad during this time started leaving their own work places to earn money elsewhere, often in other projects on the side. During the early stages of this development this did not seem to form an impediment for the authorities in charge. This position has changed somewhat in contemporary times.

After several companies started suffering from the large number of North Korean labourers leaving their regular work, a crackdown started. It has been confirmed that around 1997 the North Korean authorities and the Russian police started cooperating and the arrests of defecting North Korean labourers began. The money they earned with their labour was taken, and the Russian authorities started sending the captured workers back to North Korea.<sup>133</sup> The number of escapees decreased mid-2000s when the State Security Department of the union enterprise organized their own inspection team.<sup>134</sup> Since then, strict surveillance on North Korean workers abroad has continued in this form.

During the visit to Blagoveshchensk, the investigative team located and approached a 'Korean looking man' (Witness B, or 'B') working on a construction site. After asking him about his background, it was confirmed that he was indeed a North Korean worker.<sup>135</sup> After being asked what he was doing there, 'B' told the team he came to Russia three years ago to work on construction. He was asked him if he was earning money with his work in Russia, to which he replied that he really did not. 'B' had come to Russia because he thought that he would earn money.<sup>136</sup> After talking only a few minutes with 'B', he received a phone call. During the call 'B' was apparently asked who he was talking with. 'B' replied that he will tell them to go

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<sup>132</sup> Park, North Korean Overseas Labours in Russia, 232

<sup>133</sup> Park, North Korean Overseas Labours in Russia, 232.

<sup>134</sup> Park, North Korean Overseas Labours in Russia, 233.

<sup>135</sup> Raw footage Blagoveshchensk, video 3, 02:54:54:00 – 02:55:23:07

<sup>136</sup> Raw footage Blagoveshchensk, video 3, 03:00:00:10 – 03:00:13:06

away ('keep walking'). After the call ended, the interviewer asked him if they could continue their conversation another time. 'B' replied that they were being watched from somewhere, implying that he was not able to do so. It is apparent from this footage that there is some form of surveillance present that keeps tabs on the workers, around the clock.

The next morning, at 7AM, three people knocked on the door of the research team. These were a policeman and two civil servants from the immigration office. Stating that they were there because the home owner did not notify the authorities of the presence of foreigners, they took the research team to a mandatory registration of foreigners. Their passports were taken off of their person. Surprisingly, their memory cards and USB-sticks were also confiscated. After being registered and claiming that this was routine work, the team members received their passports back. The research team was now registered. Placing the timing of the 'routine' check-up and the confiscation of the team's memory cards and USB-sticks within the historical context of cooperative surveillance strongly points towards a continued symbiotic relationship between North Korean overseers and Russian authorities. A different approach was taken in Vladivostok to avoid a similar situation.

In Vladivostok, the team went undercover as investors looking to buy property. When they walk into a building they approach Witness F ('F') and ask him several questions. However, in similar function as the phone-call in Blagoveshchensk, a North Korean foreman arrives and asks the team what they are doing at the location.<sup>137</sup> Replying that they were there to view the location as potential buyers, the North Korean foreman aggressively states that they are in the wrong location and that buyers are supposed to be elsewhere.

Within its historical context the surveillance of North Korean workers in Russia seems to be a continuance of the developments that took place around 1997 following the famine in North Korea in the same period. The surveillance as described in Blagoveshchensk shows a continuance of the earlier cooperative framework found between Russian and North Korean authorities. To what extent this is still structurally implemented and enacted requires further investigation, yet the confiscation of possible video and audio material hints strongly at the volition of exploiters in continuing the practice of forced North Korean labour in the city. Similarly, in Vladivostok, a foreman takes on the role of supervising authority, stepping in to prevent engagement. Regardless of the position of the research team as either tourist or investor, contact with North Korean workers is emphatically undesirable from the perspective of North Korean authorities present at the work location. This is reaffirmed by their inevitable presence

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<sup>137</sup> *Dollar Heroes*, The Why Foundation, 2018, 14:35 – 15:32

at the work sites and assertive attitude in practicing surveillance and preventing possible contact.

### **EXPORTING THE NORTH KOREAN SYSTEM ABROAD**

As presented in the findings contained in the last report ‘Slaves to the System, North Korean Forced Labour in the European Union: the Polish Case,’ it is evident that a characteristic of North Korean overseas labour is that of exportation of the domestic system of the DPRK.<sup>138</sup> Despite the fact that this case concerns Russia and that the previous findings were based on the Polish cases, it seems that this still holds true in the analysis provided in this chapter. In fact, the Russian cases reinforce the argument that the systematic export of the existing DPRK system is prevalent in the practice of forced labour abroad.

The team visited one of the living quarters, or barracks, of the North Korean workers In Vladivostok. They did this after the North Korean labourers went off to work. The team discovered several points of interest, namely North Korean propaganda and North Korean newspapers. Even the walls are filled with slogans written in Han’gŭl.<sup>139</sup> Slogans like ‘Let’s press/push for the victorious advance of socialism with/through the great power of our own strenuous efforts!’ and ‘Serving for the people!’ are omnipresent in their living quarters.

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<sup>138</sup> Remco Breuker and Imke van Gardingen, *Slaves to the System North Korean Forced Labour in the European Union: the Polish Case* (Leiden: LeidenAsiaCentre Press, 2017), 76.

<sup>139</sup> *Dollar Heroes*, The Why Foundation, 2018, 20:40 – 21:33





Figure 5: Inside the barrack (taken from raw footage in Vladivostok)



Figure 6: Inside the barrack (taken from raw footage in Vladivostok)





*Figure 7: Inside the barrack (taken from raw footage in Vladivostok)*

Not only were the living quarters designed to specifically emulate North Korean conditions with regard to news and media outlets and propaganda props, the duplication of the regulatory system was expressed in behavioural conditioning through ritual as well. In North Korea, there are so-called ‘Saturday Weekly Criticism Sessions.’<sup>140</sup> As the name suggests, these sessions are held every week on Saturday, and according to ‘A’ these sessions are also conducted in Russia systematically. In these sessions workers have to criticise both themselves, and other workers. According to ‘A’ this is routine practice, and workers are trained in the critical assessment of what they perceive as ‘mistakes.’<sup>141</sup>

Although these sessions are also being conducted in the Russian context, there are differences between these sessions and those taking place in North Korea, according to ‘A’. Most significantly, the issue of money is centralised in sessions taking place in Russia. This is expressed in the workers’ critical self-assessment. Sessions in Russia are filled with critiques such as ‘I must earn lots of money to contribute to the North, but I could not,’ and ‘I’ll be a devoted worker to my country!’ These comments are repeated frequently throughout the sessions. From the perspective of effective governance and surveillance, the function of these sessions is similar to its function domestically within the North Korean context. Missing a session either means defection, or that a person has gone missing.

<sup>140</sup> Raw footage Blagoveshchensk video 2, 01:43:54:02– 01:43:57:18.

<sup>141</sup> Raw footage Blagoveshchensk video 2, 00:50:16:00 – 00:51:13:12.

It is apparent that when North Korean labourers are sent overseas, the DPRK system follows. Whether this consists of weekly criticism sessions they have to attend, or the replication of propaganda and news in the places they live and eat in.

## **CONCLUSION**

Largely absent from academic literature, explorations concerning North Korean forced labour practices in Russia remain underdeveloped. This is regretful, as this makes investigations reliant on the few extensive documentations available. This chapter attempts to contribute to this body of work by exploring visual and audio material gathered in Russia, for the purpose of delving deeper into the issue where possible. The findings presented here cover the Russian cities Vladivostok and Blagoveshchensk, both located in the eastern part of Russia.

Their presence in Russia is not necessarily involuntary. Moving to Russia for work is in fact frequently an assertive attempt at bettering personal living conditions, as these workers find conditions in their home country intolerable. Nevertheless, the governance of their time and labour is exported with them across the North Korean border. Leaving their families behind, the workers are unable to defect on location without making a great personal sacrifice. In addition to their families serving as leverage for obedience, strict surveillance is practiced to prevent these workers from coming into contact with undesirable elements.

Unlike the promise of more money however, workers often make too little to save or send back to their families and are forced to make long hours in their regular shifts, topping these shifts off with extreme hours in different locations to be able to save some money for themselves. Working deep into the night and starting early in the morning, these shifts lead to sleep deprivation. Disregarding this situation, workers are required by the present North Korean authorities to earn a minimum quota. These quotas differ per location and per work place, yet are significantly higher than they earn in their regular shifts, forcing them into a vicious circle of overtime. Taking a break from work is possible, but this in turn also requires a worker to buy off the minimum quota for the time spent away.

Together with mandatory weekly self-criticism sessions and a strictly regulated living environment means these workers have few freedoms they can enjoy. The export of this system across the North Korean border is significant, for it has now been confirmed in cases across a wide geographical range. The simple conclusion that North Korean forced labour follows this regimented pattern, especially in contemporary times, highlights the persistence of forced

labour conditions across work places. Emphasizing this perspective, it necessary to conclude that unless this system is externally broached, these harsh conditions will find repetition across the globe in any place willing to exploit the cheap labour offered by North Korea.

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## CHAPTER 3

### UNCOVERING NORTH KOREAN FORCED LABOUR IN AFRICA:

#### TOWARDS A RESEARCH FRAMEWORK



*Figure 1: The African Renaissance Monument, Wikimedia Commons*

On the quietly sloping shores of Dakar, where the red Senegalese earth and the bemused blue Atlantic Ocean meet, stands the vigorous African Renaissance Monument. With an imposing height of nearly fifty meters, the bronze statue depicts a man, a woman and a baby dressed in simple cloth, emerging from a mountain top. Officially opened in 2010, the monument celebrates fifty years of Senegalese independence from France, and, to larger extent, the new era of a truly African renaissance. But at the same time, it is a compelling yet controversial testimony to the fact that the Democratic People's Republic of Korea (DPRK) has been active in the continent for decades. The African Renaissance Monument is built by Mansudae Overseas Projects (MOP), a North Korean regime-owned company using forced labour, and it signals a wider development within the continent.

The footprints of the North Korean influence can be found all over the Africa, most clearly in the form of monuments, museums and government buildings constructed by forced labourers. Such prominent projects are potent symbols of African nationalism while they simultaneously adopt the socialist realist visual style that is predominant in Pyongyang, the capitol of the DPRK. It makes them highly recognizable markers – less visible, however, is the forced labour that precedes the joyful opening of a new monument, museum or government building. The previous report of our research team has highlighted the case of North Korean forced labour in Europe – now it is time to uncover similar practices in Africa.<sup>142</sup>

Since the scrutiny of North Korean forced labour in Africa is in its early stage, the main purpose of this chapter is to sketch a framework for future research. First, it is vital to understand the historical context of North Korean activities in Africa. The seeds of the fruitful cooperation between the DPRK and African countries were sown during the liberation struggles that raged across the continent between the 1960s and 1990s. The subsequent paragraph embraces a single case study, namely Zimbabwe, to highlight this relationship. Finally, the foundations for a research framework are laid out in the third part, with special attention to methodology and sources. A number of preliminary findings serve as a conclusion.

## **NORTH KOREA IN AFRICA**

It is vital to stress the roots of DPRK–Africa relations because the historical context shapes these contemporary connections. In the aftermath of World War II, Africa rapidly decolonized and increasingly became a battle field of the emerging Cold War. Meanwhile, the Korean War of 1950–1953 consolidated the division between South and North Korea, and both nations ventured into the world while competing in a quest for new alliances. The DPRK supported various African nationalist movements in their fight for autonomy and in many cases, these movements form the governments in present–day independent nations.<sup>143</sup>

The DPRK–support for African nationalist movements may have three reasons. First, it could be seen as an investment in the future. Whenever these independence movements were able to realize their ideals of an independent state, a new ally joined the international arena of

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<sup>142</sup> Remco Breuker and Imke van Gardingen. *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*. Leiden: LeidenAsiaCentre, 2017.

<sup>143</sup> The transformation of (armed) liberation movements into political parties in Africa has a significant impact on contemporary political culture. In many African countries, the liberation movements of pre–independent times continue to dominate the national government up until today. Henning Melber wrote extensively on this issue for the case of southern Africa, see Henning Melber. ‘Southern African liberation movements as governments and the limits to liberation.’ *Review of African Political Economy* 36, no. 121 (2009): 451–459.

nation states. This would also provide new export markets for weapons, technology, training services and construction opportunities. As a result, North Korea's international position was strengthened, especially from the viewpoint of the inter-Korean competition between South and North Korea. Secondly, these efforts fit into the foreign policy of the DPRK. North Korea's ambitions of a reunified Korean peninsula, removal of US forces in Korea, state recognition and economic goals 'were more likely to be achieved with the broadest possible international support,' as Andrea Berger stresses.<sup>144</sup> In addition, the anti-imperialist struggle and socialist ideals were shared goals of the leaders of African independence movements and North Korea.<sup>145</sup> There is certainly an ideological dimension to these forms of aid.

Thirdly, the strengthening of bilateral relations suits into the domestic propaganda of the North Korean regime. Official news reports of North Korea regularly showcase the long-standing ties with the African continent. Clearly, these international links are important to the campaign surrounding the Kim dynasty, as they recount how Kim Il Sung taught and inspired the African peoples to break the shackles of colonialism and white settler rule. State-owned media report events in Algeria, Mozambique, Zimbabwe, Uganda, Namibia, Angola, Egypt, Togo, Tanzania, Guinea, Benin, Ethiopia, Rwanda, Zambia, Burkina Faso, the Seychelles, Nigeria, the Democratic Republic of Congo, Ghana, Equatorial Guinea, and Senegal. Recurring themes are the meetings between African leaders and Kim Il Sung and the offered military assistance, inspiration and guidance during the struggles for independence.<sup>146</sup>

Information on DPRK-African relations is readily available through an eclectic mix of United Nations reports, journal articles and books, news reports, (African) archival sources and working papers of think tanks, NGOs, etc. A comprehensive and continental overview (purely focusing on African affairs) is not yet available however. Therefore, efforts are being made to establish an open access database on bilateral relations between African countries and North Korea. Three categories are covered: diplomatic ties, military cooperation and construction work executed by North Korean forced labourers. The database is currently in development and hosted by the African Studies Centre Leiden. Below, a preamble is provided for each category. Details can be found on [www.northkoreainafrika.com](http://www.northkoreainafrika.com).<sup>147</sup>

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<sup>144</sup> Andrea Berger. *Target markets: North Korea's military customers in the sanctions era*. Oxford: Taylor & Francis, 2016, 13.

<sup>145</sup> Ibidem, 13–14.

<sup>146</sup> Pyongyang Times, 'Immortal contributions to the African countries' struggle for national liberation and society building,' April 18, 2017; KCNA.kp, 'Kim Il Sung 's Feats for Human Cause of Independence Praised by World Progressives', July 5, 2017. The database 'KCNA Watch' contains hundreds of articles related to Africa.

<sup>147</sup> I particularly want to thank Harro Westra for his invaluable help with the development of the database. The database is currently closed but will become open access in due time. If you have any suggestions or if you are

## DIPLOMATIC TIES

North Korea has friends all over Africa. Several of the most valuable bilateral ties were established during the various independence struggles in Africa of the second half of the twentieth century, when North Korea was in competition with South Korea for international recognition. Although many friendships are maintained up to this day, it is crucial to recognize the contextual differences in time and space. During the second half of the twentieth century, the DPRK was a different state than the ‘rogue, enemy state’ of today. It was only in the 1990s that the DPRK–system collapsed and a large–scale famine occurred. The first sanctions against the country were introduced in 2006, after the regime showcased its nuclear ambitions. The situation in the 1960s, when most relations with African nations began, was quite different.

Based on the available evidence, it can be assumed that around 25 African countries maintain(ed) ties with the DPRK. Ordinarily, diplomatic relations were established shortly after independence of the respective African countries. However, the origins can often be found in the pre–independence foreign policies of the African nationalist movements fighting for autonomy. This chapter is therefore most certainly a plea for bringing back the African agency in Cold War histories of the continent. A significant element in the fostering of diplomatic ties are the visits of African leaders to North Korea. The DPRK developed an ‘invitation–diplomacy’ whereby African leaders were regularly invited to Pyongyang.<sup>148</sup> In many cases these African leaders were not yet independent government officials and still acted as agents of their respective liberation movements. Nonetheless, they received a warm welcome in Pyongyang as esteemed statesmen in waiting. Banquets, speeches and tours around the capitol were often part of the program and must have left a lasting impression.

Several presidents of the first generation of independent African leaders were known to have visited Pyongyang prior to and after the achievement of national autonomy. A fitting example is Sam Nujoma, who visited Pyongyang several times in the 1980s in his capacity as president of the South West Africa’s People’s Organization (SWAPO), the most visible protagonist of Namibia’s independence struggle. Nujoma was accompanied by several high–ranking SWAPO–members and on one particular occasion even received a prestigious medal

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interested in accessing the database in its early stage, please send an e–mail to the address on the website [www.northkoreainfrica.com](http://www.northkoreainfrica.com).

<sup>148</sup> Sang–Seek Park. ‘Africa and two Koreas: a study of African non–alignment.’ *African Studies Review* 21, no. 1 (1978): 73–88.



from Kim Il Sung.<sup>149</sup> A few years later, in 1990, Nujoma became the first president of an independent Namibia and issued several large-scale construction projects by the North Korean company Mansudae Overseas Projects.



Figure 2: Sam Nujoma receives a medal of Kim Il Sung, Pyongyang, 1986. Photo courtesy of the National Archives of Namibia, number 13955.

Seretse Khama, the first president of Botswana, is an example of a political figure who visited Pyongyang after independence was received in 1966. Khama travelled to North Korea in 1976 (ten years after the establishment of diplomatic ties) and reportedly shocked his Asian counterparts with a provocative posture during a game of pool.<sup>150</sup> In other cases, successive leaders of the same country nurture diplomatic ties with Pyongyang. The Democratic Republic of Congo is illustrative. In 1974, Mobutu Sese Seko (by the then president of Zaire, as DR Congo was named) visited North Korea in 1974. Afterwards, his rhetoric became surprisingly similar to that of the DPRK.<sup>151</sup> The subsequent leaders of DR Congo, even though they were rivals of

<sup>149</sup> Tycho van der Hoog. 'North Korean monuments in southern Africa: legitimizing party rule through the National Heroes' Acres of Zimbabwe and Namibia' (MA thesis, Leiden University, 2017).

<sup>150</sup> Robert Rotberg. *Transformative political leadership: making a difference in the developing world*. Chicago: University of Chicago Press, 2012, 86.

<sup>151</sup> Berger, *Target Markets*, 85.

Mobutu, similarly maintained warm diplomatic relations, expressed in military cooperation and construction work involving forced labour. It shows that despite successive regime/leadership changes, the ties with North Korea remain close. The same can be observed in other countries.

As a result, North Korea has close connections to those in power in many African countries. Often, the first generation of independent African leaders were in office for a long time, in some cases several decades. It forms the firm basis for subsequent diplomatic initiatives, such as embassies, political support in international bodies such as the United Nations, and aid projects. However, the two most important money-making instruments are military cooperation and the export of forced labour.

### MILITARY COOPERATION

Again, the origins of North Korea's military activity in Africa lies within the decolonization of the continent. Berger argues that before 1990, military exports formed an important part of North Korea's foreign-policy strategy. It was willing to gift or sell discounted weapons to state and non-state customers all over the world, including 'revolutionary groups across Africa.'<sup>152</sup> Indeed, many liberation movements in Africa benefited from North Korean-made weaponry. SWAPO in Namibia, the Zimbabwe African National Union – Patriotic Front (ZANU–PF), the National Front for the Liberation of Angola (FNLA) and other liberation movements received weaponry and training.<sup>153</sup> The decades of decolonization were, in the words of Berger, the 'golden era' of North Korea's arms trade.<sup>154</sup> Assistance was often free of costs or sold at friendly rates.<sup>155</sup>

With the end of the Cold War, the golden age for North Korea's weapon export diminished. However, the country somewhat revived itself when it found a new market opportunity, namely its expertise on repairing outdated weapon systems. For instance, the Republic of Congo and Ethiopia bought spare parts for tanks made in the Soviet Union and Eastern Europe.<sup>156</sup> Pyongyang has few competitors in the market for its aged, communist-bloc weaponry.<sup>157</sup> In a similar vein, Pyongyang aids African countries with the development of plants

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<sup>152</sup> Ibidem, 4.

<sup>153</sup> Hoog, van der, 'North Korean monuments'; Berger, *Target Markets*, 85.

<sup>154</sup> Berger, *Target Markets*, 33.

<sup>155</sup> Ibidem, 51.

<sup>156</sup> Ibidem, 44.

<sup>157</sup> Ibidem, 53.

to produce small arms, light weapons, and artillery. Examples include Madagascar, Ethiopia, DR Congo, Namibia<sup>158</sup>, and possibly Uganda.<sup>159</sup>

In Egypt, Syria, and Libya, factories for the production of short-range ballistic missiles were developed with assistance from North Korea.<sup>160</sup> Between 2008–2009, the Republic of Congo received repairing services from Pyongyang for tanks, armoured vehicles, and rocket launchers. It is believed that the contacts were established through the regional offices of the Korea Mining and Development Trading Cooperation (KOMID, see the third part of the chapter for more information on this company). Similar practices occurred in Tanzania in 2013 and Eritrea in 2011.<sup>161</sup> In addition, Libya and Egypt aid North Korea in the sourcing of products that support its military projects. In 2003 the Wall Street Journal reported how two people brokered supplies for North Korea with a worth of around 10 million US dollars, which was billed to a military factory in Egypt.<sup>162</sup>

Another interesting aspect of the multifaceted military collaborations is the training of African soldiers and policemen by North Korean instructors. Officers from the Korean People's Army have trained forces in Syria, Egypt, Madagascar, Libya, Zimbabwe, Uganda, Benin, Nigeria, DR Congo, Mozambique, the Seychelles, and Namibia. This is not a big secret: (former) African presidents (such as Robert Mugabe from Zimbabwe and Yoweri Museveni from Uganda) have publicly praised North Korea's help. Training courses included combat operations, aircraft, small-arms and tanks procedures, 'leadership-protection' and 'homeland security,' intelligence operations, reconnaissance and unarmed combat.<sup>163</sup>

It is clear that many collaborations date back decades ago, and retain their significance as they are being continued up to today. Since the 1970s, successive Ugandan leaders have sought North Korean help with training of military personnel, weapon sale and repair, the construction of an ammunition, firearms and landmines factory and the construction of housing (similar to the case of DR Congo, where successive regimes maintained ties). Despite heavy international pressure, most notably from the United States of America, Uganda maintains warm diplomatic ties. Even in 2015, North Korea was training a new cadre of four hundred Ugandan police officers.<sup>164</sup> North Korea deployed hundreds of military advisers who contributed to the Ethiopian war against Somalia (1977–1978) through training and

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<sup>158</sup> Hoog, van der, 'North Korean monuments'.

<sup>159</sup> Berger, *Target Markets*, 45

<sup>160</sup> Ibidem, 45.

<sup>161</sup> Ibidem, 131–137.

<sup>162</sup> Ibidem, 50.

<sup>163</sup> Ibidem, 47–49; Hoog, van der, 'North Korean monuments'.

<sup>164</sup> Berger, *Target Markets*, 80–85.

supervision. Ethiopia also received battle tanks, artillery and other weapons. In the 1980s, North Korea helped with the construction of two weapons factories. It is suspected that North Korea has been active in Ethiopia until quite recently.<sup>165</sup>

Berger points out that ‘the number of North Korean clients – regardless of the value of their custom – is therefore a significant metric of success for the sanctions regime as well.’<sup>166</sup> Despite the sanctions regime, ‘a host of countries continue to find North Korea an attractive partner.’<sup>167</sup> Military projects is a prime example of bilateral ties between African countries and the DPRK. In some cases, military projects are coupled with construction projects, and it becomes more difficult to make a distinction between the two. An example is the construction of new ammunition factory, as the next paragraph will show.



*Figure 3: The Statue of the Unknown Soldier of the National Heroes' Acre of Namibia, built by Mansudae Overseas Projects. The statue closely resembles the Namibian leader Sam Nujoma. Photo by author.*

## CONSTRUCTION WORK

A round twenty African governmental buildings have been attributed to Mansudae Overseas Projects, an international subdivision of Mansudae Art Studio. The latter is an art institute in

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<sup>165</sup> Ibidem, 114–122.

<sup>166</sup> Ibidem, 3.

<sup>167</sup> Ibidem, 4.

Pyongyang, founded in 1959 and controlled by the North Korean government. The sheer size and importance of Mansudae cannot be underestimated. Reportedly, the institute employs around 3700 employees and is responsible for almost the entire memorial landscape of Pyongyang, including landmarks such as the Tower of the Juche Idea, the Arch of Triumph and the Mansu Hill.<sup>168</sup>

At least fifteen African countries have tendered projects to Mansudae. These projects have caught the eye of the public because of their intrinsic nature as nationalist constructions. Angola has issued the Memorial Tower, the Peace Park, and the Praia Park statues. Benin ordered the Statue of Béhanzin, a former king and contemporary symbol. Botswana ordered the Three Dikgosi Monument. The Republic of Congo issued the Monument of Independence and the Statue of the President, while the Democratic Republic of Congo ordered the Statue of Patrice Lumumba and the Statue of Laurent Kabila, two leaders of contemporary Congo. In Equatorial Guinea, Mansudae built a stadium and conference hall. In Ethiopia stands the Tiglachin Monument. Mali issued the Bronze of General Abdoulaye Soumaré. In Mozambique one can find the Samora Machel Statue, named after the first president of Mozambique. Madagascar constructed government buildings with the help of North Korea. In Namibia, Mansudae built the National Heroes' Acre, the State House, the Independence Memorial Museum and the Military Museum, Senegal ordered the African Renaissance Monument that is mentioned in the introduction of this chapter and in Zimbabwe one can find the National Heroes' Acre and the statue of Joshua Nkomo.<sup>169</sup>

Most likely, we only see the proverbial tip of the iceberg. The aforementioned projects are, precisely because of their public nature, renowned eye catchers. The research in Poland shows a myriad of businesses that are active in different economic sectors, most notably ship building and construction work, and operate largely below the radar. Seeing that governance in many African countries is generally weaker than in the European Union, combined with the historically intimate ties between the continent and North Korea, it can be safely assumed that there is much more North Korean forced labour in Africa than we are currently aware of.

## **CASE STUDY: ZIMBABWE**

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<sup>168</sup> Meghan Kirkwood. 'Postindependence architecture through North Korean modes: Namibian commissions of the Mansudae Overseas Project.' In *A Companion to Modern African Art*, edited by Gitti Salami and Monica Visonà, 548–571. Oxford: John Wiley & Sons, 2013, 550–551; UNAM Archives, PA3/5/3/273, Pyongyang review. – Pyongyang: Foreign Languages Publishing House, 1988, 118.

<sup>169</sup> United Nations Panel of Experts report, S/2017/150, 44.

The historical relationship between the DPRK and Zimbabwe reflects in many ways the dynamics that characterize the ties between North Korea and African countries. It is a case study that illustrates all three major domains, namely diplomatic ties, military cooperation and construction work. Zimbabwe is a land-locked country in southern Africa that became independent in 1980 after decades of British colonialism and white settler rule.<sup>170</sup>

## DIPLOMATIC VISITS

Similar to other cases in Africa, the roots of the cooperation between the DPRK and Zimbabwe are to be found in the decolonization struggle. The DPRK supported Robert Mugabe's Zimbabwe African National Union (ZANU) since the 1970s through exiled bases in Tanzania and Mozambique.<sup>171</sup> A significant part of Africa's liberation struggles were exercised in exile, which makes it so important to take a regional (or comparative) perspective while studying these issues, as opposed to the methodological nationalism that is dominant in humanities.<sup>172</sup> The military wing of ZANU (the Zimbabwe African National Liberation Army, or ZANLA) was equipped with firearms and military training, whereby one group of soldiers received training in a camp near Pyongyang.<sup>173</sup>

Robert Mugabe met Kim Il Sung for the first time in May 1978, when he travelled to Pyongyang. Although Zimbabwe was not yet an independent country, the DPRK acknowledged Mugabe as the official leader of the country.<sup>174</sup> Two years later, in 1980, Zimbabwe became an independent nation. Mugabe visited Pyongyang again on 10 October 1980, this time in his official role as the Prime Minister of Zimbabwe. He received a warm welcome by Kim Il Sung, and 'showed appreciation to North Korean leaders for their warm-hearted support' for the

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<sup>170</sup> Sabelo J. Ndlovu-Gatsheni, 'Patriots, puppets, dissidents and the politics of inclusion and exclusion in contemporary Zimbabwe,' *Eastern Africa Social Science Research Review* 24, no. 1 (2008), 85–95.

<sup>171</sup> Zimbabwe's liberation struggle was quite a confusing constellation of different organizations. Mugabe and others formed the Zimbabwe African National Union (ZANU), its military force was named the Zimbabwe African National Liberation Army (ZANLA). Joshua Nkomo and others founded the Zimbabwe African People's Union (ZAPU), its military force was named the Zimbabwe People's Revolutionary Army (ZIPRA). ZANU (and ZANLA) and ZAPU (and ZIPRA) fought for Zimbabwean independence, but were also rivalling organizations. In order to form an alliance against white minority rule, the organizations were together known as Patriotic Front (PF). During the first independent election campaign of 1980, the movements competed as political parties: ZANU–Patriotic Front (ZANU–PF) and Patriotic Front–ZAP (PF–ZAPU). Mugabe's ZANU–PF won the elections. After the Gukurahundi genocide (discussed later in this chapter), which effectively wiped out the ZAPU–PF opposition led by Nkomo, a Unity Accord was brokered in 1987, resulting in a merger. Effectively, ZAPU–PF was absorbed by ZANU–PF. ZANU–PF has ruled Zimbabwe since independence in 1980.

<sup>172</sup> Lyong Choi and Jeong, Il-young. 'North Korea and Zimbabwe, 1978–1982: from the strategic alliance to the symbolic comradeship between Kim Il Sung and Robert Mugabe,' *Cold War History* 17, no. 4 (2017), 336; Andreas Wimmer and Nina Glick Schiller. 'Methodological nationalism and beyond: nation–state building, migration and the social sciences,' *Global Networks* 2, no. 4 (2002): 301–334.

<sup>173</sup> Choi and Il-young, 'North Korea and Zimbabwe', 336.

<sup>174</sup> Ibidem, 337.

liberation of Zimbabwe. Mugabe not only appeared to celebrate the 35<sup>th</sup> anniversary of the foundation of the Korean Worker's Party, he also signed the Treaties of Friendship and Cooperation and asked Kim Il Sung for military support.<sup>175</sup> The two parties reached an agreement for military cooperation in June 1981, when the DPRK Premier Lee Jong Ok visited Harare.<sup>176</sup>

Such visits, exemplary for the invitation-based diplomacy of the DPRK, proved to be important for nurturing the diplomatic relationship between the two countries. North Korean newspapers, by definition state media, joyfully reported these exchanges, as they were important for domestic propaganda. It showed the perceived global dissemination of North Korean ideals and the might of the North Korean leadership. Another symbol of mutual appreciation was the establishment of the *Juche* Idea Study Centre at the Zimbabwe University in January 1981, signalling a clear testimonial to the respectful ties between the two countries.<sup>177</sup> *Juche* is the official self-reliance ideology of the DPRK.<sup>178</sup> As a sign of appreciation, and perhaps mirroring the 'panda diplomacy' of China, Mugabe gifted two rhinos to Kim Il Sung in the 1980s, named Zimbo and Zimba. Unfortunately, Zimbo and Zimba died only a few months after their relocation to North Korea. In 2010, Zimbabwe sold a number of baby elephants, zebras, giraffes and other animals to the Pyongyang zoo.<sup>179</sup>

North Korea's involvement in ZANU's liberation struggle resulted in the fact that since independence, parts of the official, national Zimbabwean leadership had close connections to the DPRK. Evident is the decades-long reign of Robert Mugabe, who personally benefited from DPRK support and visited Pyongyang on several occasions. But even since Mugabe's forced departure from politics following an unexpected military-led coup in 2017, the status quo where powerful cabinet members have personal ties with the DPRK has been maintained. Since 1 December 2017, Perence Shiri serves as the Minister of Lands, Agriculture and Rural Resettlement. Shiri, who has called himself Black Jesus for his ability to take lives, was the commander of the Fifth Brigade (see the subsequent paragraph for details) and an important member of the ZANU-PF establishment.

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<sup>175</sup> Ibidem, 329, 339.

<sup>176</sup> Ibidem, 340.

<sup>177</sup> Ibidem, 330.

<sup>178</sup> Brian Reynolds Meyers. *North Korea's Juche myth*. Busan: Sthele Press, 2015, 2–3.

<sup>179</sup> North Korean Economy Watch, 'Zimbabwe restocks Pyongyang Zoo,' accessed on 31 January 2018. <http://www.nkeconwatch.com/2010/05/14/zimbabwe-restocks-pyongyang-zoo/>; The Associated Press, 'Zimbabwe: officials defend sale of animals to North Korea,' *The New York Times*, May 20, 2010. <http://www.nytimes.com/2010/05/20/world/africa/20briefs-Zimbabwe.html>.

## MILITARY COOPERATION

Apart from the aforementioned military support during ZANU's independence struggle is the foremost example of military cooperation the establishment of the Fifth Brigade, a notorious armed force that was loyal to Mugabe.<sup>180</sup> About 100 DPRK military advisers arrived in Zimbabwe in 1981 to train the brigade, that was destined to be a special part of the Zimbabwe National Army. The British military trained and monitored the other Zimbabwean brigades, but Mugabe specifically requested the establishment of a separate military entity, that only answered to him and was trained and armed by the DPRK. Besides training, a number of firearms were offered by North Korea.<sup>181</sup>

Joshua Nkomo, the political rival of Robert Mugabe, warned that Mugabe 'would use the Fifth Brigade as a private army to create a one-party state – on the North Korean model.'<sup>182</sup> Unfortunately, he was right. The Fifth Brigade was deployed in viciously violent campaign in Matabeleland, a Zimbabwean region where much of the opposition against Mugabe resided. Approximately 20.000 people were murdered, next to widespread atrocities such a rape and theft. The campaign of 1983 was named 'Gukurahundi' in local Shona (which roughly translates as 'the wind that sweeps away the chaff before the spring rains') and largely wiped away the opposition of the Ndebele. Henceforth, the position of Mugabe, whose base was mainly to be found in the Shona speaking regions, was strengthened. Lyong Choi and Il-young Jeong write that 'North Korea cannot be free from criticism regarding its contribution to the genocide,' arguing that ultimately 'the North Koreans simply provided the methods for Mugabe's quest.'<sup>183</sup> In august 1983, most North Korean had left the country. Only a few military advisors remained to aid firearm and tank operations.<sup>184</sup> What eventually happened with them is uncertain.

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<sup>180</sup> Hoog, van der, 'North Korean monuments'.

<sup>181</sup> Choi and Il-young, 'North Korea and Zimbabwe,' 140.

<sup>182</sup> Ibidem, 67, citing Moorcraft.

<sup>183</sup> Ibidem, 343.

<sup>184</sup> Ibidem, 343–344.





*Figure 3: The National Heroes' Acre of Zimbabwe. Seen from above, the monument resembles the shape of two AK47's. Photo by author.*

### CONSTRUCTION WORK

Two years after Zimbabwean independence, in 1982, the National Heroes' Acre of Zimbabwe was completed. Designed and built by Mansudae Overseas Projects, a North Korean institute, the monument functions as a burial ground for Zimbabwe's heroes, mainly from the liberation struggle. The remembrance site is located a few kilometres out of Harare, the capitol of the country, and closely resembles a similar monument in Pyongyang. The massive site can house around 5000 people for ceremonies and national celebrations. The monument has around 170 graves, emotional, graphic murals that recount Zimbabwe's history, bronze statues of fierce soldiers, The Tomb of the Unknown Soldier and a large, black obelisk. The shape of the site resembles two AK-47s, the popular, reliable guns used in the liberation struggle.<sup>185</sup>

A more recent example of Mansudae's involvement in Zimbabwe is the erection of the statue of Joshua Nkomo, a leading figure in the national liberation struggle and long-time rival of Robert Mugabe.<sup>186</sup> Originally built in 2010, it took years to find a suitable spot because of

<sup>185</sup> For details, see Hoog, van der, 'North Korean monuments,' 22–23.

<sup>186</sup> It has been rumored that Mansudae has already built two statues of Robert Mugabe, for the price of around five million American dollars. Since these claims are unproved at the moment, they need to be handled with care. 정주원, 'N. Korea builds statues of Zimbabwe's president: report,' Korea Herald, March 25, 2014.

opposition from Nkomo's followers. Finally, as the ultimate form of bitter irony, the statue has been placed in Bulawayo, in the heart of Matabeleland, where three decades ago large parts of Nkomo's of base were murdered.<sup>187</sup>

In conclusion, the case of Zimbabwe embodies the three major facets of typical DPRK–African relations. It contains a warm friendship, originating from the nationalist struggles for autonomy, and includes diplomatic exchanges, the training of military personnel and the construction of monuments such as the National Heroes' Acre and the Statue of Joshua Nkomo. Even after the historical power transition of 2017, almost four decades after Zimbabwean independence, influential government figures with personal connections to the DPRK remain in power. Whether forced labour is involved and to what extent this occurred, is however not clear and requires further research. The next paragraph explores ideas how forced DPRK labourers in Africa can be investigated.

#### INVESTIGATING FORCED LABOUR IN AFRICA

The major task for scholars is to reveal the intricate networks of businesses that facilitate North Korean forced labour in Africa. Two major companies appear on the surface quite easily. Firstly, Mansudae Overseas Projects is a relatively well-known name since it is responsible for monuments, museums, statues, government buildings and other constructions throughout Africa. Secondly, the name of KOMID appears regularly in United Nations Panel of Expert reports. It is assumed by the United Nations Panel of Experts that KOMID has offices in Uganda and Namibia. Namibia is responsible for 'marketing North Korean arms and related services in southern Africa.'<sup>188</sup> KOMID is directed by the Second Economic Committee of the Workers' Party of Korea.<sup>189</sup>

However, the greatest challenge in the aforementioned task is to identify and analyse the myriad of smaller companies that operate on the African continent. According to Berger, contact with African governments and companies are made using North Korean state-owned companies, who often conceal their dealings using a range of brass-plate companies.<sup>190</sup> This makes it tedious to identify them. Notoriously, DPRK companies change names and have

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[http://www.koreaherald.com/view.php?ud=20140325000587&ACE\\_SEARCH=1](http://www.koreaherald.com/view.php?ud=20140325000587&ACE_SEARCH=1); North Korean Economy Watch, 'Zimbabwe signs \$5m contracts with DPRK for statue and museum,' accessed on 31 January 2018.

<sup>187</sup> <http://www.nkeconwatch.com/2014/03/12/zimbabwe-signs-5m-contracts-with-dprk-for-statue-and-museum/>.  
<sup>188</sup> Sabelo J. Ndlovu-Gatsheni and Wendy Williams. 'Reinvoking the past in the present: changing identities and appropriations of Joshua Nkomo in post-colonial Zimbabwe.' *African Identities* 8, no. 3 (2010): 181–208.

<sup>189</sup> Berger, *Target Markets*, 60.

<sup>190</sup> Ibidem, 3.

<sup>190</sup> Ibidem, 58–60.

difficult paper trails. Often, they are assisted by embassy staff.<sup>191</sup> In those cases, we see hybrid forms of government–assisted companies and it becomes impossible to make a clear distinction between the two.

In terms of methodology, DPRK forced labour in Africa offers an exciting, yet challenging new prospect. Research on relations between North Korea and Africa is in its very early stage, with a small number of published papers in the last few years and months, while research on the issue of forced labour is virtually non–existent. Interestingly, most research focuses on national case studies. This chapter argues for the value of comparison and regional perspectives, especially in the case of Africa, where large parts of the decolonization wars were fought in exile and contemporary North Korean companies operate from different places.

In addition, it is vital to view events (diplomatic actions, military deals and constructions) within its time and place. The historical changes between the golden age of Africa’s independence,<sup>192</sup> spanning from 1945 to the 1970s, and today are vast. The independence of African countries, the end of the Cold War and the collapse of the North Korean state in the 1990s, and the start of the international sanctions against the DPRK in 2006 are major milestones. Especially in the first years of the divide between North– and South Korea, North Korea was much more developed and prosperous than its southern counterpart. In addition, it had an appealing ideology of anti–imperialism and anti–racism. Sanctions against the DPRK regime were non–existent. From this point of view, it is not surprising that the DPRK fostered ties with several African allies. It is however interesting that in some cases the relations are being nurtured up until this day, despite heavy international pressure and changing conditions.

It is often said that the availability of sources is the main problem when it comes to researching North Korea. While that may be true to some extent, it denies the fact that researchers can use a wide variety of sources to study the DPRK’s activities in other countries. To access most sources, it is of paramount importance to engage in fieldwork. Below, a number of possible sources is discussed:

- The **National Archives** form a natural starting point for any historical research.

However, it is unlikely that the state archives contain valuable information on

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<sup>191</sup> Ibidem, 60.

<sup>192</sup> Ellis, Stephen. ‘Africa’s wars of liberation: some historiographical reflections.’ In *Trajectoires de liberation en Afrique contemporaine: Hommage à Robert Buijtenhuijs*, edited by Piet Konings, Wim van Binsbergen, and Gerti Hesseling, 69–92. Paris: Khartala, 2000, 73.

bilateral ties with North Korea, let alone on contemporary forced labour. African archives are under severe pressure and unfortunately often struggle with maintaining their most basic functions. In addition, ties with the DPRK are becoming increasingly pressurized by other countries and international organizations, making it less likely for this kind of information to be revealed. For example, the National Archives of Namibia only hold one file on North Korea, which is not yet accessible due to legal constraints (certain files are only disclosed after 25 years)<sup>193</sup>. For such files, it means that we can expect them to be disclosed in the coming years.<sup>194</sup>

- Because the relations between African states and the DPRK in many cases stem from the DPRK's support of independence movements, it can be assumed that **party archives** hold much more information than state archives. Regrettably, many party archives are not accessible to the public; in some cases not even their addresses are known.
- **Personal archives** are much more promising than their state- or party owned counterparts. Many African members of the liberation movements visited Pyongyang and collected memories from those days. Mose Penaani Tjitendero, a member of the South West Africa People's Organization (SWAPO), Namibia's main liberation movement, serves as an example. His personal collection of books, letters and other documents are held by the University of Namibia Archives and contain several North Korean books, a map of Pyongyang and other interesting materials.<sup>195</sup> This indicates that Tjitendero visited North Korea, perhaps more than once. Ironically, he is now buried in a cemetery built by the DPRK.
- Where written documents are scarce, oral history can provide new opportunities. **Interviews** with African freedom fighters or defected North Korean officials can shed light on forgotten history of contemporary practices
- **News reports**, especially from African media, are not often consulted, even though they contain valuable information. The main obstacle is access to the extensive but

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<sup>193</sup> NAN, MFA 031, PE/082, Bilateral relations with Korea democratic people republic.

<sup>194</sup> The archives of the Republic of Korea are also worth exploring. In addition, the Wilson Center has digitalized several archival documents from archives all over the world, through the project: 'The Two Koreas and the Third World'. See the website: <http://digitalarchive.wilsoncenter.org/collection/146/the-two-koreas-and-the-third-world>.

<sup>195</sup> To access the Tjitendero Collection can be accessed at the University of Namibia Archives. An example of the archived material is: UNAM Archives, PA3/5/3/273, Pyongyang review. – Pyongyang: Foreign Languages Publishing House, 1988, 118.

fragmented African media landscape, but digital developments offer new possibilities. The digital availability of North Korean newspaper is also on the rise.

- Naturally, the **Chambers of Commerce** in African countries must contain details on North Korean companies. Once the names of North Korean–African companies are known, the records of the local Chambers of Commerce can be consulted.
- In known cases of North Korean forced labour, the national **labour inspection agencies** might hold reports or other details on such practices. In the case of Poland, a labour inspection report revealed the terrible circumstances North Korean forced labourers had to face.<sup>196</sup>
- Names of companies or individuals associated with forced labour can be run through the **Offshore Leaks Database** to see if any information comes up. The database comprises data from the Panama Papers, the Offshore Leaks, the Bahamas Leaks and Paradise Papers and covers more than 680,000 offshore companies, foundations and trusts. It is a wealth of information that awaits scrutiny.<sup>197</sup>
- The public library of US diplomacy, more commonly known as the **Wikileaks U.S. Cables**, amalgamate more than three million leaked diplomatic cables of the United States of America. Some cables mention DPRK activity and can lead to relevant names and trade deals.<sup>198</sup>
- **Sanctions**, either multilateral such as from the United Nations or bilateral such as from the United States, contain names of sanctioned North Korean businesses and key figures. In addition, the reports of the United Nations Panel of Experts, who monitor sanctions against the DPRK, are of great interest of researchers on North Korea. Their frequently published reports deal with several African countries in terms of military cooperation and construction work.

## CONCLUSION

The main objective of this chapter is to provoke ideas about a framework to study North Korean forced labour in Africa, and stimulate further work in this field. Based in this chapter, a number of preliminary observations can be made: Firstly, the work of forced DPRK labourers in Africa has a different character than elsewhere (for instance in Poland) which was researched in the

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<sup>196</sup> Remco Breuker and Imke van Gardingen. *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*. Leiden: LeidenAsiaCentre, 2017.

<sup>197</sup> See <https://offshoreleaks.icij.org/>.

<sup>198</sup> See <https://search.wikileaks.org/plusd/>.

previous report of the Slaves to the System project team. The North Koreans design and construct prominent government buildings such as museums, cemeteries and monuments. This indicates that the cooperation between African states and the DPRK can not only be explained through money, but also through ideology. In other words, not only the bricks are important, the ideas that these bricks convey matter as well.

Secondly, the historical relations of the DPRK with Africa differ considerably from other places, such as Europe. The historical context of the liberation struggle has a profound influence on contemporary relations and is necessary to understand why some African countries act as a loophole in the international sanctions regime. Thirdly, it becomes clear that the financial networks of the DPRK mingle and merge with their diplomatic networks, resulting in hybrid forms of entities that are especially challenging to investigate. Fourthly, we are in dire need of evidence-based research, in contrast to the prevalent vague anecdotes, stereotypes and assumptions that reign over the current research field.

Fifthly, a wide array of under-utilized sources is available, and this chapter discussed a fair number of them. Sixthly, and finally, we can safely assume that we only see the tip of the iceberg of North Korean activities in Africa. For example, only the highly visible monuments built by Mansudae Overseas Projects have received public attention, such as the African Renaissance Monument in Senegal, the National Heroes' Acre in Zimbabwe and the Statue of Joshua Nkomo. It is very well possible that DPRK labourers are involved in a whole number of illegal activities that occur 'under the radar'. Hopefully, these practices will be uncovered in the near future.

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## CHAPTER 4

### EMPLOYING NORTH KOREAN WORKERS IN THE CZECH REPUBLIC

#### INTRODUCTION

Between 1998 and 2008, several hundred North Koreans worked in about ten Czech companies. They were mostly young women employed in the shoe-making, textile, and food industries. At first their presence did not gain much attention from the media or state authorities. However, as media coverage of them increased, interest in their working and living conditions improved accordingly. In particular, journalists inquired about salary payment and the workers' freedom of movement and communication. The workers from North Korea were labelled as modern slaves and it was suspected that most of their salaries were given to the North Korean authorities, thus helping to fund Pyongyang's nuclear and ballistic programs. Kim Tae-san, a former North Korean diplomat stationed in the Czech Republic at the time witnessed that the workers were obliged to hand over more than fifty percent of their salaries for the benefit of North Korean regime. His observations contributed to the fact that in mid-2006 the Czech government decided to stop issuing the necessary work visas. In February 2008, the last North Korean labourers left the Czech Republic and the country thus joined other nations that, for political and human rights reasons, have decided to end these practices.

The phenomenon of North Korean workers in Czech firms is currently not well researched in both the Czech and English languages. While aiming at filling the gap of knowledge, this chapter describes and analyses, within the context of the Czech case-study, the main characteristics of the system of acquiring a North Korean workforce. In addition it gives a description of the overall working and living conditions for North Koreans, as well as the situation in individual companies, and the attitudes of employers, state authorities, and international actors.

The main findings of the research are presented in the summary. This chapter argues that, although the North Korean workers enjoyed relatively better living and working conditions compared to those in other countries, they were subjected to extensive control by North Korean

managers and minders, including restrictions on freedom of movement and communication. Furthermore, they were obliged to hand over a substantial part of their salaries to the North Korean authorities, who subsequently sent the money to North Korea via their business entities in China. In the years 1998–2004, when scrutiny from journalists and the Czech state authorities was not as extensive, the workers were left with so small an amount of money that they experienced hunger and malnutrition. The situation improved with the increase in media attention and inspections by both the Labour Office and the Foreign Police. Although it was a primarily political decision, international criticism created by foreign media, as well as by Kim as witness, finally pressured the Czech government into ending the practice of issuing working visas to North Korean applicants.

## METHODOLOGY

Before this research, the topic of North Korean workers in the Czech Republic had not been extensively studied. In the English language, only short articles, mostly of journalist provenance, are available. The reader can learn from them that North Koreans employed in several Czech companies faced exploitation as they were obliged to hand over substantial portions of their salaries to the North Korean authorities. Often, however, the broader context is missing. The most comprehensive piece on this issue was published by Barbara Demick in *Los Angeles Times*.<sup>199</sup> Some articles mention former diplomat Kim Tae-san, who was in charge of managing workers in Czech enterprises. One of his witness statements is included in the report *The Conditions of the North Korean Overseas Labour* by the International Network for the Human Rights of North Korean Overseas Labour, which puts the ‘Czech case’ of employing North Koreans into its international context. The authors only briefly describe how the money earned by the workers is transferred to North Korea.

Moreover, sources in the Czech language are also scarce and are mostly limited to newspaper articles. Their number is higher than English-language articles, as some journalists – for example Ondřej Kundra from the weekly *Respekt* – followed the case for several years. The only source of at least partially-academic nature is the work by sociologist Marie Jelínková.<sup>200</sup> She describes the working and living conditions of the North Korean workers in question, as well as the attitudes of employers and the Czech authorities. The crucial limitation

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<sup>199</sup> Barbara Demick, ‘North Koreans Toil Abroad under Grim Conditions,’ *Los Angeles Times*, December 27, 2005, <http://silabilm.blogspot.com/2006/12/north-korean-workers-in-middle-east.html>.

<sup>200</sup> Marie Jelínková, ‘Případová studie: Severokorejky v Česku,’ *Obchodování s lidmi, problematika nucené práce. Sborník z konference*, December, 2006, 62.

of this research is, however, the complete lack of sources, names, and places. When asked about sources, Jelínková stated that for the study she conducted dozens of interviews, analysis of documents, and personal observations. Despite this problematic aspect, her research is so far the most comprehensive paper published about the employment of North Koreans in Czech enterprises.

This particular research tries to fill these gaps in knowledge. The author has compiled all available sources, and comprehensively analysed the case of employing North Korean labourers in Czech firms. During the first half of 2017, the extensive qualitative research consisting of two parts was conducted. The first part concerned the gathering and analysing of existing sources in English and Czech languages. Moreover, the Czech authorities, namely the Labour Office, Czech Statistical Bureau, Ministry of Foreign Affairs, Ministry of Labour and Social Affairs, and Foreign Police were contacted with an inquiry for additional data. The Czech Statistical Office in particular provided valuable information. Second, comprehensive interviews, which lasted approximately 1.5 hours each, were conducted with two former employers and one manager of a brokerage agency. Furthermore, the raw data from interviews with former North Korean diplomat Kim are used in this chapter. These interviews are particularly valuable sources of information as they provide details from the perspective of an employer, a broker, and a North Korean authority. The only group which was not represented by the interviews is the employees; they were, however, out of the reach of this research.

Nevertheless, the findings are not free from bias. Due to the time distance – the last workers left the Czech Republic nearly ten years ago – the amount of available data is limited. Most of the raw data – such as the inspections reports – from the Labour Office and other authorities simply do not exist anymore, as they are not archived for such a long period. For the same reason, it was not possible to make any observations or collect data in the field. Also, the number of direct participants willing to be interviewed was limited, especially due to the controversies related to the employment of North Korean workers. Even if they agreed to an interview, the data obtained from this source, run the risk of being deliberately distorted or manipulated by the interviewee without the possibility to retrospectively verify them. This chapter, therefore, places emphasis on newspaper articles published at the time, as they usually involved extensive work and research done by journalists themselves in order to validate the information.

## NORTH KOREAN WORKERS: WHO WERE THEY AND WHERE DID THEY WORK?

According to the Czech Statistical Office, in 1998 there were 27 North Korean workers in the Czech Republic, but the number began to rise from this year onwards. By 2006, when the numbers peaked, the Labour Office registered nearly 400 North Koreans. After that year, there was a noticeable decline in the number of North Korean workers, relating to the Czech Ministry of the Interior's decision not to grant additional work visas. More than half of the North Koreans working in the country left the Czech Republic during 2007 and the remainder left in the first few months of 2008. By December 2008, the Labour Office did not register a single employee from North Korea.<sup>201</sup> Even though it is difficult to quantify an exact number, several hundred North Koreans were employed in total by various companies in the Czech Republic from 1998 until 2008.

Table 1.

Number of workers from North Korea employed in the Czech Republic											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total no.	27	42	58	119	200	222	285	355	399	178	–
Women	22	38	57	116	195	219	272	339	383	?	

Source: Czech Statistical Office

North Koreans were employed in accordance with Czech law. The Employment Act stipulates that a foreigner can be recruited and employed only if he or she possesses a valid work permit and a residence permit. The work permit is requested from the Labour Office by the foreigner him- or herself before their arrival, or through an employer, and it allows the foreigner to work in the Czech Republic with a particular employer and at a particular position for up to two years.<sup>202</sup> After a foreigner obtains a work permit, they are covered by the same Labour Code as a Czech national. This means, among other requirements, that the employer has to pay for social and health insurance, and the employee is not allowed to work more than eight hours a day while receiving at least a minimum wage.<sup>203</sup>

<sup>201</sup> Czech Statistical Office, *Raw Data: Foreigners in the Czech Republic, Employment of the Foreigners based on their Citizenship and other Data*, April 2017.

<sup>202</sup> 435/2004 Sb. *Zákon o zaměstnanosti*, May 13, 2004. <http://www.mzdovapraxe.cz/archiv/dokument/doc-d1836v7568-zakon-c-435-2004-sb-o-zamestnanosti/?&docpage=1>.

<sup>203</sup> Mladá fronta DNES, 'V Žebráku a Železně pracují šičky z KLDR,' *Mladá fronta DNES*, April 8, 2003.

As was common practice among businesses hiring North Koreans (or any other foreigners), the employer informed the Labour Office that he was not able to find a local workforce and requested that the Labour Office issue work permits for workers to be obtained from North Korea. The majority of North Koreans held temporary work permits allowing them to be employed for a fixed period of time. According to Kateřina Soukupová, manager of M Plus brokerage agency, North Korean workers were initially allowed to stay for two years, which would correspond with the provisions of the Employment Act.<sup>204</sup> However, the length of the work permits was often prolonged, so some of the workers stayed up to five years. Milan Medek, a former employer of North Korean seamstresses at the company Modela, explains:

*They normally ended their stay here after three years. As soon as their placement period ended, I began to negotiate with the North Korean Embassy to find out if they would let them stay any longer because I did not want to teach new workers. First, they told me that it was not possible, but then they agreed to leave them here for another year. I managed to persuade them to prolong [the workers' stays] one more time, but that was final. We were the only company which employed them for five years; others had to replace their workers from North Korea after three years.*<sup>205</sup>

The fact that a five-year placement of North Korean workers abroad was something extraordinary is further supported by Kim, a former North Korean diplomat, who said that the normal length of workers' stay abroad was three years.<sup>206</sup>

Due to these work permit extensions, it is not possible to calculate the exact number of individual North Koreans who were working in Czech companies. The total, however, will have been at least several hundred workers. The majority of these employees were women between 20 and 39 years old. As data from year 2005 shows, in the age groups 20–24 and 25–39, there were 250 and 106 people, while the other age groups were represented by just few individuals.<sup>207</sup>

In the Czech Republic, North Koreans worked in the manufacturing industry and occupied positions that did not require a high-school education. According to the International Standard Classification of Occupations, most North Koreans were employed as 'Craft and related trades workers' or as 'Plant and machine operators and assemblers.'<sup>208</sup> More

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<sup>204</sup> Kateřina Soukupová, interview by Jan Blinka, April 13, 2017.

<sup>205</sup> Milan Medek, interview by Jan Blinka, May 9, 2017.

<sup>206</sup> Kim Tae-san, interview by researcher of Leiden Asia Centre, March 22, 2016.

<sup>207</sup> Czech Statistical Office, *Raw Data: Foreigners in the Czech Republic, Employment of the Foreigners based on their Citizenship and other Data*.

<sup>208</sup> Czech Statistical Office, *Raw Data: Foreigners in the Czech Republic, Employment of the Foreigners based on their Citizenship and other Data*.

specifically, they were employed in the shoe-making, textile and food manufacturing industries.

Employment of North Koreans in the Czech Republic by nationality and age group; 31 December 2005								
Year	No.	Age group						
		–19	20–24	25–39	40–54	55–59	60–64	65+
2005	363	2	250	106	4	–	1	–
2006	407	3	259	138	5	1	–	1

Source: MLSA CR–ESA, MIT CR

North Korean Workers in the Czech Republic by the ISCO, 2003–2007						
ISCO groups <sup>209</sup>	Major	2003	2004	2005	2006	2007
1						
2			1	2	2	
3						1
4			1	1		
5						
6						
7		206 (203 W)	268 (257 W)	321 (309 W)	372 (359 W)	149 (149 W)
8		16 (16 W)	15 (15 W)	26 (26 W)	23 (22 W)	27 (27 W)
9				4 (4 W)	2 (2 W)	
0						
Total no.		222	285	354	399	177
Incl. women (W)		219	272	339	383	176

Source: Czech Labour Office

<sup>209</sup> ISCO Major groups: 1 – Managers; 2 – Professionals; 3 – Technicians and associate professionals; 4 – Clerical support workers; 5 – Service and sales workers; 6 – Skilled agricultural, forestry and fishery workers; 7 – Craft and related trades workers; 8 – Plant and machine operators, and assemblers; 9 – Elementary occupations; 0 – Armed forces occupations. Source: International Labour Organization, *Resolution Concerning Updating the International Standard Classification of Occupations*, December 6, 2007. <http://www.ilo.org/public/english/bureau/stat/isco/docs/resol08.pdf>

Due to a lack of data, it is not possible to identify all the companies in which North Koreans were employed. In December 2005, when the number of North Korean workers reached its peak, the Czech Ministry of Labour and Social Affairs stated that they worked in six localities in the country.<sup>210</sup> This information seems to be based on media reports, which informed the public that North Korean workers were employed by Sněžka in Náchod, Kreateda in Žebrák, Sam Trade in Skuteč, Modela in Heřmanův Městec, Jiří Balabán's company in Železná, and a bakery in Hořovice.<sup>211</sup> However, Soukupová has stated that her brokerage agency M Plus supplied North Korean workers to another three companies: Elegia in Třebechovice pod Orebem, Litex in Litomyšl, and Hübler's company in Železný Brod.<sup>212</sup> Thus, the number of places where North Koreans worked reached a total of nine. This number could be even higher, as some cases could easily have escaped the attention of the media.

Although the media reported that some of the companies were co-owned by North Koreans, this turned out to be untrue. In most cases, these companies had Czech owners. Only one of the companies, Kreateda, had an Italian owner.<sup>213</sup>

The employment of North Koreans in Czech enterprises was mediated by at least two brokerage agencies. These were M Plus, represented by Soukupová, and CLA managed by Ludmila Faltusová.<sup>214</sup> It is not possible to verify whether there were other agencies mediating the employment of North Koreans, because the Ministry of Labour and Social Affairs, which registers those agencies, does not distinguish them on the basis of the workers' origin. To broker employment for North Korean citizens the agencies only require a general license to import foreign workers, which many companies had at that time.<sup>215</sup>

Some Czech employers also secured a North Korean workforce without these agencies, through direct negotiations with North Korean managers and diplomats stationed in the Czech Republic. One example is Modela from Heřmanův Městec. Its manager Medek recalled:

*Sometime in 2003, we were considering closing the business, but then one colleague from the shoe industry invited me to come and see how the North Koreans sewed shoes in his company. When I saw how they worked, I immediately agreed with people from the North Korean Embassy, who were also coincidentally visiting this factory at the same time, that*

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<sup>210</sup> Demick, 'North Koreans Toil Abroad under Grim Conditions'.

<sup>211</sup> For the full list of sources, please see the Bibliography in the end of this report.

<sup>212</sup> Soukupová, interview.

<sup>213</sup> Jelínková, 'Případová studie: Severokorejky v Česku,' 62.

<sup>214</sup> Vladimír Křivka, 'Žít a šít ve jménu vůdce,' *Tyden.cz*, January, 29, 2007, [http://www.tyden.cz/tema/sit-a-zit-ve-jmenu-vudce\\_2245.html](http://www.tyden.cz/tema/sit-a-zit-ve-jmenu-vudce_2245.html).

<sup>215</sup> Petr Holec, 'Kimova mlha,' *Reflex.cz*, May 24, 2007, <http://www.reflex.cz/clanek/stary-reflex-tema-reflexu/26192/kimova-mlha.html>.

*I would like to hire them too. I had to provide them a job description, proof that I had secured production, and to provide comfortable accommodation. Then we agreed on the first ten workers. I organized their arrival directly with the Embassy; there was a person who was responsible for that. By dealing with the Embassy, I avoided a brokerage agency, so I did not pay anything.*<sup>216</sup>

This statement, supported by the claims of Soukupová and other employers, clearly illustrates the involvement of the North Korean Embassy in the process of employing North Koreans. Diplomats were responsible for controlling the working and living conditions for their fellow citizens, and they were also given the task of searching for new companies.

To sum up, during the period 1998–2008, several hundred North Korean workers were employed in at least nine Czech companies from the shoe making, textile, and food processing industries. Most of those workers were young women from 20 to 24 years old. They worked in labour-intensive positions and stayed in the Czech Republic in accordance with Czech law. Their work permits and residence permits were often prolonged, some of them staying for up to five years. Their presence in Czech enterprises was managed by direct contact with North Korean authorities operating in the Czech Republic, or through brokerage agencies. Due to the inexistence of relevant data, it is not possible to verify if there were other similar agencies than mentioned here also involved in the process of employing North Korean citizens. The number of employed North Koreans peaked in 2006, when it reached almost four hundred, but then it declined due to the decision of Ministry of the Interior to not prolong work visas or issue new ones to North Korean applicants. In December 2008, the statistics recorded do not show any North Korean being employed in a Czech company.

#### **BROKERAGE AGENCIES AND THEIR *MODUS OPERANDI*: THE CASE OF M PLUS**

Thanks to an interview with Soukupová exclusive information about brokerage agencies and their *modus operandi* were obtained. Soukupová explained how her company became involved in the business of providing a North Korean workforce for Czech companies, and how the process of acquiring new workers was practiced. Moreover, she provided detailed information on the involvement of North Korean state actors, them being the Embassy in Prague, the Ministry of Light Industry in Pyongyang, and a few state-run enterprises. Her statement supports the claims that North Korean workers have been provided to foreign companies in cooperation with North Korean regime.

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<sup>216</sup> Medek, interview.



North Koreans had been hired by Czech employers since 1998; however, the media did not cover the cases before 2004 and other relevant data does not exist anymore. As such, M Plus is the first known case of an agency importing a North Korean workforce to the Czech Republic.

Soukupová claimed that M Plus started its business around 2000–2001 and, until 2006, provided about 120 employees to five companies; namely to Sněžka in Náchod, Hübler's company in Železný Brod, Elegia in Třebechovice pod Orebem, Litex in Litomyšl, and Sam Trade in Skuteč. For those companies, M Plus mediated communications with North Korean entities and managed the arrival of the workers, who became regular employees of the above-mentioned companies. In other words, M Plus operated as a brokerage agency only.<sup>217</sup>

Without the possibly to verify, Soukupová explained how her company began the involvement in the business. Sometime around 1998, a delegation from North Korea visited Brno Shoe Fair to find partners and they met a Czech businessman, with whom they agreed to deliver thirty seamstresses to his shoemaking company. After discussion with her business partner, Soukupová decided to use this opportunity and apply for a license at the Czech Ministry of Labour and Social Affairs to broker foreign workers. Subsequently, Soukupová followed the instructions given by the members of the delegation and wrote to the North Korean Ministry of Light Industry, specifying the requirements for the workers. She stated:

*We wrote to them, saying that we would like to cooperate and that we would need about 100 workers each year. We said that we could guarantee them the same level of salaries as Czech workers, accommodation, transport and health care. North Koreans responded that they were able to send the first batch of thirty people and we started to arrange work permits for them.*<sup>218</sup>

Soukupová's comment indicates that one of North Korea's ministries was directly involved in providing North Korean workers. For the brokerage agencies, the North Korean Ministry of Light Industry was their partner. The Ministry hired the workers as its human resources department was responsible for the selection process in North Korea.<sup>219</sup> Finally, the workers were selected and approved by the ruling party. A North Korean diplomat stationed in the Czech Republic explained:

*In order to receive the approval of the Foreign Ministry, the Security Department, etc., these people needed to have a clean class-foundation because if they did not, they could*

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<sup>217</sup> Soukupová, interview.

<sup>218</sup> Soukupová, interview.

<sup>219</sup> Kim, interview.

*spread the word about what they saw outside of the country. They also had to come from Pyongyang and to have passed a physical examination.*<sup>220</sup>

Initially, Soukupová communicated directly with the Ministry of Light Industry, but later she negotiated the arrival of other workers through several North Korean entities, specifically through the Korea Light Industry Trading Corporation, the Korean Munsu Trade Company and the Korea Taisheng Trading Corporation.<sup>221</sup> Two of these companies are on a list of North Korean enterprises published on the official website of North Korea's trade office in Switzerland, further showing the involvement of Pyongyang's regime.<sup>222</sup>

According to the International Network for the Human Rights of North Korean Overseas Labour, North Korean trading firms are not private companies but are state-owned, falling under different government departments. The system of generating profit through various North Korean ministries has been in place since the early 1990s. The ministries open businesses which then conclude contracts with foreign companies to send labour abroad.<sup>223</sup> A number of different companies have dispatched labour forces, some of them being run by the Eunha Guidance Bureau of the Ministry of Light Industry.<sup>224</sup> The connection between those North Korean enterprises and Eunha Guidance Bureau cannot be verified; however, Soukupová as well as Medek from Modela company confirm the involvement of North Korea's Ministry of Light Industry. Medek explains:

*On the North Korean side, the Ministry of Light Industry was entrusted with managing the provision of workers and choosing the workers according to the requirements I sent them. They even invited me to come there and choose the workers myself.*<sup>225</sup>

The North Korean Embassy in Prague was also involved in the process. Soukupová says:

*It was all done through the Embassy. It was not possible to go around it. At the Embassy, there was one person sent here to oversee the employment of his fellow citizens. Before they placed their workers in a company, he'd come to the company to see where they were going. He also checked their accommodation as well.*<sup>226</sup>

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<sup>220</sup> International Network for the Human Rights of North Korean Overseas Labour, *The Conditions of the North Korean Overseas Labour*, December, 2012, 40.

<sup>221</sup> Soukupová, interview.

<sup>222</sup> Soukupová, interview.

<sup>223</sup> International Network for the Human Rights of North Korean Overseas Labour, *The Conditions of the North Korean Overseas Labour*, 45.

<sup>224</sup> International Network for the Human Rights of North Korean Overseas Labour, *The Conditions of the North Korean Overseas Labour*, 16.

<sup>225</sup> Medek, interview.

<sup>226</sup> Soukupová, interview.

As soon as the Labour Office and Foreign Police issue a work permit and a residence permit, a foreigner can start working in a Czech company legally. This process was followed in the case of North Koreans as well.

While M Plus provided approximately 120 workers to five companies, the CLA agency managed by Ludmila Faltusová mediated for at least 65 North Koreans for two firms: Kreateda in Žebrák and Jiří Balabán's company in Železná.<sup>227</sup>

Ludmila Faltusová did not agree to an interview for this report and her comments for the media were brief. She only stated that CLA copied the business model put in place by M Plus and Sam Trade:

*In 2001, I came up with the idea of importing a workforce from North Korea thanks to media reports about the good experiences a shoe company called Sam Trade had had with Korean workers. So I visited this company and asked them about a contact.*<sup>228</sup>

The last comment, as well as witness statements from other actors, indicates that the position of M Plus in the process of employing North Koreans in Czech business entities was crucial – it was the first brokerage agency which started to import a workforce from North Korea, establishing a business model which another agency copied.

Soukupová helped to put in place one valuable piece of the puzzle, namely the link from the companies to specific North Korean entities – the Korea Light Industry Trading Corporation, the Korean Munsu Trade Company and the Korea Taisheng Trading Corporation, two of which are on a list of North Korean enterprises officially published by Pyongyang. Soukupová also explains in detail how her company M Plus established cooperation with the Ministry of Light Industry, which was her initial partner on the North Korean side. Different ministries operate various business entities with the aim of generating profit by dispatching a workforce abroad. It is evident that the North Korean regime has been benefiting from this profit.

#### **THE CHOSUN–CZECH SHOE TECHNOLOGY COLLABOURATIVE AND KIM TAE–SAN**

Kim Tae–san is a former North Korean diplomat stationed in the Czech Republic, where he was responsible for the overseeing of North Korean workers between 2000 and 2002. He was then known as An Yong–gil and after spending some time at the Embassy in Prague, he moved

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<sup>227</sup> Ondřej Kundra, „Otrokyně tu zůstanou,” *Respekt*, <http://www.cs-magazin.com/index.php?a=a2004081047>.

<sup>228</sup> Ondřej Kundra, „Svobodovi už otrokyně nevadí,” *Respekt*, 2004, 16, <https://www.respekt.cz/tydenik/2004/16/svobodovi-uz-otrokyne-nevadi>.

to city of Pardubice, from where he managed the Chosu–Czech Shoe Technology Collabourative.<sup>229</sup> In 2002, he escaped with his family to South Korea and has been the only known defector with the experience of being directly involved in the employment of North Korean workers in the Czech Republic.

According to Kim, the North Korean government established the Chosun–Czech Shoe Technology Collabourative under its Ministry of Light Industry. Kim, quoting numbers similar to those provided by the Czech Statistical Office, explains:

*The [company's] proclaimed aim was to adapt expertise from the Czech Republic in producing shoes, but its real intention was to send female workers abroad. It was called Chosŏn sinbal hapchak hoesa, a joint venture, because we called it like that in North Korea, but I do not know what it really was. I was the supervisor from 2000 to 2002 and my predecessor worked there from 1998 to 2000. In 1998, the company started with 25 female workers and at the end of my stint the company employed up to 200 workers.*<sup>230</sup>

Although the company was called a shoe company, it never produced anything. It was more like an agency that ensured the workers' arrival, and then controlled their work performance and living conditions. It also offered a North Korean labour force to new partners.

Moreover, Kim said it was his job to collect the salaries and distribute any remaining money to the workers. He said 55% was taken from their salaries as a 'voluntary' contribution to 'the socialist revolution'. Additional sums were deducted for accommodation, transport, and such extras as flowers for the birthday of Kim Il–sung and Kim Jong–il. By the time all these deductions were made, each worker received between US\$20 and US\$30 a month.<sup>231</sup> The money which Kim collected was eventually sent to North Korea from an account in Komerční banka, a bank belonging to the Société Générale group.<sup>232</sup>

A statement by one of the former employers illustrates the relations between the North Korean managers represented by Kim, and ordinary North Korean workers:

*Mr. Kim was probably the head or the boss. If I can talk about my own company, we forbade him from accessing the factory because he behaved extremely roughly with the workers. Once he even wanted to beat one of them because her work performance was not as he imagined.*<sup>233</sup>

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<sup>229</sup> The name is alternatively translated as Chosun–Czech Collabourated Shoes Company or Chosun Czech Shoe Making Cooperation. See International Network for the Human Rights of North Korean Overseas Labour: *The Conditions of the North Korean Overseas Labour*, December 2012. The Czech version of its name is Společnost česko–korejské technické spolupráce.

<sup>230</sup> Kim, interview.

<sup>231</sup> Demick, „North Koreans Toil Abroad under Grim Conditions’.

<sup>232</sup> Kim, interview.

<sup>233</sup> Petr Martinec, interview by Jan Blinka May 10, 2017.

In 2002, Kim escaped with his family from the Czech Republic using his diplomatic passport. Recently, he gave testimony about his work in the Czech Republic at various international forums including the European Parliament. Kim's testimony proves not only the involvement of North Korean diplomats in the process of providing and managing a North Korean workforce to various companies, but also the suspicion that the workers had to hand over some of their salaries for the benefit of Pyongyang's ruling regime. Consequently, Kim's activities helped to increase the international attention given to the topic of North Korean overseas workers, which in mid-2006 pressured the Czech government to stop issuing work visas for citizens of North Korea.

### **Developments in the situation of North Korean workers in the Czech Republic**

Some of the workers, mostly young women in their twenties and thirties, spent several years in the Czech Republic. However, some stayed only for several months. The length of their stay, combined with the changes of attention paid to the issue by the media and the Czech state authorities, influenced the actual living and working conditions over time and across companies. It should be noted that the media reported mostly about known and problematic cases; others – like the case of Modela company – were never mentioned by journalists, leaving several cases undocumented.

The sociologist Jelínková has produced a short study evaluating the situation of North Korean workers in the Czech Republic. Even though the author did not provide any specification of the names or places, it is the most comprehensive research carried out about the topic to date. In her report, Jelínková indicates that North Koreans' living and working conditions were worst around 1998 and gradually improved over the years since then until 2006, when her report was published. Without giving any specific details, she refers to the testimony of the owners of a hostel, claiming that around the year 1998, North Korean workers were being forced to pay such high dues from their salaries to their North Korean managers that they suffered from hunger and malnutrition.<sup>234</sup>

According to Kim, between the years 2000 and 2002, the workers were left with about US\$30 a month to buy food and other necessities. This equalled approximately one fifth of the then minimum wage. 'They're trying to save money by not eating,' Kim said to the media, adding that his wife was concerned that the female workers' menstruation had stopped, their

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<sup>234</sup> Jelínková, 'Případová studie: Severokorejky v Česku,' 62.

breasts shrivelled, and many experienced acute constipation. 'We were always trying to get them to spend more on food, but they were desperate to bring money home to their families,' Kim added.<sup>235</sup>

Harsh conditions for the workers were not left unnoticed by the management of some companies. Sam Trade's finance manager, Václav Košner, observed the employees' poor conditions: 'They often did not have enough [money] for food. They were sometimes truly hungry,' adding that the management provided soup for them to eat. 'We assume that their salaries have been taken and sent to Korea, but we don't know it for sure, we don't have that documented,' explained Košner, adding that they did not consider terminating the workers' employment as they would not find replacements.<sup>236</sup> Even though the employers knew about the exploitative nature of the business, they did not do anything to stop the practice.

Jelínková also describes the strict daily routine to which North Koreans were subjugated:

*Early in the morning, the ladies went on a compulsory run. Then they worked hard for eight hours. Then they had to study the history of North Korea and watch propaganda films about Kim Jong-il behind the closed doors of their hostels.*<sup>237</sup>

Even after work, the North Korean workers did not have the freedom to manage their time. Kim explains:

*It was obligatory that all the workers took part in the evaluation meeting once a week outside their working hours. Plus, once a week there was a compulsory lecture with lecture materials provided through the channels of North Korean Embassy.*<sup>238</sup>

These restrictions were also placed on the movements of the workers:

*If someone wanted to go outside of the accommodation, they could do so only with permission and in a group of at least three to four. Moreover, it was not possible to go everywhere, only to predetermined places that had been approved in Pyongyang. After returning, [workers] had to report on what they were doing, where they were, and so on.*<sup>239</sup>

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<sup>235</sup> Demick, 'North Koreans Toil Abroad under Grim Conditions'.

<sup>236</sup> Ihned.cz, 'Údajně otrokyně napadly reportéra,' *Ihned.cz*, April 2, 2004, <http://archiv.ihned.cz/c1-14180880-udajne-otrokyne-napadly-reportera>.

<sup>237</sup> Jelínková, 'Případová studie: Severokorejky v Česku,' 63.

<sup>238</sup> Kim, interview.

<sup>239</sup> Robert Mikoláš, 'Do Česka prý jezdily otročit korejské dělnice,' *Rozhlas.cz*, July 17, 2009, [http://www.rozhlas.cz/radiozurnal/podkuzi/\\_zprava/do-ceska-pry-jezdily-otrocit-korejske-delnice-607313](http://www.rozhlas.cz/radiozurnal/podkuzi/_zprava/do-ceska-pry-jezdily-otrocit-korejske-delnice-607313).

The exceptional cases were when the food stock and daily necessities were running out and somebody had to shop. In that case, a group of workers went to the grocery shop together with the permission of their supervisor. Individually it was not possible to go out.<sup>240</sup>

Not only freedom of movement, but also communication with the outside world was controlled. According to Kim:

*None of the workers, no matter whether they were seamstresses from Žebrák or managers from Pardubice could talk to anyone else. Furthermore, we were forbidden to read newspapers and magazines and to watch television. If we had a meeting, it had to be in the group. Even I, as the director, could not be alone. Everyone watched everyone.*<sup>241</sup>

Even in the face of such strict control, Kim judged the conditions for the North Koreans working in Czech companies to be ‘pretty decent’ compared to the conditions in other places where North Koreans are sent to work:

*The Czech Republic was then about to join the European Union and it had strict labour regulations regarding foreign workers. For example, all foreign workers were required to have health insurance. As for the living conditions, there was a rule that workers were not allowed to live in a group of more than five people. So the workers stayed in a budget hotel, no more than three in the same room.*<sup>242</sup>

According to Jelínková’s findings, the situation changed after the media covered the topic in 2004. The change was due to both the interest of Czech and foreign media as well as the increased number of inspections by the Labour Office and the Foreign Police. As a result, the workers were left with a larger amount of money with which they could buy more food, and they no longer suffered from malnutrition. Also, the control of workers in their free time decreased, so they could sometimes go to the local supermarket or on a short hike as a group.<sup>243</sup>

However, when asked about the living and working conditions for their North Korean employees, some former employers gave a very different picture. Medek explains:

*When media started to report about [the North Korean workers] again in 2006, we were inspected by the Labour Office or Foreign Police every second or third week, but they did not find anything wrong. The Labour Office wanted to know how we paid our North Korean employees, how much money they had, and whether we were holding them locked somewhere. However, that was not true. The Koreans went shopping with us to Pardubice or Chrudim. We took them for trips to Prague several times. Whenever they wanted to leave the accommodation, they could. We rented a two-story house for them, where they had*

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<sup>240</sup> Kim, interview.

<sup>241</sup> Mikoláš, ‘Do Česka prý jezdily otročit korejské dělnice’.

<sup>242</sup> Kim, interview.

<sup>243</sup> Jelínková, ‘Případová studie: Severokorejky v Česku,’ 63.

*bedrooms, two kitchens, three toilets with showers and two large common rooms. The Labour Office and the Foreign Police were positively surprised with the conditions they lived in.*<sup>244</sup>

To sum up, the conditions in which North Korean workers lived and worked evolved over time and differed according to place. At work, they enjoyed the same rights as any other workers being protected by Czech Labour Law. Nominally, they worked eight hours per day with overtime and weekends being paid extra. They were also covered by health insurance. According to Kim, North Koreans lived and worked in the Czech Republic in better conditions than in many other places around the world. However, even in the Czech Republic, North Koreans experienced harsh treatment and strict control. During the years 1998–2004, workers were left with so little money that they suffered from hunger and even malnutrition. Their movement and communications were strictly controlled by North Korean minders and managers. In their free time, workers were restricted from walking freely outside their accommodation. The situation improved with the attention paid to the issue by the media and the Czech state authorities. As a result, workers were left with larger amounts of money, and control over their movements was lessened. However, in 2006, the international pressure, which was created, pushed the Czech government to the decision not to issue new working visas to North Koreans. The doubts about the exploitative nature of the business had persisted.

#### **WHAT WAS THE SITUATION WITH THE WORKERS' WAGES?**

How much were the workers paid and who actually profited? Those were two crucial questions which arose in connection with the employment of North Koreans in the Czech Republic. Based on the indicators within the companies, the media, the state authorities, as well as the international community suspected that workers had to hand over a substantial part of their salaries to the North Korean regime. As a result, workers were left only with a small amount of money, sending the remainder via third parties to North Korea.

According to Czech law, North Korean workers were entitled to the same wage conditions as local employees and employees from other countries. They were entitled to receive at least the country's minimum wage, which was 2,650 koruna (approximately US\$82) in 1998 and 8,000 koruna (approximately US\$470) in 2008.<sup>245</sup> According to Kim, between

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<sup>244</sup> Medek, interview.

<sup>245</sup> Ministry of Labour and Social Affairs, 'Přehled o vývoji částek minimální mzdy,' October 13, 2017, <https://www.mpsv.cz/cs/871>.



2000 and 2002 a worker's salary was around US\$150 per month, which was a sum slightly higher than the minimum wage at that time.<sup>246</sup>

The actual salary of the workers did depend not only on the minimum wage limit, but also on the company, the year, and whether the employees were paid according to a fixed tariff or on a piecemeal basis, whereby workers are paid a fixed rate for each unit produced. In Kreateda for example, North Korean workers received a fixed salary of 6,000 Czech koruna (approximately US\$240) per month in 2004,<sup>247</sup> compared to 8,000 Czech koruna (approximately US\$400) per month in 2007.<sup>248</sup>

If they were paid on a piecemeal basis, according to the statements of their former employers and payrolls shown to journalists, their monthly pay could be several times higher than the minimum wage. For example, at Modela, that employed them in the period 2004–2008, North Koreans earned 16,000–24,000 koruna per month (approximately US\$760–1140), thanks to their work performance.<sup>249</sup>

Kim admitted that in some companies it was possible for North Koreans to get a higher salary. This, however, did not change the fact that most of the money they earned was sent to the North Korea.<sup>250</sup> Therefore, a bigger problem than the workers' salary level was what happened with the money after payment.

Soukupová, stated that at the beginning of the cooperation, around 2001, the North Korean managers demanded salaries be sent directly to their Embassy instead of paying workers individually. This was explained as the repayment of a debt to the state. Soukupová, adding that the person who asked them to pay money directly to the Embassy was Kim, says:

*North Korean managers argued that the state had some initial expenses with the workers' placement in the Czech Republic, and now the workers had to repay this money back. We insisted that employees would receive their money directly from us and what they did with it afterwards was their own decision. We did not know how much they were giving to the Embassy, but there was information that the man responsible for supervising North Korean workers was collecting some money from them.*<sup>251</sup>

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<sup>246</sup> Kim, interview.

<sup>247</sup> idnes.cz, 'Ženy musí odevzdávat plat do Koreje,' *idnes.cz*, March 28, 2004, [http://zpravy.idnes.cz/zeny-musi-odevzdat-plat-do-koreje-dli-/domaci.aspx?c=A040328\\_185242\\_zahranicni\\_mhk](http://zpravy.idnes.cz/zeny-musi-odevzdat-plat-do-koreje-dli-/domaci.aspx?c=A040328_185242_zahranicni_mhk).

<sup>248</sup> Holec, 'Kimova mlha'.

<sup>249</sup> Medek, interview.

<sup>250</sup> Mikoláš, 'Do Česka prý jezdily otročit korejské dělnice'.

<sup>251</sup> Soukupová, interview.

The managers of Czech companies said that they did not comply with these requests from North Korean managers and paid money directly to their employees. Petr Martinec from Sam Trade says:

*We told them to forget this idea and that everybody would get their money in cash directly. After that, we did not care what the workers were doing with the money even though we knew that they had to hand over something.*<sup>252</sup>

The statements by Soukupová and Martinec are interesting for two reasons: first, they indicate that North Korean managers were pushing the employers not to pay the workers individually, and second, they support the notion that the employers knew about the practice of some money being taken from the workers. As those demands could have raised some controversies, the North Korean managers changed the practice. This can be inferred from the witness statement by Medek, who employed North Korean seamstresses in his shoe-making factory Modela from 2004:

*I was not pressured to pay all money to one specific person. On the contrary, the North Korean managers wanted me to pay the salaries directly to my employees and I never saw them giving the money to anyone. However, I could believe they were handing over something because I know they had borrowed some money in order to come to the Czech Republic. If they borrowed, they had to return something.*<sup>253</sup>

In 2000–2002, when Kim was the responsible for the management of his fellow citizens in Czech companies, 55% of the women's salaries were taken as a 'voluntary' contribution to 'the cause of the socialist revolution' with additional sums being deducted for accommodation, transport, flowers for the leaders' birthdays, and even for the propaganda films they watched. By the time all these deductions were made, each received between US\$20 and US\$30 a month.<sup>254</sup>

As the wages increased over the years, the amount the workers had to hand over was increased as well. In 2006, unofficial information gathered by Czech police indicated that North Korean employers deposited nearly 80% of their salaries into a collective bank account, according to Lenka Šimáčková of the Interior Ministry's strategy and analysis unit.<sup>255</sup>

Kim reveals the process of transferring money to North Korea:

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<sup>252</sup> Martinec, interview.

<sup>253</sup> Medek, interview.

<sup>254</sup> Demick, „North Koreans Toil Abroad under Grim Conditions’.

<sup>255</sup> Novinky.cz, 'Peníze Korejek pracujících v ČR jdou pry na účet státu KLDR,' *Novinky.cz*, November 17, 2006, <https://www.novinky.cz/ekonomika/100925-penize-korejek-pracujicich-v-cr-jdou-pry-na-ucty-statu-klidr.html>.

*The workers were paid in local currency, the Czech koruna. Then we exchanged it to US dollars and transferred it to North Korea. The practice was that the manager or interpreter received all the wages in lieu of the workers. I collected the entire sum of money and distributed it to the workers according to their payroll. For instance, if one worker received a monthly wage of about US\$150, then US\$80 would be deducted and sent to North Korea, with the worker getting US\$70. I wired the money from the bank. I had my personal bank account from which I transferred money to North Korea. I think it was Czech Commercial Bank [Komerční banka] or something. I had no difficulty transferring the money. I could just keep money in my account and could make a direct transaction to North Korea.*<sup>256</sup>

This corresponds with information from the media, in which it was reported that the seamstresses from Kreata sent their entire earnings to a collective account in the Komerční banka, a member of Société Générale international finance group.<sup>257</sup>

Additional information about the process of transferring the money to North Korea can be found in the report by International Network for the Human Rights of the Overseas North Korean Labour:

*The money that is raised usually goes to a light industry [sic] account in China. Then the Korea Development Bank takes the money from that account. [...] Each company has their own account, but then they are all connected to Kim Jong-un's accounts. Even though it looks like the money is going to different accounts and departments, it is all re-collected by the Kim Jong-un regime.*<sup>258</sup>

Some employers admit that they knew, or at least suspected, that their North Korean employees were handing over part of their salaries to authorities. Based on his own experience of the communist regime in Czechoslovakia, Martinec of Sam Trade saw this practice as something normal:

*During the socialist regime, I worked abroad and the state agency that employed me automatically took 25% of my salary, so it was no wonder the North Koreans did something like that as well.*<sup>259</sup>

Medek took this practice to be repayment for flights and other administrative costs:

*My opinion is that they had to repay a debt. I know that they borrowed some money to come here, so apparently, they had to repay it. But they certainly did not give everything because*

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<sup>256</sup> Kim, interview.

<sup>257</sup> Václav Zeman, 'Připomeňme si,' *Respekt*, May 8, 2004, <https://www.respekt.cz/tydenik/2004/20/pripomenme-si>.

<sup>258</sup> International Network for the Human Rights of North Korean Overseas Labour, *The Conditions of the North Korean Overseas Labour*, 40.

<sup>259</sup> Martinec, interview.

*I saw their wallets full of money when we went shopping with them to the supermarkets every week.*<sup>260</sup>

To summarize, two types of questions arose in connection with salaries North Korean workers received. First, how much they earned, or in other words, whether or not they were paid fairly for the work performed. As Czech law stipulates, all workers no matter their country of origin are entitled to minimum wage. However, the exact amount of money workers earned depended on the year, company, and type of contract – some workers were paid with a fixed salary, which tended to be slightly higher than the country's minimum wage; others were paid on a piecemeal basis, receiving a fixed rate for each unit produced. In this scenario, North Korean workers were able to earn much more thanks to their high productivity.

The second question – and a more important one – asks who profited from the money North Koreans had earned. Kim explicitly stated that the workers had to hand over to North Korean managers a substantial portion of their monthly salary. Initially, the Czech employers were asked to send all the salaries to one single account on behalf of all North Korean employees. While some employers followed that demand – for example the company Kreateda – others refused. Regardless, North Korean workers were forced to hand over parts of their salaries to the North Korean authorities, as was confirmed by several former employers. After the salaries were collected from the employees one of the North Korean managers sent them via his bank account to the Ministry of Light Industry's account in China and then to North Korea. During 2000–2002, the workers were left with between US\$20 and US\$30 a month, a sum so small that some of the workers suffered from malnutrition.

When asked about the practice of handing over parts of the salaries, some of the employers understood it to be a repayment of transportation and other administrative costs, or justified it as something normal done also by the socialist regime in Czechoslovakia.

#### **THE EMPLOYMENT OF NORTH KOREAN WORKERS FROM THE PERSPECTIVE OF CZECH EMPLOYERS**

For Czech employers, the workers from North Korea came at a critical time, when several industries experienced problems with finding skilled but cheap labour. Companies were hungry for workers who were willing to work in labour-intensive industries. Several former employers valued North Koreans for their professional skills and productivity. One executive from Sněžka Náchod recalled:

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<sup>260</sup> Medek, interview.

*From an employer's perspective, they were ideal workers. Unlike Czech or Ukrainian workers, the North Koreans never wasted time drinking coffee and chatting. They were very good with their hands too. They were extremely accurate in their sewing, as if machines had done it.*<sup>261</sup>

Soukupová also recalled:

*[Our] experience with them in terms of work approach and behaviour were more than excellent. The North Koreans were incredibly smart and hard working – which was the most important thing for those businesses.*<sup>262</sup>

Soukupová's comment indicates the perspective from which the employment of North Koreans was perceived by the employers: an economic view stripped of any humanitarian or moral concerns. The former employers did not find anything controversial about employing labour from North Korea. As one of them said:

*I never thought of it as problematic. We did everything correctly, we complied with the Labour Code, we paid them the money we were supposed to pay, we provided them with accommodation, and we cared about the things that we should have cared about. Probably you are right that the money went to the North Korean regime, but I did not care. I did not want to support North Korea. I wanted to support myself, and I needed workers.*<sup>263</sup>

It is evident that employers were most likely aware that the regime in Pyongyang profited from workers' salaries. Nevertheless, the economic benefits outweighed any political or human rights issues.

If employers did look at the topic of employing labour from North Korea from a political point of view, they perceived their actions as offering a form of enlightenment and re-education. Soukupová says:

*The workers stayed here two, three, or four years, and during that period they become a kind of fifth column because they saw that life can be different. By that, we planted a seed of discontent within the [North Korean] regime. Nobody wanted to even hear that [the workers] were not being exploited here: that those ladies who left were very different from those who arrived. They were dressed differently and behaved differently. They knew how to laugh.*<sup>264</sup>

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<sup>261</sup> Chosun Ilbo, 'Czech Factory Regrets Departure of N. Koreans,' *The Chosun Ilbo*, October 28, 2009, [http://english.chosun.com/site/data/html\\_dir/2009/10/28/2009102800620.html](http://english.chosun.com/site/data/html_dir/2009/10/28/2009102800620.html).

<sup>262</sup> Soukupová, interview.

<sup>263</sup> Martinec, interview.

<sup>264</sup> Soukupová, interview.

One former employer offered a similar view combined with more insightful perception of the situation, indicating that some sensed that the situation could bear negative consequences for the workers, especially after their return to North Korea:

*I felt that North Koreans came to live here for some time and they saw how the life elsewhere was. On the other hand, I was also terrified that when they came home, they would be cursed or confined somewhere because they had seen something they were not allowed to see. In the Czech Republic, North Korean workers did not experience a cruel world, but met people who treated them kindly, baked cakes for them, and invited them for dinner.<sup>265</sup>*

Several employers said that they were invited to visit North Korea, but none of them took this opportunity. One of them was Jiří Balabán, who, although he never visited North Korea or spoke with his employees about life there, was uncritical of the North Korean regime:

*In my opinion, the North Korean regime is not as cruel as it has been said to be. There is a famine? If so, how is it that these girls do not come here emaciated? They are not even isolated; they rotate about once a year and keep exchanging letters with those who have returned home.<sup>266</sup>*

Balabán's statement serves as an example of lack of concern and disinterest in putting the employment of North Koreans into a broader political and human rights context. The position of Czech employers is well summarized in Jelínková's study, postulating that the employers' perceptions about the diligence and obedience of the North Korean workers overshadowed any other point of view than purely economic one.<sup>267</sup>

## CASE-STUDIES OF INDIVIDUAL COMPANIES

While previous parts described the overall working and living conditions for North Koreans employed in the Czech Republic, as well as the attitude of employers, this chapter assesses the situation within individual companies. Generally, North Korean workers experienced the harshest conditions in the initial years of their placement. Around 2004, with the increase of attention paid by both the media and the Czech state authorities, workers were left with larger amounts of money and the control over their movements relaxed.

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<sup>265</sup> Martinec, interview.

<sup>266</sup> Kateřina Mahdalová, 'Hádanka pokračuje,' *Respekt*, December 3, 2006, <https://www.respekt.cz/tydenik/2006/49/hadanka-pokracuje>.

<sup>267</sup> Jelínková, 'Případová studie: Severokorejky v Česku,' 64.

## SAM TRADE IN SKUTEČ

Sam Trade was a shoe-making factory based initially in Sezemice and subsequently moved to Skuteč under the management of Martinec. North Korean workers began to work at Sam Trade following the company's cooperation with the agency M Plus. According Soukupová, it was Sam Trade to which M Plus delivered the first thirty seamstresses around 2001.<sup>268</sup>

In 2004, the financial manager of the company Košner said to journalists that employees from North Korea earned a gross wage of between 7,000 and 12,000 koruna per month.<sup>269</sup> In following years, the salaries grow up and reached 20,000 Czech koruna per month (approximately US\$950), as evidenced by the payrolls.<sup>270</sup>

When asked about the system of payments, Martinec said that the salary went directly into the hands of the workers:

*From the beginning, the North Korean managers wanted us to send them all payments to a joint account. We told them to forget about it, and that employees would receive their money in cash. Then we did not care what they did with the money, even if we suspected that they had to hand over something.<sup>271</sup>*

As this statement indicates, the management was aware of the practice of handing over some parts of the salaries. This is furtherly supported by the company's financial manager Košner: 'They often did not have enough [money] even for food. They were sometimes truly hungry.'<sup>272</sup>

In addition to thirty North Korean seamstresses, the company also employed two men – one as a translator, and one as an educator:

*[The] translator, Mr. Lee, spoke Czech. Apparently, he studied in Zlín, and he was like a friendly cop. He always told me that he had to write reports about me and asked me if I want to read them. I told him that he could write whatever he wanted. Then there was the educator, a shoddy old man. He constantly ensured that the girls worked a lot. He forced them to work as efficiently as possible.<sup>273</sup>*

Sam Trade was visited every week by Kim, who used the name An at that time:

*He was the head of the company which the North Koreans had founded here. Mr. An, as he was called, was a very unpleasant man who mainly wanted the women to work a lot. Every week he came here and apparently collected the money from them, because we paid each*

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<sup>268</sup> Soukupová, interview.

<sup>269</sup> Noviny Chrudimska, 'Dělají otročinu pro korejský režim také ženy ve Skutči?' *Noviny Chrudimska*, April 1, 2004.

<sup>270</sup> Mikoláš, 'Do Česka prý jezdily otročit korejské dělnice'.

<sup>271</sup> Martinec, interview.

<sup>272</sup> Demick, 'North Koreans Toil Abroad under Grim Conditions'.

<sup>273</sup> Martinec, interview.

*worker personally. Mr. An was the only one with a diplomatic passport and so he managed to escape from the Czech Republic through Ruzyně airport.*<sup>274</sup>

In March 2004, there was an accident at Sam Trade which helped to increase media attention and subsequently brought the case of the North Korean workers to the Office of the Czech President. Whilst Czech Television was reporting on the conditions of North Korean workers at Sam Trade, some of the workers attacked the crew and destroyed a camera and took out the tape. Even though no one was hurt, the police then arrested three of the North Koreans and investigated them on suspicion of robbery.<sup>275</sup> Their prosecution was halted in September 2004 at the behest of President Václav Klaus.<sup>276</sup>

### **KREATA IN ŽEBRÁK**

Another often-reported employer of North Korean workers was Kreateda in Žebrák. This company had an Italian owner and had been manufacturing underwear in the Czech Republic since 1998. But soon after initial production, the company experienced a problem with the workforce. 'We could not find a labour force among Czechs, so we approached a brokerage agency, which offered us North Koreans,' said Věra Čermáková, the director of Kreateda. In 2001, the company hired 35 North Korean workers, and then another 15.<sup>277</sup> Forty-eight young North Korean women and two men came to the Czech Republic by train.<sup>278</sup> The workers were brokered by CLA agency, managed by Faltusová.<sup>279</sup>

As in the other cases, this employment of North Korean workers was authorized by the Labour Office. According to the company co-owner Lucio Baraldi, the employees worked eight hours a day and had a mandatory break every two hours as required by law. Baraldi, implying that what happened outside of working hours was not his business, says:

*When the shifts ended, we closed the factory and we went home. The North Koreans went to the hostel and what happened outside of working hours that was their business. I did not watch my Czech or Korean employees.*<sup>280</sup>

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<sup>274</sup> Martinec, interview.

<sup>275</sup> Ondřej Tolar, 'Štáb ČT se střetl s korejskými dělnicemi,' *idnes.cz*, April 1, 2004, [http://zpravy.idnes.cz/stab-ct-se-stretl-s-korejskymi-delnicemi-fd8-/krimi.aspx?c=A040401\\_082127\\_krimi\\_ton](http://zpravy.idnes.cz/stab-ct-se-stretl-s-korejskymi-delnicemi-fd8-/krimi.aspx?c=A040401_082127_krimi_ton).

<sup>276</sup> Erik Tabery, 'Cit na Hradě,' *Respekt.cz*, September 12, 2004, <https://www.respekt.cz/tydenik/2004/38/cit-na-hrade>.

<sup>277</sup> Ondřej Kundra, 'Severokorejské otrokyně v Žebráku,' *Respekt.cz*, March 27, 2004, <https://www.respekt.cz/tydenik/2004/14/severokorejske-otrokyne-v-zebraku>.

<sup>278</sup> Mladá fronta DNES, 'V Žebráku a Železném pracují šičky z KLDŘ'.

<sup>279</sup> Kundra, 'Otrokyně tu zůstanou'.

<sup>280</sup> Tomáš Pavlíček, 'Italská firma se nařčení z otrokářství brání,' *BBC*, April 4, 2004, [http://www.bbc.co.uk/czech/domesticnews/story/2004/04/040402\\_cz\\_korea\\_slaves\\_pckg.shtml](http://www.bbc.co.uk/czech/domesticnews/story/2004/04/040402_cz_korea_slaves_pckg.shtml).



In 2004, the wages of North Korean seamstresses in Kreateda were around 6,000 Czech koruna per month, which were paid directly to the workers. Company's director Věra Čermáková says:

*What they did with them, and if there was anybody watching them, I did not know and I did not care. For us it was important that these women had high productivity and good work discipline. The men who were with them, they just cared about their health.*<sup>281</sup>

Even though Čermáková denied she knew about any money being handed over by Kreateda's employees to the North Korean authorities, a director of the Labour Office Lenka Šmídová testified that the management knew about these practices:

*From Kreateda's director, I learned that the women apparently hand over most of the money to the North Korean Embassy. In other words, it is a kind of modern slavery. Now we cannot probably do anything. The women would probably say that they were doing everything voluntarily – and then what to do?*<sup>282</sup>

Not only the employers, but the Czech Labour Office also knew about the workers' obligation to hand over parts of their salaries; however, they did not react as they did not have proof of this practice.

In 2004, the police investigated whether North Korean women were working without any opportunity of free movement.<sup>283</sup> The police, however, failed to prove that these women were restricted in their personal freedom. In addition, the Labour Office inspections did not find any violations, apart from low wages (below the minimum wage) being paid to these employees. The management then increased these employees' salaries from 6,000 to 7,000 Czech koruna (from US\$240 to 280).<sup>284</sup>

Although company management claimed earlier that they paid the money to each employee separately, the Labour Office told the media in 2007 that the company sent the salaries of all North Korean employees to a joint account. The director of the Labour Office, Šmídová, stated that:

*We were there a few times to check and each had personally signed documents allowing her salary to be sent to this account. For us it was in accordance with the law.*<sup>285</sup>

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<sup>281</sup> Kundra, „Severokorejské otrokyně v Žebráku”.

<sup>282</sup> Kundra, „Severokorejské otrokyně v Žebráku”.

<sup>283</sup> idnes.cz, „Případ ‘otrokyně’ z Koreje zkoumá policie,” *idnes.cz*, March 31, 2004, [http://zpravy.idnes.cz/pripad-otrokyn-z-koreje-zkouma-policie-d93-/domaci.aspx?c=A040329\\_222023\\_domaci\\_pol](http://zpravy.idnes.cz/pripad-otrokyn-z-koreje-zkouma-policie-d93-/domaci.aspx?c=A040329_222023_domaci_pol).

<sup>284</sup> Zeman, „Připomeňme si”.

<sup>285</sup> Petr Holec, „Kimova mlha”.

It is evident that Kreateda found a legal loophole in order to be able to fulfil the demands of the North Korean managers; the employees' signing of the document allowing salaries to be sent to a single account.

A description of North Korean life outside of working hours was provided by Miroslav Kočárek, the owner of the dormitory where the North Koreans from Kreateda previously resided:

*It was a closed community. No one can get to them. Each room [of their dormitory] hung a portrait of the dictator and minders kept them in order. The girls were not allowed to go anywhere alone and were not allowed to watch TV. But every Sunday they watched some North Korean movies, over and over the same couple of videocassettes. When they did not watch films, they memorized something by heart and then the minders tested them afterwards. When they went somewhere, for example to collect raspberries or apples, they could do so only under supervision and in pairs. The food was arranged by a minder, he brought always some bags of rice and some other supplies to last for several days.<sup>286</sup>*

Journalists, who had the opportunity to visit the hostel, described it as follows:

*The hostel had a feeling of military order. Each room was decorated with the portraits of Kim Il-sung and Kim Jong-il, and the beds were made properly. Everything was clean, as in an operating room.<sup>287</sup>*

On the issue of freedom of movement, the mayor of Žebrák, Daniel Havlík says:

*Not once did I see them walking alone into the city to buy things, or just to walk. Immediately after leaving work, they all went to their hostel, which was 50 meters away from the factory.<sup>288</sup>*

And according to a local shopkeeper:

*They never walked down the streets. It was like in jail, they were locked in that building and at nine o'clock they had to go to sleep.<sup>289</sup>*

The situation possibly evolved over time. In 2007 a journalist from the weekly Reflex wrote:

*They came to town in their free time, usually to buy something. Their movement was not organized, nobody supervised them. They walked in pairs and didn't talk much with*

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<sup>286</sup> Ondřej Kundra, 'Severokorejské otrokyně v Žebráku'.

<sup>287</sup> Tomáš Pavlíček, 'Italská firma se nařčení z otrokářství brání'.

<sup>288</sup> Ondřej Kundra, 'Severokorejské otrokyně v Žebráku'.

<sup>289</sup> Tomáš Pavlíček, 'Italská firma se nařčení z otrokářství brání'.

*anyone, as has been described by other journalists, due mainly to the fact that the majority did not speak Czech.*<sup>290</sup>

The Kreateda case is interesting for several reasons: first, the company did not pay workers individually, but sent all the salaries to a single account. To carry out this practice, the employees gave their written consent, thus making it lawful. Second, the Labour Office knew about this practice but could not act, as no laws were being broken. Third, the Police did not find any evidence of a violation of freedom of movement. Fourth, the level of control as well as freedom of movement improved over time. This case shows the limits of the state authorities, whose powers were restricted in situations where no laws were broken. A solution needed to be found on a political level. Exactly this happened when, in June 2006, the Ministry of the Interior instructed the Foreign Police not to issue new working visas to the applicants from North Korea.

#### **JIRÍ BALABÁN'S COMPANY IN ŽELEZNÁ**

Jiří Balabán's company employed fifteen North Korean seamstresses to make work-clothes and uniforms. Their employment in the small village of Železná was brokered by the agency CLA, managed by Faltusová.

In 2005, renowned journalist Demick wrote about the North Koreans in Železná. One of them told her that she was from Pyongyang. 'I'm not so happy here. There is nobody who speaks my language. I'm so far from home,' said the young woman, who lived with her colleagues in a supervised hostel which had portraits of Kim Il-sung and Kim Jong-il on the walls. As Demick reported, almost all of the women's monthly salaries, about US\$260 or the Czech minimum wage, were deposited directly into an account controlled by the North Korean government.<sup>291</sup> As with other employers, Balabán turned a blind eye to such accusations, commenting:

*What they did in their free time, how they handled the money they had earned, and if they had to hand this over to someone, was their thing. I cared that company prospered and not about where these women were from and why they were here.*<sup>292</sup>

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<sup>290</sup> Petr Holec, 'Kimova mlha'.

<sup>291</sup> Demick, 'North Koreans Toil Abroad under Grim Conditions'.

<sup>292</sup> Kundra, 'Svobodovi už otrokyně nevadí'.

## SNĚŽKA IN NÁCHOD

Sněžka was a textile factory based in Náchod producing headrests and armrests for BMWs, Mercedes, Renaults, and other cars. The workers from North Korea were brokered by the M Plus agency and in 2006, 82 North Koreans, mostly women aged between 20 and 28, were working there.<sup>293</sup>

According to the general manager at Sněžka, Miloslav Čermák, the employees were paid on a piecemeal basis. The top workers stitched as many as 350 headrests a day and earned monthly salaries of up to 25,556 Czech koruna (US\$1,165), well above the country's minimum wage of 7,955 Czech koruna at that time. The lowest-paid North Korean worker earned 8,200 koruna, a common salary for new employees.<sup>294</sup> Like other employers, Čermák evaluated the North Korean labour force very positively. He stated in 2007:

They're good employees, working accurately, fairly and reliably. The best of our seamstresses earn 20,000 koruna a month. Half of them are North Koreans.<sup>295</sup>

Both the management of Sněžka and the agency M Plus indicated that they had experienced pressure from the North Korean Embassy to send the seamstresses' salaries to a joint account. However, the company's management rejected that demand:

*We are not slavers. All employees receive the money in their own accounts, and the Koreans as well. But what they do with the money afterwards, we cannot control.*<sup>296</sup>

Similar to other employees, the workers worked eight hours a day, five days a week, in two shifts – 6 am to 2 pm, and 2 pm until 10 pm. If they worked in the weekends, this earned them an extra 75% of their daily incomes, a standard uniformly applied to both North Korean and other workers.<sup>297</sup>

At the factory, the North Korean workers socialised with their foreign co-workers. They spoke Czech and talked about work, colleagues said, but they never socialized after work hours. They were watched over by an interpreter who usually answered for them.<sup>298</sup>

In 2007, the weekly Týden published an exceptionally comprehensive report describing the living and working conditions for the North Koreans in Sněžka. The journalists' interviews and their visit were agreed to by interpreter Ri Chol-yong in order to refute the suspicion that

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<sup>293</sup> Bricker, 'North Koreans in Czech jobs: Slave labour?'

<sup>294</sup> Bricker, 'North Koreans in Czech jobs: Slave labour?'

<sup>295</sup> Křivka, 'Žít a šít ve jménu vůdce'.

<sup>296</sup> Křivka, 'Žít a šít ve jménu vůdce'.

<sup>297</sup> Chosun Ilbo, 'Czech Factory Regrets Departure of N. Koreans'.

<sup>298</sup> Bricker, 'North Koreans in Czech jobs: Slave labour?'

the North Korean state was abusing its citizens in the Czech Republic. The journalists reported that the North Koreans were living in an ordinary house in Náchod. In the basement was a kitchen, while Ri lived with his wife on the first floor. The other floors were occupied by the young women. These cramped rooms housed three women each, with a total of twenty people living in the house. The only room which had a TV was the interpreter's room. The neighbours maintained good relations with them. They helped each other, sharing their traditions and giving small gifts. The North Koreans even celebrated International Women's Day together with local members of the Czech communist party.<sup>299</sup>

After the media described these seamstresses as modern slaves, a foreign buyer of the company's products contacted the director, Čermák, and threatened to end cooperation with the company if employment of North Koreans continued. As a result, Čermák offered to move the North Korean workers to another company. His former employees ended up in the towns of Heřmanův Městec, and Jaroměř, and somewhere near Prague.<sup>300</sup>

#### **MODELA IN HEŘMANŮV MĚSTEC**

The media did not cover the employment of North Korean workers at Modela, so the information comes from a single source: manager Medek. This company, which operated in the shoe industry, employed during the period 2004–2008 a total of 27 North Koreans.<sup>301</sup>

The North Korean workers came in three groups – ten in 2004, ten in 2005, and the remaining seven were transferred to Modela from Sněžka in 2007. Due to the international as well as national media attention given to the topic, Medek's company was under continuous inspections by the authorities. When asked about the issue of salaries and the system of payment, Medek stated that North Korean workers earned 16,000–24,000 koruna per month (approximately US\$760–1140).<sup>302</sup>

As with other employers, Medek's statements indicate that he was aware of the practice of handing over some parts of the workers' salaries, even though he did not see it personally. He even offered the explanation for this practice being in place – the women had to repay a sum they had borrowed.<sup>303</sup>

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<sup>299</sup> Křivka, 'Žít a šít ve jménu vůdce'.

<sup>300</sup> Křivka, 'Žít a šít ve jménu vůdce'.

<sup>301</sup> Medek, interview.

<sup>302</sup> Medek, interview.

<sup>303</sup> Medek, interview.

Concerning control of the workers, Medek stated that his employees did not have a North Korean supervisor who would watch over them.<sup>304</sup> Thus, Modela is an example of a company for which the North Koreans worked, and lived without minders. It indicates that the level of control exercised by the North Korean authorities over their fellow-citizens differed per company.

Modela is an exceptional case also for another reason – it was the only company in which some North Koreans stayed a total of five years.

*Those ten who arrived first worked with us for five years, the next ten North Koreans worked one year less, and the seven who came last of all worked here for only six months.*<sup>305</sup>

From June 2006, the Foreign Police stopped extending workers' visas, and workers had to leave after they expired. Two North Koreans employed by Modela challenged the decision made by the Foreign Police in court arguing that, 'the working stay was terminated without concrete evidence of a violation of the laws of the Czech Republic, only on the basis of a political order.' The court ruled in favour of the North Koreans stating that the reasons for a Foreign Police decision had been vague, incomprehensible, and non-reviewable, and returned the case to the administrative authority for a new verdict. After reviewing the case, the Foreign Police decided to extend the women's working permits. By the time the new decision was made, however, the North Koreans had already left the Czech Republic.<sup>306</sup> This case shows how problematic it was to back the Foreign Police's decision not to issue working visas to applicants from North Korea when no specific and reviewable justification was given, since the order came from the Ministry of the Interior.

#### **THE REACTIONS OF CZECH POLITICIANS AND AUTHORITIES**

After 2004 the Czech government, and later on also the Foreign Police and Labour Office, started to monitor the situation of North Korean workers. Prior to that, the employment of North Koreans had not been scrutinized by the Czech authorities. In 2004, ministers, as well as representatives of the Labour Office and the Police started to face repeated media inquiries. Initially, statements from ministers were mostly uncritical and moderate, but they hardened as international pressure on Czech politicians to stop this practice increased.

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<sup>304</sup> Medek, interview.

<sup>305</sup> Medek, interview.

<sup>306</sup> Deník Referendum.cz, 'Severokorejské dělnice vyhrály soud s cizineckou policií,' *DeníkReferendum.cz*, March 29, 2010, <http://denikreferendum.cz/clanek/2611-severokorejske-delnice-vyhraly-soud-s-cizineckou-policii>.

In 2004, the police investigated suspicions that North Korean employees in Czech companies were restricted in their personal freedom and had to hand over their salaries to the North Korean Embassy. However, the police did not find proof of any crime, and the investigation was therefore terminated.<sup>307</sup> Furthermore, the Minister of Foreign Affairs, Cyril Svoboda, noted that:

*If these women hand over their wages to North Korea, it is regrettable, but it is not against our laws. Personally, I think that the women here can learn democratic principles, which they will apply after their return to North Korea. So I see no reason why they should not continue to work here if they are not breaching any of our standards.*<sup>308</sup>

A similar comment was made by the Minister of Labour and Social Affairs, Zdeněk Škromach: 'If they like their regime so much, let them contribute to it. I see no reason to stop them doing that.'<sup>309</sup> Both politicians spoke uncritically about the situation, not taking into account any human rights dimension of the issue.

One of the critics of the situation, in which North Koreans supposedly worked for the benefit of its regime, was former President Václav Havel. He said the Czech Republic should not have allowed North Koreans to work on its territory until all the circumstances of their deployment were clarified:

*Such a situation should no longer be repeated and it should henceforth be ensured that other North Koreans would not earn money this way in favour of the regime in their country.*<sup>310</sup>

Although there were no crimes committed or other serious infringements made, in June 2006 Czech government decided that the issuing or renewal of work visas to North Korean migrants was contrary to the security and foreign policy interests of the Czech Republic.<sup>311</sup> The Ministry of Foreign Affairs stated that a change in attitudes toward North Korean employment was prompted by, among other things, pressure from abroad. Foreign Ministry spokeswoman Zuzana Opletalová stated that:

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<sup>307</sup> Zeman, 'Připomeňme si'.

<sup>308</sup> Kundra, 'Svobodovi už otrokyně nevaď'.

<sup>309</sup> Kundra, 'Svobodovi už otrokyně nevaď'.

<sup>310</sup> Kundra, 'Svobodovi už otrokyně nevaď'.

<sup>311</sup> Ministry of Interior, *Národní strategie boje proti obchodování s lidmi (pro období let 2008 – 2011)*, 2008, 8.

*Internationally, we have faced criticism that we tolerate slave labour. This was damaging our name abroad. Our attitude can be changed only when the Korean authorities will ensure that their citizens are remunerated in accordance with the normal standards.*<sup>312</sup>

The decision to end the employment of North Koreans in the Czech Republic was made on a political level as the government did not want to face continued international criticism. When the controversy connected to the North Korean workers was internal, the politicians reacted mildly as shown by ministers' statements from 2004, but when the pressure internationalized, it brought about a change in governmental policy. A decision was made to end the employment of North Koreans in the Czech Republic even though no gross violations of Czech laws were made.

### INTERNATIONAL REACTION

The international attention that the Czech Republic received followed one of Kim's testimonies. After his defection, he spoke about this topic at many international forums, including the plenary session of the European Parliament in March 2006.<sup>313</sup> His witness statements not only shed light on the exploitative nature of the practice, but also helped pressure the Czech government into stopping the issuance of working visas to North Koreans.

Since 2004, the case of North Korean workers in Czech firms has been mentioned in five editions of the US State Department's annual report on human rights around the world. In the 2005 edition, under the paragraph 'Prohibition of Forced or Compulsory Labour', the report noted that in the Czech Republic North Korean women,

*[...] were kept in tightly controlled environments, and their earnings were deposited into an account controlled by the North Korean Embassy. The Ministry of Labour and Social Affairs, in coordination with other government agencies and relevant NGOs, investigated the situation numerous times and concluded that working conditions at the factories and work contracts were within the confines of the law. They found that although the situation was 'troubling' in several aspects, the women were working voluntarily and no labour laws had been broken.*<sup>314</sup>

In 2006 and 2007, the case was also mentioned in the US State Department's *Trafficking in Persons Reports*. The 2006 report declared that the Czech Republic was a destination for men

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<sup>312</sup> Vladimír Křivka, 'Korejčák končí povolení, nahradí je Indové,' *Týden.cz*, February 27, 2008, [http://www.tyden.cz/rubriky/domaci/korejcam-konci-povoleni-nahradi-je-indove\\_46089.html](http://www.tyden.cz/rubriky/domaci/korejcam-konci-povoleni-nahradi-je-indove_46089.html).

<sup>313</sup> Radio Free Asia, 'How's the Kimchi? Secret Lives of North Korean Workers Abroad,' *Radio Free Asia*, January 17, 2007, [http://www.rfa.org/english/news/korea\\_migrants-20070117.html](http://www.rfa.org/english/news/korea_migrants-20070117.html).

<sup>314</sup> US Department of State, *2005 Country Reports on Human Rights Practices: Czech Republic*, March 8, 2006, <https://www.state.gov/j/drl/rls/hrrpt/2005/61644.htm>.



and women trafficked from North Korea for the purposes of labour exploitation.<sup>315</sup> In 2007, the report's authors pointed out that,

*[...] the Czech Republic had made several positive efforts over the reporting period, including the elimination of a program of exploitative North Korean labour contract for private industry in the Czech Republic.*<sup>316</sup>

Being mentioned in the US State Department's reports in the context of forced labour and human trafficking is an example of the international criticism to which the Czech Republic was subjected.

### TERMINATION OF VISA ISSUANCE

In 2006, following international pressure, the Department of Asylum and Migration Policy of the Czech Ministry of the Interior recommended that the Foreign Police stop issuing work visas to citizens of North Korea, referring to the UN Security Council Resolution No. 1718. This decision was explained by the Department's director Tomáš Haišman as follows: 'No one convinced us that this [the forced hand over of the earnings] did not happen.'<sup>317</sup> According to Haišman, it was not possible to imagine that the North Korean regime did not exploit its citizens working abroad:

*I just do not admit the possibility that these women could work here in the same way as other foreigners. We based our conclusions on the fact that there was a suspicion. We had information from several sources, including the media, especially American media. Put simply, the North Korean workers were a category of people whose stay in our country was not desirable.*<sup>318</sup>

In a similar vein, the Deputy Interior Minister Jaroslav Salivar argued:

*Several investigations carried out by the state authorities showed that part of the wages of North Korean workers from the Czech Republic was in fact diverted to bank accounts owned by parent institutions in North Korea or by its Embassy in Prague. Workers did so 'voluntarily'. However, there was reason to suspect that this conduct was not voluntary and if rules in the community were not respected, there would be a threat by the North Korean regime to families and other people. Since the financial resources obtained from the export of labour had subsequently benefited the ruling regime, the further employment*

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<sup>315</sup> US Department of State, *Trafficking in Persons Report*, June 2006, <https://www.state.gov/documents/organization/66086.pdf>.

<sup>316</sup> US Department of State, *Trafficking in Persons Report*, June 2007, <https://www.state.gov/documents/organization/82902.pdf>.

<sup>317</sup> Křivka, 'Žít a šít ve jménu vůdce'.

<sup>318</sup> Petr Holec, 'Kimova mlha'.

*of North Korean workers was not in accordance with the security and political interests of the Czech Republic.*<sup>319</sup>

It is evident from both statements that the decision not to issue working visas to North Koreans was done on the basis of a suspicion of exploitation, as hard evidence was not gathered and the police did not find any crimes committed. The decision was further supported by security and political interests of the country, underscoring the political nature of the verdict.

The workers' stays were mostly terminated in 2007.<sup>320</sup> The rest of the visas expired during the first months of 2008.<sup>321</sup> From December 2008 onwards, there have not been any North Korean citizens recorded as being employed in the Czech Republic.<sup>322</sup>

## CONCLUSION

In February 2008, the employment of North Korean workers by Czech companies was terminated for good. During that month, the last North Koreans left the Czech Republic, leaving behind unanswered questions about the exploitative nature of their stay as well as unsatisfied companies, which had lost their most productive employees.

From 1998 till 2008, a total of several hundred North Korean workers were employed in at least nine Czech business entities from the shoe-making, textile, and food processing industries: namely Sněžka in Náchod, Kreata in Žebrák, Sam Trade in Skuteč, Modela in Heřmanův Městec, Jiří Balabán's company in Železná, a bakery in Hořovice, Elegia in Třebachovice pod Orebem, Litex in Litomyšl, and Hübler's company in Železný Brod. Most of those workers were young women aged between 20 and 24 years old. They worked in labour-intensive positions that did not require secondary education, and stayed in the Czech Republic in accordance with Czech law. Their work permits and residence permits were often prolonged, some of them staying up to five years. Their presence in Czech companies was facilitated by direct contacts with the North Korean authorities operating in the Czech Republic or through brokerage agencies. The number of North Koreans in Czech enterprises peaked in 2006, when it reached almost 400, declining after the decision by the Ministry of the Interior not to prolong work visas or issue new work visas to citizens of North Korea. By December 2008, according to statistics, no North Koreans were being employed on the Czech territory.

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<sup>319</sup> Ministry of Interior, *Letter of Deputy Minister Jaroslav Salivar to Milan Medek*, January 14, 2008.

<sup>320</sup> Týden.cz, 'Korejské pracovnice opouštějí Berounsko,' *Týden.cz*, June 7, 2007, [http://www.tyden.cz/rubriky/domaci/korejske-pracovnice-opoustej-berounsko\\_13058.html](http://www.tyden.cz/rubriky/domaci/korejske-pracovnice-opoustej-berounsko_13058.html).

<sup>321</sup> Vladimír Křivka, 'Korejské otrokyně zmizí zřejmě až v únoru,' *Týden.cz*, January 21, 2008, [http://www.tyden.cz/rubriky/domaci/korejske-otrokyně-zmizi-zrejme-az-v-unoru\\_40151.html](http://www.tyden.cz/rubriky/domaci/korejske-otrokyně-zmizi-zrejme-az-v-unoru_40151.html).

<sup>322</sup> Czech Statistical Office, *Raw Data: Foreigners in the Czech Republic, Employment of the Foreigners based on their Citizenship and other Data*, April 2017.

The two known brokerage agencies explored here are M Plus, managed by Kateřina Soukupová, and CLA, managed by Ludmila Faltusová. The position of M Plus in the process of employing North Koreans in Czech companies was crucial – it was the first brokerage agency which started to import a workforce from North Korea, establishing a business model for employing North Korean workers.

Interviews with involved actors uncovered direct links from the companies employing North Koreans in the Czech Republic, through the brokerage agencies, to different North Korean business entities, and finally to the North Korean government. The entities involved with links to Pyongyang were the Korea Light Industry Trading Corporation, the Korean Munsu Trade Company and the Korea Taisheng Trading Corporation. In North Korea, the process of selecting and managing labourers was carried out by the Ministry of Light Industry. As is reported by the International Network for the Human Rights of North Korean Overseas Labour, different ministries operate various business entities with the aim of generating profit for the Kim regime by dispatching a workforce abroad.

The link between the North Korean authorities, Czech employers, and brokerage agencies was created through the North Korean Embassy in Prague by designated staff. One of them was Kim Tae-san, a diplomat responsible for overseeing North Korean workers between 2000 and 2002, after which he defected with his family to South Korea. According to Kim, the North Korean government established the Chosun–Czech Shoes Technology Collabourative under its Ministry of Light Industry in order to procure and manage a workforce for Czech firms. Moreover, Kim said it was his job to collect salaries and distribute the remaining money to the workers. He stated that during his stint 55% was taken off their salaries excluding sums were deducted for accommodation, transport, and extras such as flowers for the birthday of Kim Il-sung and Kim Jong-il. By the time all these deductions were made, each worker received between US\$20 and US\$30 a month. The money which Kim collected was eventually sent from an account in Komerční banka, a bank belonging to the Société Générale group, to North Korea via a Korea Development Bank account in China.

Concerning the salaries, two questions arose: first, how much did the North Koreans earn, or in other words, were they were paid fairly for the work performed, or not? Czech law stipulates that all workers, no matter their country of origin, are entitled to receive at least the minimum wage. This right was assured also in the case of North Koreans. However, the exact amount of money they earned depended on the year, the company, and the type of contract – some workers were paid a fixed salary, which tended to be slightly higher than the country's minimum wage, or on a piecemeal basis, whereby a worker was paid a fixed rate for each unit

produced. In this scenario, North Korean workers were able to earn much more thanks to their high productivity.

The second question concerns earned profits: who profited from this scheme? Kim explicitly stated that the workers had to hand over to North Korean managers a substantial portion of their monthly salary. Initially, Czech employers were asked to send all salaries to one single account on behalf of all the North Korean employees. While some employers followed that demand, others refused saying they would pay each worker individually. Even with this practice in place, North Koreans were forced to hand over parts of their salaries to North Korean authorities as was implicitly confirmed by several former employers.

The workers faced the worst situation around the years 1998–2004, when they were left with between US\$20 and US\$30 a month, a sum so small that some North Koreans experienced hunger and even malnutrition. In addition, their movements and communication with others were strictly controlled by North Korean minders and managers. The situation improved as attention paid to the issue by the media and Czech state authorities intensified. As a result, the workers were left with larger amounts of money, and control over their movements lessened. They were also covered by health insurance and, overall, enjoyed better living and working conditions than those in many places around the world where other labourers from North Korea were sent. It has to be pointed out that the conditions in which North Koreans worked and lived varied by company.

The Czech government, and later on also the Foreign Police and the Labour Office, started to monitor the situation of North Korean workers in Czech companies after it became a subject of media coverage. The employment of North Koreans had not been scrutinized by the Czech authorities before 2004. Initially, statements from ministers were mostly uncritical and moderate, but they hardened as international pressure increased. In June 2006, the Czech Ministry of the Interior recommended that the Foreign Police stop issuing work visas to citizens of North Korea, referring to the UN Security Council Resolution No. 1718. As the Deputy Minister of the Interior explained, further employment of North Korean workers was not in accordance with the security and political interests of the Czech Republic.

The decision to end the employment of North Koreans in the Czech Republic was made on a political level, as the government did not want to face continued international criticism. It must be pointed out that police investigations did not find any gross crimes committed in connection with the employment of North Korean workers, and contemporary hiring and payment practices were pursued within the confines of Czech law.

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## CHAPTER 5

### THE NETWORKS THAT SHAPE OVERSEAS DPRK LABOUR

The financial networks are the most international elements that enable North Korean overseas labour. Ironically, these networks may also be seen as a typically North Korean expression of home-grown isolationist ideology: *hyŏnjihwa* 현지화 or ‘localisation.’ Localisation is a strategy thought up by Kim Chŏngil. Originally, it referred to the policy of adopting South Korean ways of thought in order to influence South Korea. Relying on some of North Korea’s most gifted writers, it was a strategy that imitated and impersonated South Korean writers to feed the South Korean public a North Korean message purportedly brought by South Korean messengers. It was only contra-espionage agencies that were allowed to execute this strategy, and only a select few within those agencies: it required becoming as fluent, as at home as the enemy in the enemy’s thoughts, language, culture, ideology. The danger of course is that the agents responsible for the localisation ‘go native’ and become truly and fully localised themselves.

North Korean businessmen and businesswomen can be found all over the globe, in many cases not even recognisable at first sight as a citizen of the DPRK. What makes North Korean overseas labour so important for North Korea, so resilient, and so (seemingly) impossible to control is its reliance on local networks. North Korean companies and managers ‘localise’ successfully, making a North Korea presence in the form of a company or joint venture a necessary part of the local environment. While our research has clearly shown that overseas DPRK labour possesses the same core characteristics anywhere, we have as of yet paid significantly less attention to its local inflections. In Poland, the sheer resourcefulness with which North Korean managers and their local partners adapt to local situations and to local

laws is impressive: forming joint ventures with local business people, setting up shell companies, creating difficult to detect networks that employ DPRK workers in the ways most suitable to local circumstances. As freelancers, as independent subcontractors, as full employees. The realities created in layers and layers of paper and digital files however does little to change the reality on the ground, where the core characteristics of overseas DPRK labour structure reality.

In this chapter, we have also taken a look at one of North Korea's more illusive business partners: Taiwan. The case of Taiwan is illustrative for the difficulties it presents in finding relevant information. That information that was obtained, however, hints strongly at the need to find more information. Then, of course, there is the Polish case, and in particular that of Redshield and Partner Shipyard. That case seems the polar opposite of Taiwan, because we have plenty of materials to work with in the Polish case. But rather than an opposite, it is a picture that has simply been coloured in to a larger extent. And we have made a beginning in seeing where the money may have gone – as far as it has not been transported out of the country in cash, carried in the diplomatic pouch – by making an analysis of DPRK presence in the Panama Papers (and the like). This way, we might get a notion of what DPRK financial networks look like, who administers them, what they are for, and so forth.

This chapters asks for further future research, both into the core characteristics of DPRK overseas labour and into its local inflections, the local adaptations that make the phenomenon work. For now, we have begun mapping the networks that are the lifeblood of DPRK overseas labour.

## 1. DPRK OVERSEAS FINANCIAL NETWORKS

In response to nuclear testing that began in 2006, economic and financial sanctions have been imposed on the Democratic People's Republic of Korea (North Korea) and its rulers and representatives that have severely constrained its ability to do business overseas. The United Nations began with a resolution that prohibited selling some military and luxury goods to North Korea. Later, the Security Council encouraged all member states to inspect and destroy materiel that could be used to further North Korea's nascent nuclear weapons program. This extends to dual-use technology and materiel.

In 2013, the UN Security Council resolved to prohibit money transfers to North Korea, beginning its constructive exile from the international financial and trade system.<sup>323</sup> Subsequent resolutions have specifically prohibited trade in certain goods with North Korea, mostly extractive materials like metal and coal.<sup>324, 325</sup> Specific individuals and businesses are prohibited from conducting their financial business abroad (e.g. maintaining accounts and investments).<sup>326</sup> Additionally, sanctions have been imposed against aircraft and ships that prohibit them from using air and sea ports, further inhibiting North Korea's ability to conduct international trade.

Meanwhile, The EU, United States, China, South Korea, Japan, and Australia have all imposed sanctions independently,<sup>327</sup> a step that brings violations under their local jurisdictions and allows them to pursue violations in local courts. Indeed, many successful asset seizures have been conducted by the United States Treasury.<sup>328</sup> Owing to some of these local sanctions, North Korea's banks have also lost access to the infrastructure of international

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<sup>323</sup> Resolution 2094. (7 March 2013). *United Nations Security Council*. Retrieved from [http://www.un.org/ga/search/view\\_doc.asp?symbol=S/RES/2094%282013%29](http://www.un.org/ga/search/view_doc.asp?symbol=S/RES/2094%282013%29)

<sup>324</sup> Resolution 2270. (2 March 2016). *United Nations Security Council*. Retrieved from [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/RES/2270%282016%29](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2270%282016%29)

<sup>325</sup> Resolution 2321. (30 November 2016). *United Nations Security Council*. Retrieved from [https://undocs.org/S/RES/2321\(2016\)](https://undocs.org/S/RES/2321(2016))

<sup>326</sup> The List established and maintained pursuant to Security Council res. 1718 (2006). (26 January 2018). *United Nations Security Council*. Retrieved from <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/dprk.xsl>

<sup>327</sup> Fifield, Anna. (22 February 2016). 'Punishing North Korea: A rundown on current sanctions.' *The Washington Post*. Retrieved from [https://www.washingtonpost.com/news/worldviews/wp/2016/02/22/punishing-north-korea-a-run-down-on-current-sanctions/?utm\\_term=.9a42cac2a06e](https://www.washingtonpost.com/news/worldviews/wp/2016/02/22/punishing-north-korea-a-run-down-on-current-sanctions/?utm_term=.9a42cac2a06e)

<sup>328</sup> C4ADS. (12 December 2017) 'The Forex effect.' Retrieved from <https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/5a3292079140b73f73f92efd/1513263687907/The+Forex+Effect.pdf>

banking, specifically the SWIFT messaging system, which sends payment orders between banks.<sup>329</sup>

As a result of the sanctions and its dislocation from the global financial system, North Korea has turned to offshore financial networks to conduct its overseas business.<sup>328</sup> Revenue it creates through arms sales, forced labour, and other activities must be stored outside that system or else risk seizure, and it can generally only be repatriated as either hard currency or some other vehicle of value outside the banking system (e.g. commodities, cryptocurrency). Alternatively, money must be laundered to obscure its source and destination in order to settle North Korea's accounts.

One tool that helps North Korea conduct overseas business is the creation of offshore shell corporations. A shell corporation is simply a business that has no clear business operations or assets, and it is not inherently suspicious or illegal. For example, it may be the final state of a business that has wound down its activities but not formally dissolved. Sometimes shell corporations are created in certain jurisdictions to take advantage of low taxes, minimal regulation, legal indemnity, or greater privacy/lack of disclosure. In other cases, shell corporations are used as a part of a complex tax-lowering strategy to legally separate a business's (or person's) profits and losses, transferring the former offshore to lower tax jurisdictions. In this case, shell corporations are created to obscure the ownership or ultimate beneficiaries of a business.

To achieve even greater privacy, systems or networks of shell corporations are incorporated in jurisdictions that do not require a natural person<sup>330</sup> to be listed as an officer of the corporation and across multiple jurisdictions. They can also be incorporated by an intermediary who holds the name of the directors unless compelled to release them by subpoena. Typically, having other businesses act as officers results in a difficult-to-trace multi-layered structure, making it difficult to discern who ultimately benefits from the network's business activity.

In the case of North Korea, shell corporations are a way of doing business internationally without triggering the detection of a sanctions violation by avoiding repatriating money, as transfers to North Korean banks are prohibited. An offshore shell corporation, or a network of shell corporations, can also be used to obscure the nationalities of

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<sup>329</sup> Bergin, Tom. (16 March 2017). 'SWIFT messaging system cuts off remaining North Korean banks.' *Reuters*. Retrieved from <https://www.reuters.com/article/us-northkorea-banks/swift-messaging-system-cuts-off-remaining-north-korean-banks-idUSKBN16N2SZ>

<sup>330</sup> A natural person is an individual human being, as distinguished here from a legal person, which may be a corporation.

the ultimate beneficiaries, allowing North Korean companies and individuals who are under sanction to conduct business overseas.

Four major leaks of data about offshore shell corporations have been redacted and consolidated into a single searchable database by the International Consortium of Investigative Journalists (ICIJ). The leaks derive from law firms that specialize in the creation of secret offshore financial structures, as well as business registries from countries that serve as favorable jurisdictions for this type of activity.

Several North Korean business enterprises appear in the ICIJ database, and their activities have been previously reported in the press. One such business network is shown in Figure 1. A British banker, Nigel Cowie, who once headed North Korea's first foreign bank, created at least two front companies, DCB Finance Limited and Phoenix Commercial Ventures Limited.<sup>331</sup> Harris Secretaries, registered in Hong Kong, which requires only one natural person to act as an officer, was further used to obscure the front companies' North Korean connections.<sup>332</sup> North Koreans Kim Chō'lsam (Kim Chol Sam) and T'ae Yōngnam (Yong Nam Thae) likewise appear as officers of DCB and Phoenix, respectively.<sup>332</sup> Kim Chol Sam has been individually sanctioned by the United Nations because, 'As an overseas-based representative of DCB, it is suspected that Kim Chol Sam has facilitated transactions worth hundreds of thousands of dollars and likely managed millions of dollars in DPRK related accounts with potential links to nuclear/missile programs.'<sup>326</sup> Phoenix Commercial Ventures maintains a public-facing website where it describes its business as having offered business and investment opportunities in North Korea, and it lists its other board members, Kenneth Frost and Olivier Roux, along with their history of business experience in the DPRK and in the electronics business.<sup>333</sup> It does not publicly list its North Korean partner. It additionally lists its bankers as the sanctioned Daedong Credit Bank.<sup>326</sup> Cowie has denied wrongdoing, but the firm that managed the incorporation of the two front companies, Mossack Fonseca, said internally that the North Korean addresses 'should have been a red flag.'<sup>331</sup>

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<sup>331</sup> Garside, J. and Harding, L. (4 April 2016). 'British banker set up firm 'used by North Korea to sell weapons.' *The Guardian*. Retrieved from <https://www.theguardian.com/news/2016/apr/04/panama-papers-briton-set-up-firm-allegedly-used-by-north-korea-weapons-sales>

<sup>332</sup> Offshore leaks database. (n.d.) *The International Consortium of Investigative Journalists*. Retrieved from <https://offshoreleaks.icij.org/pages/database>

<sup>333</sup> Phoenix Commercial Ventures, Ltd. (11 June 2011). Retrieved from <http://www.phoenixcommercialventures.eu/>.

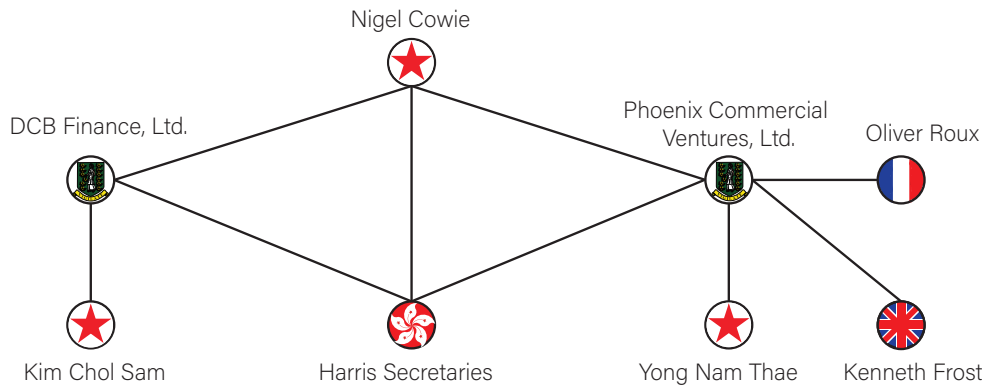


Figure 1 Offshore networks of North Koreans and their business partners established to facilitate the development of their nuclear weapons program.

A second, more complex group of overseas entities is formed by a group of North Korean companies and Hong Kong-based bankers.<sup>332</sup> Their businesses include Koryo Telecom Limited, Chollima, Chosun Limited, Lancelot Holdings, and others.<sup>332, 334</sup> The businesses have names indicating they are from North Korea and a record of projects in the country.<sup>335</sup> Many of the businesspeople and bankers in the network act as officers for several of the businesses, resulting in a tightly-connected network, shown in Figure 2. One of the businesspeople, Lim Jong-ju is the founder of Lancelot Holdings, which sold business rights to mobile telecommunication in North Korea to Pearl Oriental Oil, where he has also served as a telecom executive.<sup>336</sup> The CEO of Pearl Oriental Oil, a well-known Hong Kong businessman named Wong Yuk Kwan, is also listed as an officer of Koryo Telecom, Chollima, and Chosun Limited. He was arrested in an unrelated fraud and money laundering scandal in 2013,<sup>337</sup> and, while living in Taiwan awaiting trial, he was kidnapped by gangsters and held for nearly forty days for HK\$70 million worth of bitcoin.<sup>338</sup>

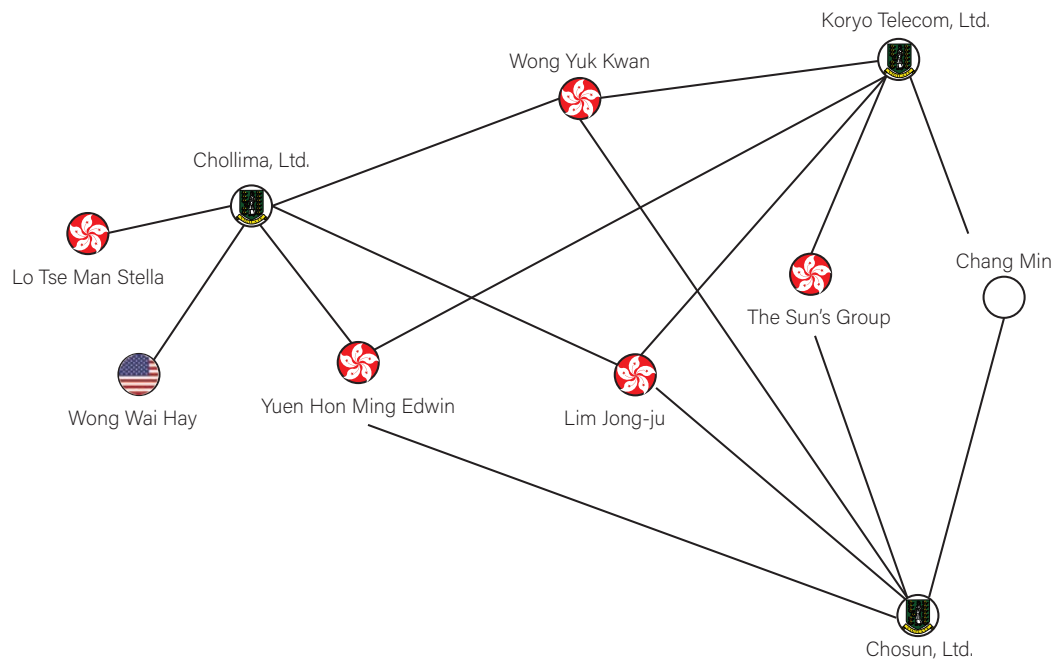
<sup>334</sup> 송경화 기자. (06 June 2013). '북, 정세격변기 2000 년대초 유령회사 세워.' Retrieved from [http://www.hani.co.kr/arti/economy/economy\\_general/590836.html](http://www.hani.co.kr/arti/economy/economy_general/590836.html)

<sup>335</sup> Choi He-suk. (6 June 2013). 'Tax haven funds seen linked to N.K.' *Korea Herald*. Retrieved from <http://www.koreaherald.com/view.php?ud=20130606000235>.

<sup>336</sup> Song Kyung-hwa. (7 June 2013). 'Evidence found of North Korean paper companies.' *The Hankyoreh*. Retrieved from [http://www.hani.co.kr/arti/english\\_edition/e\\_northkorea/590896.html](http://www.hani.co.kr/arti/english_edition/e_northkorea/590896.html).

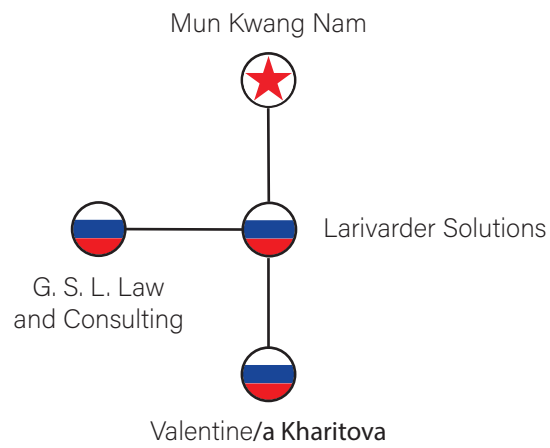
<sup>337</sup> Reuters staff. (7 October 2013). 'Four charged in Hong Kong watchdog's probe of Pearl Oriental Oil.' *Reuters*. Retrieved from <https://www.reuters.com/article/pearloriental-probe/four-charged-in-hong-kong-watchdogs-probe-of-pearl-oriental-oil-idUSL4N0HX24920131007>.

<sup>338</sup> You, T. (29 October 2015). 'I didn't expect to make it out alive': Moment terrified Hong Kong oil tycoon is rescued after being abducted and held for £6 million ransom for 38 days.' *MailOnline*. Retrieved from <http://www.dailymail.co.uk/news/peoplesdaily/article-3295463/Hong-Kong-oil-tycoon-rescued-abducted-held-6-million-ransom-38-days.html>.



*Figure 2 Network of offshore telecom companies doing business in North Korea.*

Finally, an officer of the company Larivarder Solutions, Mun Kwangnam (Mun Kwang Nam), gives his address in Pyongyang.<sup>332</sup> Registration papers for the company list a Valentine or Valentina Khartiova as an officer, and it shares an address with an intermediary, GSL, shown in Figure 3. Observers suspect but cannot confirm that this company, situated in the Russian Federation, managed the Kim family's personal fortune.<sup>335</sup> According to the ICIJ, the intermediary that facilitated this company, GSL, mainly serves Russian criminal organizations.<sup>336</sup>



*Figure 3 Offshore shell company managed by a director with a North Korean address suspected to manage the Kim family's personal wealth.*



## 2. POLISH COMPANIES AND THEIR STRUCTURES

### **METHODOLOGY**

Detailing the approach to the processing of data acquired in the research process, this section seeks to make comprehensible the methodological steps that have been taken in unitizing, analyzing, and ordering the eventual selection of information that has been used in the research. Data was collected from open access databases, paid access databases, and were collected via anonymous sources that cannot be identified for safety reasons.

Following the receipt from an anonymous source of a data set that consisted of photographs of documents compiled by a company named Redshield, the research team proceeded to verify the validity of the information contained by cross-referencing with existing literature and data. The data consisted mostly of notarial acts, financial reports and forms requesting changes to the company's Chamber of Commerce (KRS) entry. The research team supplemented these documents with open access Polish Chamber of Commerce documents on Redshield, as well as various other companies based in Poland. The additional companies were selected on connections with, or in reference to existing literature, including previous research as presented in the first edition of the 'Slaves to the System' findings. All of these documents were retrieved from an open access Court Registration System database accessible through the national government's website. A total of 28 different companies were selected, based on the suspicion of these companies being connected to North Korean labour.

The photographs were separated into single page files, and each page of the photographed documents as well as the Chamber of Commerce documents was consequently numbered with unique codes for easy retrieval. These numbers have been used for reference in this chapter. The information contained in each page was then processed and entered into a database file under the relevant number. This information was entered into categories. These categories were ordered by importance, with the most relevant data obtained consisting of names of persons, names of companies and addresses. The categories were coded on the basis of recurrence within the data set. In addition, the researcher chose to include important information with a single or relatively few occurrences if these were deemed relevant to the research.

The information was selected to enable close analysis and the inclusion of the identities of the persons involved. This information is contained in categories including names, signatures, personal titles, addresses, Polish national identification number, passport number, residence or

identity card number, and date of birth. The categories containing information regarding the companies include Chamber of Commerce registration number (KRS), other types of Polish company registration numbers (NIP and REGON), relevant dates such as date of registration, address, geographical location, codes referring to company activities (PKD), account numbers, and amounts in currency. Sorting all the relevant information into these various categories allowed for a clearer overview of the documents' content and for optimal accessibility of specific information by searching for keywords in the database file. The documents in their original, unprocessed form are much more challenging to use for quick and effective reference.

The database file was manually compiled by the researcher using data processing software. Once this database file was compiled, its content was reviewed and summarized by several researchers in the operational team in order to identify connections between individuals and between companies. A basic table containing all the encountered companies along with their registration numbers, addresses and all their shareholders produced a first summary which brought to light some peculiarities. Examples of such peculiarities are overlaps of shareholders between multiple companies or multiple companies sharing one address. Apparent connections between companies or shareholders were further explored by exploring the database file using specific keywords, such as a shareholder's name or a Chamber of Commerce registration number. This was done to check for further evidence of connections and to confirm new findings. Additionally, this information was cross-referenced with existing data from earlier research and literature, further fortifying the validity of the information being processed. Although the significance of these findings remained unclear in certain cases, the findings do point towards the existence of an intricate network of different companies suspected to be involved in North Korean forced labour. In the case of Redshield, which was more extensively covered as a result of the research team's efforts, it was possible to gather relevant information with regard to the identity of the individuals involved as well the internal functioning and chronological evolution of the company. The specific findings on Redshield are summarized separately below, followed by a summary of the findings based on KRS documents of various related Polish entities.

## **FINDINGS**

As described above, the set of Redshield documents mostly consisted of notarial acts, financial reports and forms submitted to the Polish District court requesting some update or change to the company's Chamber of Commerce entry. Other than these main types of documents, the

data also contained several confirmations of receipt (package or other mail) and a number of transaction receipts.

The most recent date encountered in the data was 04/04/2017<sup>339</sup> and the latest update to Redshield's Chamber of Commerce entry is 25/07/2017, meaning the company was still active very recently.<sup>340</sup> The oldest date encountered in the photographed documents was 04/01/2012, contained in a financial report.<sup>341</sup> According to the Chamber of Commerce documents, the company was first registered that same year on 06/04/2012 under registration number KRS 0000417288.<sup>342</sup> The company is based in Szczecin, Poland.<sup>343</sup> It is noteworthy that Redshield appears to be registered twice, under two different Chamber of Commerce registration numbers. The second registration is dated 21/05/2014, under KRS 0000508779.<sup>344</sup> The documents on this second Redshield registration also mention the older Redshield as its partner.<sup>345</sup> Four different Chamber of Commerce documents concerning Redshield were used in this research, meaning two different updates of each of the two different registrations under the company name 'Redshield.' The older registration (KRS 0000417288) will be referred to as Redshield (1) from this point onwards, while the newer registration (KRS 0000508779) will be referred to as Redshield (2).

Redshield's company board is comprised entirely of North Korean individuals.<sup>346</sup> The only Polish names mentioned in the company's notarial acts are those of translators.<sup>347</sup> The data often refers to CHR as the chairman, but this changes in May 2016 when Mr P. is appointed as the new chairman.<sup>348</sup> From this point onwards, the management of the company is comprised of Mr P. and MR CCJ.<sup>349</sup> However, this is only the case for the Redshield (1), as Mr P. is only mentioned as current chairman in Redshield (1)'s most recent Chamber of Commerce update.<sup>350</sup> Both entries regarding Redshield (2) still contain CHR.<sup>351</sup> Redshield (2)'s older entry lists PMH as a shareholder, while the newer entry lists Mr O and CCS.<sup>352</sup>

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<sup>339</sup> 17A0028.

<sup>340</sup> 17A0338.

<sup>341</sup> 17A0007.

<sup>342</sup> 17A0338, 17A0386.

<sup>343</sup> 17A0338, 17A0386, 17A0344, 17A0380.

<sup>344</sup> 17A0344, 17A0380.

<sup>345</sup> 17A0345, 17A0381.

<sup>346</sup> 17A0339, 17A0340, 17A0345, 17A0346, 17A0347, 17A0381, 17A0382, 17A0387, 17A0388, 17A0393, 17A0394, 17A0395.

<sup>347</sup> 17A0011, 17A0106, 17A0153.

<sup>348</sup> 17A0273, 17A0274.

<sup>349</sup> 17A0275, 17A0339.

<sup>350</sup> 17A0340.

<sup>351</sup> 17A0347, 17A0382, 17A0383, 17A0387.

<sup>352</sup> 17A0345, 17A0346, 17A0381.

According to the most recent update of Redshield (1), CCS owns shares worth 500 PLN while Mr P. owns shares worth 4500 PLN, the total capital amounting to 5000 PLN<sup>353</sup> (roughly 1200 EUR<sup>354</sup>). Mr P.'s shares were previously owned by CHR.<sup>355</sup> In the most recent document of Redshield (2), Mr O. is listed as owning 1000 PLN worth of shares, while CCS owns the same amount,<sup>356</sup> meaning 2000 PLN in total (roughly 480 EUR<sup>357</sup>). Previously, these same shares were owned by CHR and PMH.<sup>358</sup> As for bank transactions involving Redshield, the data contains small money transfers from the company which are found in the form of receipts of fee payments from Redshield to the district court.<sup>359</sup> Redshield used at least two Polish banks, Alior and Pekao, to carry out these transactions.<sup>360</sup>

The data contains copies of yearly financial reports. Some of these copies also contain information on employment by the company, although none of the documents included specific information on the identity of the individuals employed, apart from the board members and shareholders. According to the 2013 financial report, Redshield employed 47 workers referred to as 'physical' (manual workers), three workers referred to as 'mind' (administrative workers), and one owner. The amount spent on employee compensation, not including the board, is indicated as 1247178,66 PLN<sup>361</sup> (roughly 299100 EUR<sup>362</sup>). How and if Redshield carried out these salary payments is not contained in these reports. According to the 2014 financial report, the company employed 43 manual workers, four administrative workers and had one owner. The employee compensation excluding the board amounted to 1150899,98 PLN<sup>363</sup> (roughly 276000 EUR<sup>364</sup>). According to the 2015 financial report, the company employed 17 workers described as being 'in workstations' (manual workers), four administrative workers, and one employee 'on leave/free time'.<sup>365</sup> There is a visible decrease in the number of workers under

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<sup>353</sup> 17A0339, 17A0275.

<sup>354</sup> 'XE Currency Converter: PLN to EUR,' accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=5000&From=PLN&To=EUR>.

<sup>355</sup> 17A0017, 17A0387.

<sup>356</sup> 17A0345, 17A0346.

<sup>357</sup> 'XE Currency Converter: PLN to EUR,' accessed February 3, 2018, <http://www.xe.com/currencyconverter/convert/?Amount=2000&From=PLN&To=EUR>.

<sup>358</sup> 17A0381, 17A0382.

<sup>359</sup> 17A0005, 17A0058, 17A0099, 17A0103, 17A0104, 17A0174, 17A0192, 17A0310.

<sup>360</sup> 17A0005, 17A0058, 17A0099, 17A0174.

<sup>361</sup> 17A0046.

<sup>362</sup> 'XE Currency Converter: PLN to EUR,' accessed February 4, 2018, <http://xe.com/currencyconverter/convert/?Amount=1247178.66&From=PLN&To=EUR>.

<sup>363</sup> 17A0095.

<sup>364</sup> 'XE Currency Converter: PLN to EUR,' accessed February 4, 2018, <http://xe.com/currencyconverter/convert/?Amount=1150899.98&From=PLN&To=EUR>.

<sup>365</sup> 17A0325.

contract in the company. This is in line with the development described in the previous report showing that most North Korean workers were increasingly often ‘self-employed.’

Apart from these findings on the company’s history and management, the examined documents on Redshield also contains specific information concerning the individuals involved in the company. Two of the shareholders, CHR and PMH, appear to be married<sup>366</sup>, yet they are registered at different addresses in Szczecin, Poland.<sup>367</sup> A number of other shareholders share the same address: CCS and Mr O. are registered at the same address<sup>368</sup>, while CHR and Mr P. are both registered at the address of the company itself in Szczecin.<sup>369</sup> Also, the data contains two individuals’ passport numbers<sup>370</sup>, and most shareholders are registered under a Polish identification number (PESEL) which is assigned to all individuals living in Poland<sup>371</sup>, apart from Mr P.<sup>372</sup> Lastly, the data contained the names of two individuals, COC and YYN. These individuals were listed without context, making it unclear how they are related to Redshield.<sup>373</sup>

The following findings are based on the set of Chamber of Commerce (KRS) documents including various different companies based in Poland. The possible involvement of these companies in the facilitation of North Korean forced requires a thorough reading and understanding of the findings included in this volume. Therefore, the findings below are only to be read in this particular context. The research team refrains from framing responsibility of the exploitation of North Korean workers outside the context of this volume, and the findings as listed below are disconnected from this aspect, only connected methodologically in the processing of documents included in the research. The majority of all these companies’ KRS documents exclusively list Polish individuals. Few include North Koreans in their management. The only companies with a management composed entirely or partially of North Koreans are Chopol, Wonye, and Redshield.<sup>374</sup>

Some of the companies included in the data list a number of different Polish shareholders or board member, and some of these names appear several times in different companies, suggesting connections between these companies. Examples of commonly reappearing names are: Cecylia Kowalska, who appears in the documents on Wonye, Elan,

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<sup>366</sup> 17A0126.

<sup>367</sup> 17A0002, 17A0011, 17A0105, 17A0106, 17A0153.

<sup>368</sup> 17A0159, 17A0160, 17A0162, 17A0163.

<sup>369</sup> 17A0002, 17A0011, 17A0031, 17A0105, 17A0106, 17A0153, 17A0293, 17A0294, 17A0295.

<sup>370</sup> 17A0011, 17A0106.

<sup>371</sup> ‘Personal ID Number (PESEL),’ Consulate General of the Republic of Poland in New York, accessed February 3, 2018, [http://newyork.mfa.gov.pl/en/consular\\_information/passports/pesel/pesel](http://newyork.mfa.gov.pl/en/consular_information/passports/pesel/pesel).

<sup>372</sup> 17A0297.

<sup>373</sup> 17A0340, 17A0129.

<sup>374</sup> 17A0339, 17A0340, 17A0345, 17A0346, 17A0347, 17A0373, 17A0377, 17A0381, 17A0382, 17A0383, 17A0387, 17A0388, 17A0393, 17A0394, 17A0395, 17A0450, 17A0451, 17A0456, 17A0457, 17A0458.

Alson and Aramex.<sup>375</sup> A person with the initials JS appears under many different companies: Partner Stocznia, Partner Shipyard, Partner, Odroujście, Malserwis and J.M.A.<sup>376</sup> A person, ASM appears in the companies Sail Szczecin, Partner Stocznia, Partner, Offshore Marine Construction, Odroujście, Malserwis, BFK and J.M.A.<sup>377</sup> MBN is involved with Partner Stocznia, Partner Shipyard, Partner, Malserwis and J.M.A.<sup>378</sup> Wojciech Kowalski is linked to Eltech, Alson and Aramex, and PA appears under Sail Szczecin, Offshore Maritime Construction and BFK.<sup>379</sup>

A few of these companies seem to be run by several members of the same family. One of these companies is Gospodarstwo Ogrodnicze T. Mularski, which lists five members of the Mularski family as shareholders.<sup>380</sup> The companies JTM Grupa and Vital exclusively list members of the Kociszewski family as their shareholders and board members.<sup>381</sup> However, it appears that these two companies are in fact one and the same. JTM Grupa and Vital share the same registration date, registration number, an incomplete address, and shareholders. The document under the name Vital is the more recent update, so the company originally named JTM Grupa most likely changed its name to Vital.<sup>382</sup> This is not the only company to have changed its name. Aramex and Eltech Solutions are located at different addresses in Gdansk and the listed shareholders are not entirely the same, nevertheless they share the same registration number and date. It is likely that Aramex changed its name to Eltech Solutions since the document under this name is more recent.<sup>383</sup> Lastly, Alson and Elan also share a number of characteristics indicating that they are in fact the same company. Both companies list the same shareholders, registration date and registration number, although their address differs. The company Alson appears to have changed its name to Elan as indicated by the most recent Chamber of Commerce update.<sup>384</sup>

Similar to Redshield, which is registered twice under two different KRS numbers, the company Partner Shipyard also shows two different registration numbers, with one being a partner of the other.<sup>385</sup> Additionally, this company is also registered in the Dutch Chamber of

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<sup>375</sup> 17A0450, 17A0452, 17A0499, 17A0500, 17A0523, 17A0526, 17A0529.

<sup>376</sup> 17A0564, 17A0566, 17A0573, 17A0579, 17A0580, 17A0581, 17A0593, 17A0598, 17A0610, 17A0630.

<sup>377</sup> 17A0579, 17A0580, 17A0581, 17A0592, 17A0598, 17A0604, 17A0606, 17A0611, 17A0630, 17A0645, 17A0657, 17A0558, 17A0564, 17A0565, 17A0574, 17A0575.

<sup>378</sup> 17A0566, 17A0572, 17A0581, 17A0597, 17A0611, 17A0630, 17A0564.

<sup>379</sup> 17A0399, 17A0400, 17A0499, 17A0529, 17A0530, 17A0559, 17A0586, 17A0587, 17A0604, 17A060.

<sup>380</sup> 17A0434, 17A0435, 17A0436.

<sup>381</sup> 17A0536, 17A0543.

<sup>382</sup> 17A0534, 17A0535, 17A0536, 17A0541, 17A0542, 17A0543.

<sup>383</sup> 17A0528, 17A0398

<sup>384</sup> 17A0498, 17A0522.

<sup>385</sup> 17A0571, 17A0572, 17A0575, 17A0609, 17A0645, 17A0646, 17A0657.

Commerce. The company JW Steel is another company with two separate KRS registrations.<sup>386</sup> Apart from these companies with double registrations, there is also an instance of several companies being combined into one Chamber of Commerce entry. According to the KRS documents on the company Atal, several different companies have been joined under one main Atal company. These acquired companies were previously called SPV Atal-Invest, Atal, Atal-Wysoka, Atal-Wykonawstwo. These were previously each accorded their own registration number.<sup>387</sup>

Lastly, several companies share an address. The companies Sail Szczecin, Partner Shipyard and Offshore Maritime Construction all list the same address in Szczecin.<sup>388</sup> The shareholders listed for each of these companies are not all the same persons, but there is overlap: ASM is involved with both Sail Szczecin and Partner Shipyard, while PA's name appears under both Sail Szczecin and Offshore Maritime Construction. Similarly, the companies Partner Stocznia, Partner Shipyard, Partner, Malserwis and J.M.A. all share one address in Police, Poland.<sup>389</sup> Again, these companies' lists of shareholders show similarities. JS, ASM and MBN are involved with all these companies. The companies Alson and Aramex also both share the same address in Gdansk.<sup>390</sup> Both companies include Cecylia Kowalska, WK and AM among their shareholders. One last detail to note on the topic of company addresses, is that Chopol is the only company to also list an address in Pyongyang apart from their Polish address.<sup>391</sup> Chopol is one of the companies to list North Korean individuals among their board members: RYJ<sup>392</sup> and KMC.

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<sup>386</sup> 17A0617, 17A0623.

<sup>387</sup> 17A0470, 17A0482, 17A0483.

<sup>388</sup> 17A0557, 17A0571, 17A0585.

<sup>389</sup> 17A0563, 17A0609, 17A0579, 17A0596, 17A0629.

<sup>390</sup> 17A0498, 17A0528.

<sup>391</sup> 17A0372, 17A0373.

<sup>392</sup> This name is not indicated in Han'gŭl, therefore it is unclear what its correct romanized form should be.

### 3. NORTH KOREAN NETWORKS AND THEIR SECRETS: THE CASE OF TAIWAN

In terms of North Korean financial networks, it is important to not just look at North Korean workers abroad and how their earnings are flowing back into the regime, it is also of importance to understand the relations of companies and host countries with North Korea, both trade relations and political relations. In this chapter, Taiwan is concrete case in trying to discern how North Korean influence penetrates a country. This case study does not only show parts of North Korean networks and companies, their actions and their links, but also exposes exactly how difficult it is to receive access to verified information on this subject, revealing how important additional in-depth research is.

For this project, China and Taiwan are seen as separate entities, even if the United Nations and the International Labour Organisation do not. Taiwan is a different entity from mainland China in that it has its own ministries and bureau of statistics, as well as its own trade relations and other agreements with third countries. This means that Taiwan can differ from mainland China on policy regarding North Korea, especially because of the ‘legal black hole’ it is often described to be.<sup>393</sup> Since Taiwan is not a member of international organizations, it does not need follow the rules and measures implemented in and against certain nation-states, North Korea included. While the Taiwanese government has always expressed its desire to belong to these organizations, and thus adhere to the rules and norms set up by the ILO and UN,<sup>394</sup> for instance, it does mean that it is more difficult to track down if certain people or companies do not adhere to them. As will be shown in this segment, however, many activities that originate in Taiwan, do have links with China.

In the specific case of Taiwan and North Korea, information on the history of their relations is incredibly hard to find. According to both journalists and academics, Taiwan–North Korea relations have not been written about because it is almost impossible to gather the information necessary. Taiwanese official websites seem to deliberately leave out information on North Korea, judging by the fact that trade agreements and relation-sheets with other countries are present and open to the public.<sup>395</sup> Searching the media, some mentions prove that

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<sup>393</sup> Chan, Lien. ‘The Republic of China on Taiwan belongs in the United Nations’ *Orbis* 37, Issue 4, 1993. 637.

<sup>394</sup> Eric Ting-Lun Huang, ‘Taiwan's Status in a Changing World: United Nations Representation and Membership for Taiwan’, 9 *Ann. Surv. Int'l & Comp. L.* 55 (2003); According to the ILO, Taiwan is a province of the Republic of China

<sup>395</sup> While it is shown on other governmental websites that Taiwan does trade with the DPRK, such as TAITRA, the Ministry of Trade only lists Japan and South Korea as its trading partners within North-East Asia.



relations between North Korea and Taiwan exist, such as general information on, for instance, the fact that Taiwan gave aid to North Korea during the famine.<sup>396</sup> More evidence that relations between North Korea and Taiwan exist comes from the fact that in 1997 Taiwan made a deal with North Korea to store nuclear waste Taiwan possessed at a North Korean site. At the time, the deal did not spark any controversy because the waste did not contain any uranium or plutonium, and thus the North Korean government would not have been able to use it. This deal eventually fell through, and the North Korean company sued Taiwan for breach of contract.<sup>397</sup> Additionally, in 2012 the North Korean deputy secretary of Tourism made a visit to Taiwan.<sup>398</sup> While this was not an official state visit (the Taiwanese government only found out afterwards since the North Korean official visited on a tourist visa) it does indicate that there are ongoing business relations. Not only that, it assumes backdoor dealings with Taiwanese organisations and companies, especially since one academic website hinted that the North Korean official took cash back with him to North Korea.<sup>399</sup>

## OFFICIAL DOCUMENTS: (TRADE) RELATIONS NORTH KOREA-TAIWAN

While there is not much information on Taiwan, there is substantial data in Wikileaks documents. Wikileaks contains declassified correspondence from the American Institute Taiwan (AIT) in Taipei (the de facto embassy) and the Secretary of State in Washington DC over the course of 2007 to 2009.

From these correspondences, it is clear that there has been much more activity surrounding North Korea in Taiwan than other source materials as described above have revealed. For instance, the leaks report that, despite contradictory news that there were no official trade relations or co-organized events with North Korea, in 2008 the Taiwan External Trade Development Council (TAITRA) met with North Korean officials to discuss the promotion of trade.<sup>400</sup> The relationship between TAITRA and North Korea had by then already been established. As early as 2000, Taiwan and North Korea established the 'North Korea-Taiwan Committee for Promotion of Private Sector Economy and Technology', which is

<sup>396</sup> Lin Chih Hao. 한중 수교 이후 북한-대만 관계 연구: 전략적 삼각관계를 중심으로

<sup>397</sup> Huang, Lin-Yun and Low, Y.F. 'Nuclear waste disposal contract with North Korea invalid: Taipower' *Focus Taiwan*. 25 September 2017. <http://focustaiwan.tw/news/aeco/201709250035.aspx>; Wudunn, Sheryl. 'North Korea Agrees to take Taiwan Atom Waste For Cash.' *The New York Times*. 7 February 1997. <http://www.nytimes.com/1997/02/07/world/north-korea-agrees-to-take-taiwan-atom-waste-for-cash.html>

<sup>398</sup> Xiao Qing, 'Cháo guānyuán mìmì fāng tái yǐn dǎo nèi zhèndòng bèi pī 'guó'ān' lòudòng' *Huanqiu*. 18 October 2012 <http://mil.huanqiu.com/paper/2012-10/3198620.html>

<sup>399</sup> Ford, Mycal. 'North Korea's Taiwan Option: Exploring Two Deals.' *SinoNK*. 18 March 2013. <https://sinonk.com/2013/03/18/north-koreas-taiwan-option-exploring-two-deals/>

<sup>400</sup> American Institute in Taiwan. Taiwan Monthly Reporting Cable August 2008. Wikileaks. 5 September 2008

headed by TAITRA. While TAITRA in the correspondence claims that this committee exists only in name and is not used to facilitate trade, AIT notices that since the formation of that committee, North Korean government officials have visited Taiwanese companies in Taiwan several times every year. In 2008, TAITRA organized a trade mission in February, as well as a trip to the Pyongyang International Trade Fair in May of the same year. This shows that TAITRA at the very least used to be involved in setting up trade with North Korea.<sup>401</sup>

In recent years this trade has dwindled (perhaps due to Taiwan adhering to UN sanctions), but there is a link between North Korea and Taiwan. In Figure 1, we can see that while indeed in 2017 trade with North Korea decreased exponentially, from 2011 to 2015 the highest total trade in decades was recorded.

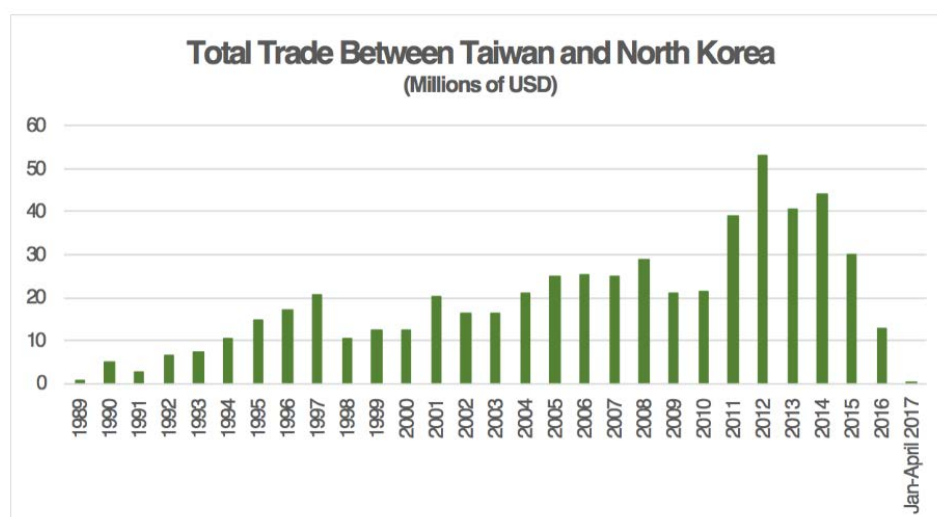


Figure 1. Total trade between Taiwan and North Korea. Source: Taiwan Ministry of Trade

In 2014–2015, the largest import product from North Korea to Taiwan was coal, with magnesium carbonite and magnesium oxide the second largest. Other products such as plants, clothes and metals are imported too.<sup>402</sup> Under current UN Security Council sanctions, purchasing coal from North Korea is forbidden.<sup>403</sup> The Ministry of Trade statistics and products for 2017 were, however, at the time of writing not yet made public, so there is no knowing whether Taiwan has upheld those sanctions officially. The other way around, the largest export products during those years was medication and food products, but also electrical machines,

<sup>401</sup> Ibid.

<sup>402</sup> Taitra Global Trade Source. 2014–2015 Trade Statistics: Import North Korea. <http://taitrasource.com/total01.asp>

<sup>403</sup> UN Sanctions

transformers, parts for electrical circuits (such as relays, fuses and suppressors), and pressure reducing valves, thermostatically controlled valves, and gas or smoke analysis apparatuses.<sup>404</sup> This is in line with what AIT discusses back in 2008, namely that ‘Taiwan is looking at the following industries for trade promotion: mineral; machinery and manufacturing equipment; electrical products and electronics; base metal.’<sup>405</sup> This shows that regardless of TAITRA’s role in the Taiwan–North Korea trade, these industries are the ones most involved.

Regarding trade between Taiwan and North Korea, the numbers for 2014 to 2016 indicate that from North Korea to Taiwan, the main import products are coal, magnesium, and clothing. The fact that much Taiwanese clothing is manufactured in North Korea, is a reason for further investigation. In the last couple of years, there have been a few reports on how clothing that reads ‘made in China’ was actually manufactured in North Korea.<sup>406</sup>

The main items that are exported from Taiwan to North Korea that the US government was worried about are computer related items (such as laptops, hard drives, DVD burners, and laser printers), while others are explicitly used for manufacturing (and could, according to US documents, be used for the development of nuclear plants) such as aluminium, machining centres, 3–axis machines and y–strainers.<sup>407</sup>

The documents also mention that North Korea has been trying to establish joint ventures and other investments with Taiwanese companies. One of these other investments included companies selling equipment to North Korea, who would supply them with finished products instead of paying in currency. So, for instance, if a Taiwanese company would sell a sewing machine, North Korea would pay in clothes made on that sewing machine instead of Taiwanese dollars.<sup>408</sup> If such ventures have managed to be successful, the companies are not easy to track. The official Chamber of Commerce of Taiwan does not show any joint venture companies with North Korea.

Another issue that the AIT correspondence focuses on is companies that have been caught trading illegal products with countries such as Iran and North Korea. In the case of North Korea, there are quite a few companies involved, some which are also mentioned in UN sanction reports, and these will be discussed in another section of this chapter.

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<sup>404</sup>Taitra Global Trade Source. 2014–2015 Trade Statistics: Export North Korea.  
<http://taitrasource.com/total01.asp>

<sup>405</sup>American Institute in Taiwan. “Taiwan Monthly Reporting Cable August 2008.” Wikileaks. 9 January, 2008.

<sup>406</sup>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>

<sup>407</sup>American Institute in Taiwan. “Taiwan Monthly Reporting Cable January 2008.” Wikileaks. 9 January 2008.

<sup>408</sup>American Institute in Taiwan. “Taiwan Monthly Reporting Cable August 2008.” Wikileaks.

Interestingly, none of the documents talk about workforce, or allowing North Koreans to work in Taiwan. All focus on companies conducting business with North Korean entities, which will be discussed later in this section more in-depth as well. According to the Ministry of Labour in an e-mail, there have not been any North Korean workers in Taiwan, however they did not attach to their e-mail the statistical overview of workers for the agricultural, construction and fishery sectors, whereas they did for the care and social sectors. Thus, through the official channels, there is no way of knowing whether there are, or have been, North Korean workers in those sectors in Taiwan. When we look at the Taiwanese media and NGOs, however, we see a very different image emerging.

### **NORTH KOREAN LABOURERS IN TAIWAN**

According to NKDB, an NGO that collects information on North Korea and North Koreans, there was at least one employment agency for North Koreans in Taiwan in 2015. Most North Koreans that are supposed to work in Taiwan work in the fishery sector. In NKDB's 2015 report, it names three companies that hire or have hired North Korean workers. Two of these companies are fisheries.<sup>409</sup> In 2016, it also named three companies; two fisheries and one construction company.<sup>410</sup> Research was done on these companies through the Taiwanese Chamber of Commerce, but since it does only note the capital, address and management team of a company, it was impossible to figure out whether there are still North Koreans at these companies.

The media also reported that Taiwanese fisheries had bought the right to fish in North Korean waters, on the condition that North Koreans were allowed to work on the Taiwanese fishing boats for 500 USD per month.<sup>411</sup> Having sold rights before to Chinese fisheries in 2010, North Korea charges 1.6 million won (150.400 USD) per vessel per day. This construction is earning the North Korean government 72.2 million USD per year.<sup>412</sup> The Taiwanese government refuted these claims, but admitted that, if fisheries wanted to purchase fishing rights, this was not illegal to do, and that this could have happened without the government's knowledge, namely through brokers. Moreover, it claimed that Taiwan did not have any North

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<sup>409</sup> North Korean Database. 'List of companies which hired North Korean overseas workers per Country' NKDB. 23 December 2015

<sup>410</sup> North Korean Database. 'List of companies which hired North Korean overseas workers per Country' NKDB. 2016.

<sup>411</sup> Hui, Fengjing. 'Bùnéng shuō de mìmì...běihán tǒngzhì zījīn yǒu bùfèn láizì táiwān yúmín?!' *United Daily News*. 15 October 2016. <http://a.udn.com/focus/2016/10/15/25177/index.html>

<sup>412</sup> Anonymous. 'N.K. sells fishing rights to Taiwan to secure leader's governing funds: source.' *Yonhap News*. 14 October 2016. <http://english.yonhapnews.co.kr/northkorea/2016/10/14/0401000000AEN20161014001351315.html>

Korean workers on its territory. One fishery took issue with this statement, stating that Taiwanese fisheries did indeed employ North Korean workers.<sup>413</sup> The Taiwanese Ministry of Labour: Workforce Development Agency (WDA) data shows that in the Productive Industries and Social Welfare, there are no workers of North Korean nationality.<sup>414</sup> However, these statistics do not show the workers within the Fishery, Agriculture, and Construction sectors; the sectors where North Korean labour is most prevalent. A follow-up request for information has yielded not the statistics (as was the case for the previous request), but simply an e-mail that stated that there are no North Korean workers in Taiwan. Because the (open-access) evidence has not been submitted to the research team, it is impossible to verify WDA's claim.

What is verifiable, however, is that there are North Koreans in Taiwan. Not only through the testimony of the fishery mentioned above, but also through two other incidents.

In 2017, a North Korean worker was killed in a drunken brawl with another foreign worker. This was not reported outside the Taiwanese media. The North Korean was a fisherman who worked in Pingtung. After the brawl, he was taken to the hospital, where he succumbed to his wounds.<sup>415</sup>

Secondly, in a similar fashion to the fishery previously mentioned, Hong Lianghui, CEO of the Taiwan Tuna Longline Association (台灣鮪延繩釣協會的), stated that he, in fact, did employ North Korean labourers. In an interview with Voice of America Cantonese he wrote: '[the cost of hiring foreign labourers] are all about the same, but [North Korean fishermen] are easier to manage. They're similar to the military, they are easier to manage. The middlemen also said to us that they want to earn a bit of profit, so each person takes about four to five hundred [American dollars], but a portion of this must be handed over to North Korea, we don't know how much this is either.'<sup>416</sup> Both him and another fishery (which remains anonymous, argue that North Korean labourers are much more hard working and obedient. Additionally, the anonymous fishery stated that North Koreans always have to be hired in groups of five, with one of them being the 'manager.'<sup>417</sup> While the government now has prohibited the renewal of workers' visa,<sup>418</sup> it is unknown how many North Koreans there still are in Taiwan. The kind of

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<sup>413</sup> Ibid.

<sup>414</sup> E-mail correspondence with the Workforce Development Agency.

<sup>415</sup> Pan, Xinzhong. 'Píng dōng dōnggǎng yú gōng jiù hòu hòu ōu 1 běihán yú gōng bèi huóhuó dǎ sǐ' *United Daily News*. 27 April 2017. <https://udn.com/news/story/7315/2428838>

<sup>416</sup> Li, Bao. 'Táiwān yúchuán gù běihán yú gōng zhèngfǔ chēng yǐ jìnzhǐ xīn、xùpìn' *Voice Of America Cantonese News*. 20 September 2017. <https://www.voacantonese.com/a/taaiwan-north-korea-fishermen20170920/4036787.html>

<sup>417</sup> Hui, Fengjing. 'Bùnéng shuō de mìmì...běihán tǒngzhì zījīn yǒu bùfèn láizì táiwān yúmín?'

<sup>418</sup> Li, Bao. 'Táiwān yúchuán gù běihán yú gōng zhèngfǔ chēng yǐ jìnzhǐ xīn、xùpìn'

structures of North Korean employment mentioned coincide with what we have previously seen in other countries; North Koreans are not allowed to work alone, or without North Korean supervision.

This section has shown that trying to determine whether there are North Korean workers in a specific country, has become incredibly tough. It seems that that WDA did not want to cooperate with our research, especially since it sent the service sector statistics on short notice without much effort from our side, but then flat out refused to do the same with statistics for fisheries and the construction sector. Judging from the rest of the information uncovered in this section, we can say for sure that, even though we do not know how many and where exactly they are, there are North Korean labourers in Taiwan.

### **COMPANIES, SHELL CORPORATIONS AND FRONT ORGANISATIONS**

According to the UN and NKDB, there are quite some companies that either have ties to and/or deal with North Korea, or that directly hire North Korean workers. Figure 2 is a chart of companies directly involved with North Korea.

While information on companies is scarce in Taiwan, and its Chamber of Commerce only registers the bare minimum, nonetheless a pattern emerges which does not only connect certain companies, but also certain nations to each other. Figure 2 shows how several companies and countries are connected, but we can assume there are many more connections to be made. As will be discussed below, only in November 2017 a Taiwanese man was arrested for chartering a Hong Kong vessel with oil to North Korea.<sup>419</sup>

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<sup>419</sup> Anonymous. 'Taiwanese man sanctioned for oil sales from Hong Kong-registered tanker to North Korea' *South China Morning Post*. 13 January 2018. <http://www.scmp.com/news/china/diplomacy-defence/article/2128077/taiwanese-man-put-sanctions-list-oil-sales-n-korea>

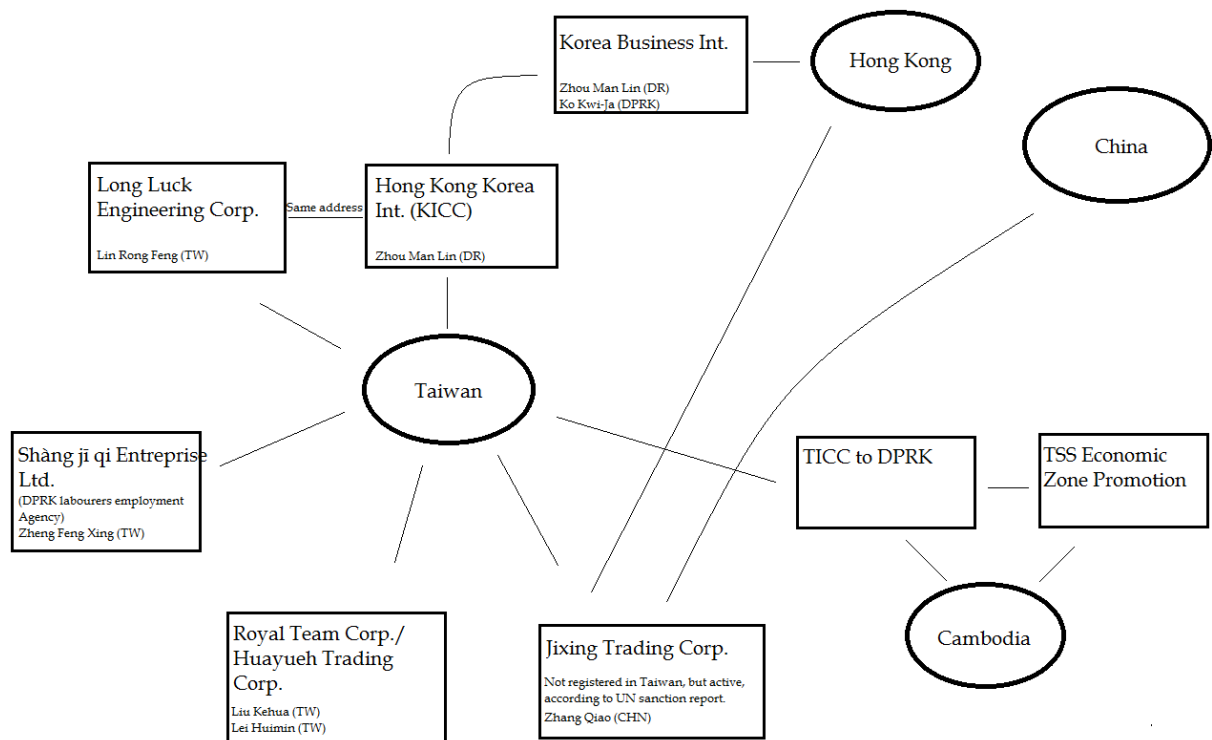


Figure 2. Taiwanese companies (or companies in Taiwan) related to North Korea and their links to each other and other nations and companies.

Figure 2 shows the companies that deal with North Korea or hire North Koreans (such as KICC and TICC and Shang ji qi Enterprise)<sup>420</sup>, as well as companies that have been accused of illegal trade with North Korea by the United Nations (Royal Team Corporation, Jixing Trading Corporation).<sup>421</sup>

The most interesting company discovered in this research is the Korean International Chamber of Commerce (in Figure 2 abbreviated to KICC). This company focusses on ‘[promoting] world peace by means of friendly cooperation and assistance between DPRK and international organizations [...] [and] which would allow the world to see the market potential in DPRK.’<sup>422</sup> Not only does it put an emphasis on business, it also works together with other international organisations for the benefit of the DPRK. According to its website, it cooperated with the UN

<sup>420</sup> North Korean Database. ‘List of companies which hired North Korean overseas workers per Country’ NKDB. 23 December 2015

<sup>421</sup> United Nations Security Council. ‘Report of the Panel of Experts established pursuant to resolution 1874 (2009)’ *United Nations*. 17 February 2017 [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_2017\\_150.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2017_150.pdf)

<sup>422</sup> Korea International Chamber of Commerce. ‘Introduction’ KICC. <http://www.kicc-dprk.org/1289903467-2.html>

World Food Programme to help children in North Korea.<sup>423</sup> Other than this statement, it remains relatively vague what exactly the KICC does. There are no mentions of other projects, or of what kind of businesses the KICC aids in dealing with North Korea. Repeated effort to come into contact with the KICC via e-mail did not yield any result. Much of the focus is on the Board of Directors. (Kerri) Man Lin Zhou, the director of the KICC, is seen on many pictures together with senior officials of the DPRK, such as Yang Hyong Sop during her trip to North Korea, together with her senior advisor Eric Edward Hotung. Other members include Antonio Solomon Cheng as the vice-president, and Prof Lin Chiu Shan as the Taiwan-DPRK advisor. Not much is known about Cheng and Shan (who is not traceable as an (emeritus) professor at any university). Hotung has been involved in many DPRK related matters, as stated on his own website.

Interestingly, when looking at the Taiwan Company Registry, the KICC is listed as ‘Hong Kong Korea International Business Organisation Ltd.’ (香港商朝鮮國際商業組織有限公司) (KIBO), its purpose stated as being a representative to the Republic of China, such as bargaining, bidding, procurement and other legal acts.’ In this description, it seems like the KICC would be much more of a mediator, or an in-between company, than anything else.

Another interesting lead is that the company officially has ‘Hong Kong’ in its name, signalling that the KICC is actual a daughter-venture of a company in Hong Kong, also named ‘Korea International Business Organisation Ltd.’<sup>424</sup> While the KICC has only existed since 2010, KIBO was founded in 2009, closed down in 2013 and then restarted as another company with the same name right after. Both KIBO and the KICC have the same director, Zhou, who the Hong Kong Chamber of Commerce tell us has a passport from the Dominican Republic, but is originally from Singapore. The residence address Zhou has presented to the HKCoC is the business address of the KICC in Taiwan. In KIBO, we also find the first direct link to a North Korean person. While the KICC is registered solely on Zhou’s name, KIBO is registered both on Zhou, and on Ko Kwi-Ja, a North Korean with a residence address in Beijing (see Figure 3)

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<sup>423</sup> Ibid.

<sup>424</sup> Hong Kong Registry Documents obtained by the project group



中文姓名 Name in Chinese	
英文姓名 Name in English	姓氏 Surname KO
	名字 Other Names Kwi Ja
前用姓名 Previous Names	中文 Chinese N/A
	英文 English N/A
别名 Alias	中文 Chinese N/A
	英文 English N/A
19 住址 Residential Address	[REDACTED] No.7 Dong Da Mo Chang Street, Chong Wen District, Beijing City.
	國家／地區 Country / Region P.R.C.
20 電郵地址 Email Address	N/A
21 身分證明 Identification	
(a) 香港身分證號碼 Hong Kong Identity Card Number	N/A ( )
(b) 護照 Passport	簽發國家 Issuing Country Democratic People's Republic of Korea
	號碼 Number 555430228
	[REDACTED]

Figure 3. Company details of Ko Kwi-Ja, Hong Kong Company Registry

As can be seen in Figure 4., like Zhou, Ko did not give an actual residential address. The address she has provided is that of a gas station on barren land.



Figure 4. Map of given address by Ko Kwi-Ja. Source: Google Maps

What KIBO does remains unclear. The company does not have a webpage or contact info. The only thing that is clear is that it exists, and that it is still operational. Annual financial records show that it does not trade or sell products, as their overall balance remains the same. It does not spend money, nor does it earn any. These characteristics are very much like those of a front

or shell company, but since there was no way of getting in touch with the CEO or employers, we do not know how this company is used.

Another interesting aspect of the KICC is that it shares an office with another company: Long Luck Engineering Corp. This company's director according to the Taiwanese registry is Lin Rong Feng. While I could not find evidence of it, according to Wendell Minnick, senior Asia Correspondent for multiple news agencies, both Lin and Zhou are also vice-director at each other's companies.<sup>425</sup> This could mean that both KICC and Long Luck are involved in business regarding North Korea. At the moment, however, there is not enough evidence for this.

Similarly, while not much is known about the Taiwanese Chamber of Commerce to North Korea (TICC), it does show us the interesting and continuing trend of organisations and companies that deal with Taiwan–North Korea being located elsewhere. The office of the TICC, as well as the office of the 'Promotion of the TSS Economic Zone' are both located in Cambodia. Cambodia is one of the countries that still has favourable ties with North Korea, so that might be one of the reasons that these organisations are located there, there is also a possibility that these organisations are front companies too. As will be discussed a bit more in-depth below, countries like Cambodia, Singapore, China and Hong Kong are often used as decoy for illegal trading with North Korea. This can also be seen when researching the companies on the UN sanction list. For instance, Jixing Trading Corp. was active in Taiwan, while registered in the People's Republic of China (PRC).<sup>426</sup>

According to the AIT, one of the major problems the Americans had with Taiwan was that the Taiwanese government and border control did not prioritize monitoring export from Taiwan. One of its reports even states that 'Director Chang [of the Office of Homeland Security] stated that export controls are not Taiwan's top priority. Additionally, few high-level officials truly understand what export controls is and how the management of it affects Taiwan's international standing. [...] The main concern for Taiwan is controlling commodities exported to China. For good shipped to other countries [...] export controls is less of a concern for Taiwan.'<sup>427</sup> While this report was sent in 2009, it still seems that export is not a priority for Taiwan (or, as suggested in the AIT report, that it does not have the manpower for export

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<sup>425</sup> Minnick, Wendell. 'Prickly Questions loom for Taipei over ties with North Korea.' *Asia Times*. 3 May 2017. <http://www.atimes.com/article/prickly-questions-loom-taipei-ties-north-korea/>

<sup>426</sup> United Nations Security Council. 'Report of the Panel of Experts established pursuant to resolution 1874 (2009)'

<sup>427</sup> American Institute in Taiwan. Taiwan Monthly Reporting Cable August 2009. *Wikileaks*. 13 August 2009.

controls<sup>428</sup> still). As mentioned above, at the end of 2017 a Taiwanese man was arrested for chartering a Hong–Kong registered oil tanker to North Korea. The tanker was chartered by a Taiwanese company called Billions Bunker Group, which has the same address as the accused, Chen Shih–hsien, who also owns two fisheries.<sup>429</sup> According to Taiwanese prosecutors ‘Chen was under investigation for making a false declaration that a ship he chartered was bound for Hong Kong when it actually sailed to international waters to sell oil.’<sup>430</sup> While the Taiwanese government reacted swiftly, freezing all of Chen’s bank accounts, it was not the Taiwanese government who discovered the oil tanker; it was the South Korean government.

Similarly, in 2017, another Hong–Kong registered vessel, the Hao Fan 6, was seen making stops at three ports in Taiwan, after being banned from entering all ports by UN sanctions.<sup>431</sup> According to CNN, the Hao Fan 6 would be transporting coal out of North Korea, something that is also illegal under the current UN sanctions.<sup>432</sup>

Again, we see that there is a problem with Taiwanese companies being involved in North Korea trade, either directly in Taiwan, or through other ventures in, in this case, Hong Kong, China and Cambodia.

To conclude, this section has tried to show that where it concerns North Korean workers and North Korean networks, information is incredibly scarce and difficult to link together. From the bits and pieces we do have, however, we can paint a picture of which activities are happening simultaneously when focussing on North Korean networks. The opportunities for the North Korean regime to send currency back to North Korea are vast, in the case of Taiwan all the more so because of its vague legal status, and the way the Taiwanese government seems to be dealing with illegal activities surrounding North Korea. All in all, this section has only shown the tip of the iceberg, and much more research is needed to uncover the entire North Korean networks running through Taiwan.

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<sup>428</sup> Ibid.

<sup>429</sup> Chung, Lawrence. ‘Taiwanese man bailed over oil transfer to North Korean ship.’ *South China Morning Post*. 4 January 2018. <http://www.scmp.com/news/china/diplomacy-defence/article/2126773/man-bailed-hong-kong-tanker-oil-sanctions-breach-probe>

<sup>430</sup> Anonymous. ‘Taiwanese man sanctioned for oil sales from Hong Kong–registered tanker to North Korea’

<sup>431</sup> Strong, Matthew. ‘Mysterious North Korean ship visited Taiwan: CNN.’ *Taiwan News*. 8 December 2017. <https://www.taiwannews.com.tw/en/news/3316011>

<sup>432</sup> Berlinger, Joshua. ‘North Korea’s mystery ship: The curious case of the Hao Fan 6.’ *CNN*, 8 December 2017. <http://edition.cnn.com/2017/12/07/asia/north-korea-ship-hao-fan-6-intl/index.html>

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## CHAPTER 6

### ‘SLAVES TO THE SYSTEM’ AND AWARENESS OF NORTH KOREAN FORCED LABOUR

Almost two years have passed since the first report on North Korean forced labour in the European Union was released to the public. The effects have been felt in the chambers of the International Labour Organisation, the European Parliament, and national diets across the world, and most visibly in international media. Documenting the still underdeveloped field of North Korean labour export, the report raised awareness concerning a substantial blind spot in the exploration of these practices.

Poland has been the central case–study for two years now. This is because, unlike many other countries, Polish local institutions have been cooperative in laying bare the intricacies of overseas North Korean labour despite the swift and flexible bending around legal loopholes by local human resource managers and North Korean managers. However, despite having had the opportunity – following the release of the report – to progressively position itself as a country willing to limit and regulate forced labour of this kind, the national government in Poland chose instead to continue the issuance of working permits to North Korean labourers, even after repeated promises to the contrary.<sup>433</sup> Although these work permits are not the central issue, the government has steadfastly refused to utilise its deep and broad resources to handle the issue and has been found to have severely underperformed in documenting the working conditions of the North Korean workers within its own borders.

To more positive effect, the findings presented in the report have found their way to news outlets across the world. Directly after the publication of the first edition it was extensively covered by the Korean language edition of Radio Free Asia.<sup>434</sup> *The Diplomat* juxtaposed the early efforts of the researchers with that of Marzuki Darusman’s comments on North Korean

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<sup>433</sup> This ‘promise’ was extensively covered, for a short overview see: Anna Bisikalo, ‘Poland Halts Intake of North Korean Workers,’ *Transitions Online*, 8 June 2016.

<sup>434</sup> Yang–hee Jung, ‘Puk, Nedöllandü–üi Puk nodongja yön’gu chungdan appak,’ *RFA*, 2 May 2016, [https://www.rfa.org/korean/in\\_focus/human\\_rights\\_defector/ne-yh-02052016153222.html?searchterm=utf8:ustring=](https://www.rfa.org/korean/in_focus/human_rights_defector/ne-yh-02052016153222.html?searchterm=utf8:ustring=).

workers abroad, reinforcing the importance of the issue within the United Nations.<sup>435</sup> In order to locate the responsibility for the allowance and continuance of these practices, the article elaborates on structural difficulties of addressing forced labour. This is especially true in the European Union, where the report has had somewhat of a wow-effect simply because of its geographical focus.

In the Netherlands, the surprise among journalists was visible in the spin the story was given in national newspapers. Focusing on the extent of the practice, *de Volkskrant* combined the findings of the report with the data released by the Global Slavery Index, published of the Walk Free Foundation. The headline of the article emphasises the global leadership of the North Korean regime in the facilitation of 'global slavery': '45.8 million slaves globally, North Korea takes the cake.'<sup>436</sup> The working conditions of these labourers are highlighted as especially harsh. Detailing the long working hours, days, and uncertainty of salary payments, the nationally distributed free newspaper *Metro* also delivers the findings of the report with euphemistic sarcasm, commenting that 'life as a North Korean is certainly not a lot of fun.'<sup>437</sup> In the run up to the publication and conference scheduled in July 2016, opinion pieces by the authors found their way into national and international news outlets as well, generating a large response the authors can personally verify in phone-calls, radio and television requests, and demanding emails.<sup>438</sup>

The intricacy of forced labour schemes and the complicated legal implications can be hard to unwind, and various news sources automatically connected the (plausible) dots between the much-debated North Korean missile program and earnings from the forced labour practices covered in the report. The *Telegraph*, quoting UN sources, assertively claims that funds gained from overseas forced labour 'fund the [North Korean] regime's nuclear weapons and missile

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<sup>435</sup> John Power, 'New Group Seeks to End North Korea's Forced Labour Abroad,' *The Diplomat*, 3 November 2015, <https://thediplomat.com/2015/11/new-group-seeks-to-end-north-koreas-forced-labour-abroad/>.

<sup>436</sup> Redactie, '45,8 miljoen slaven wereldwijd, Noord-Korea spant de kroon,' *de Volkskrant*, 31 May 2016, <https://www.volkskrant.nl/buitenland/-45-8-miljoen-slaven-wereldwijd-noord-korea-spant-de-kroon~a4310966/>.

<sup>437</sup> Rens Oving, 'Noord-Koreaanse dwangarbeiders werken ook in Europa,' *Metro*, 30 May 2016, <https://www.metronieuws.nl/nieuws/buitenland/2016/05/noord-koreaanse-dwangarbeiders-werken-ook-in-europa>.

<sup>438</sup> See for example: Christine Chung and Remco Breuker, 'Commentary: North Korea farming out forced labour to the European Union,' *Reuters*, 26 April 2016, <https://www.reuters.com/article/us-north-korea-eu-commentary/commentary-north-korea-farming-out-forced-labour-to-the-european-union-idUSKCN0XN2PA>, Christine Chung and Remco Breuker, 'NK farming out forced labour to the European Union,' *Daily Times*, 1 May 2016, <https://dailytimes.com.pk/84946/nk-farming-out-forced-labour-to-the-european-union/>, and Remco Breuker, 'Drijf wig tussen systeem en volk Noord-Korea,' *Reformatisch Dagblad*, 13 February 2016, <https://www.rd.nl/opinie/drijf-wig-tussen-systeem-en-volk-noord-korea-1.527142>.



programmes.’<sup>439</sup> This connection is implied strongly by the article’s immediate continuance into a summary of the report’s findings. It ends this summary on a strong note by capturing one of the most covered elements of the report, the European Union’s own funding of companies involved in the facilitation of these forced labour practices.

This particular perspective has gained significant traction in the United Kingdom. It has been repeated by the more conservative leaning media outlets in the country almost to the point of saturation. The Sun’s framing of this element of the report is especially poor. Without bothering to generalise the entire European population’s role, it simply focuses on the unfortunate predicament British taxpayers find themselves in by being part of the EU, foreshadowing the Brexit by a few months. The article is titled: ‘Fears British taxpayers’ cash is being funnelled into North Korea’s nuclear weapons programme through the EU,’ and is a prime example of making the wrong conclusions based on the right information.<sup>440</sup> Nevertheless, the article does manage to put pressure on one of the sore spots of the European negligence on the issue by addressing the opaque constructions through which EU funds are being handed out, and subsequently the complete dismissal of responsibility on the issue.

Elaborating on the European response to the report, the Dutch newspaper *Volkskrant* interviewed Dutch politician and MEP Agnes Jongerius on the handling of the issue in Brussel. The original report included a preface from Jongerius, and her personal opinion on the issue is stated clearly: ‘This should not be possible.’<sup>441</sup> The availability of North Korean forced labour has been pointed out in Russia and China, yet the geographical proximity of these workers has not sent the same shock waves through the European Parliament as they have through international media. The report has been discussed on several occasions. Failing to address the issue up until very recently, however, the findings were archived and stored for later discussion. According to *de Volkskrant*, this impediment is not because of a general political unwillingness, but rather the result of Polish denial of any issue whatsoever.

Of course, this perspective is not limited to European media. The Korea Herald headlined their coverage on the new findings with ‘EU funds allegedly help bankroll N.K. regime: study,’ drawing the same connection albeit with relative caution. The content of the

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<sup>439</sup> Julian Ryall, ‘Polish firms employing North Korean ‘slave labourers’ benefit from EU aid,’ *The Telegraph*, 31 May 2016, <http://www.telegraph.co.uk/news/2016/05/31/polish-firms-employing-north-korean-slave-labourers-benefit-from/>.

<sup>440</sup> Craig Woodhouse, ‘Fears British taxpayers’ cash is being funnelled into North Korea’s nuclear weapons programme,’ in *The Sun*, 25 May 2016, <https://www.thesun.co.uk/archives/politics/1215534/fears-british-taxpayers-cash-is-being-funnelled-into-north-koreas-nuclear-weapons-programme-through-the-eu/>.

<sup>441</sup> Sacha Kester, ‘Noord-Korea verdient dik aan dwangarbeiders in EU, Brussel onderneemt niets,’ *de Volkskrant*, 29 May 2017, <https://www.volkskrant.nl/buitenland/noord-korea-verdient-dik-aan-dwangarbeiders-in-eu-brussel-onderneemt-niets~a4497563/>.

article relies much more on the actual findings, detailing the employment structures and payment methods utilised in Poland. Juxtaposing the report with the recent findings published by the North Korean Database for Human Rights research center, located in Seoul, the article is more reserved in generalising into some form of victimhood for localised taxpayers, focusing more on the egregious exploitation of North Korean workers. EU funds are attractive for any developing sector, yet some of these funds end up in companies that employ North Korean forced labour. Nevertheless, dehumanising the North Korean victims and shifting victimhood for domestic political gain is not a structural solution for this problem. Framing North Korean forced labour in the way *The Sun* does, distracts from the importance of finding a way to end these practices in the EU, and in general.

The Vice documentary ‘Cash for Kim’ details the subject of North Korean forced labour visually and with journalistic vigour. It supplements the documentation of forced labour practices in Poland with interviews, placing in context the broader structural formation of North Korean forced labour by adding the human decision making process of both North Korean and local human resource managers.<sup>442</sup> Following this example, Danish documentary makers closely followed both the format and information from the Vice version, adding their domestic concerns in the shape of Danish warships being built with the same North Korean hands.<sup>443</sup> There was a large domestic spin-off in Denmark, resulting in extensive coverage on the issue. The dissatisfaction of local media outlets with the practice was presented with astonishing clarity, with articles using headlines such as: ‘Danish warship built with the help of North Korean slave workers,’<sup>444</sup> and ‘North Korean forced labourers hired to build Armed Forces’ new warship.’<sup>445</sup> The anxiety of North Korean labour on domestic production is suddenly tangible when it fits into a pattern of ideological securitisation. And the result of this process is visible in the national coverage governmental production lines suddenly received.<sup>446</sup> The follow-up extended into international coverage, with *Newsweek*’s an exploration of Danish

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<sup>442</sup> Sebastian Weis, ‘Cash for Kim: North Korean Forced Labourers in Poland,’ *Vice*, 27 February 2017, [https://www.vice.com/en\\_id/article/ypea8j/cash-for-kim-north-korean-forced-labourers-in-poland](https://www.vice.com/en_id/article/ypea8j/cash-for-kim-north-korean-forced-labourers-in-poland).

<sup>443</sup> The documentary was shown on the DR2 channel, a public network in Denmark.

<sup>444</sup> ‘DR: Dansk krigsskib er bygget ved hjælp af nordkoreanske slavearbejdere,’ *B*, 26 September 2017, <https://www.b.dk/globalt/dansk-krigsskib-er-maaske-bygget-ved-hjaelp-af-nordkoreanske-slavearbejdere>.

<sup>445</sup> ‘Nordkoreanske tvangsarbejdere blev hyret til at bygge Forsvarets nye krigsskib,’ *Information*, 25 September 2017, <https://www.information.dk/indland/2017/09/nordkoreanske-tvangsarbejdere-hyret-bygge-forsvarets-nye-krigsskib>.

<sup>446</sup> For example, see also: ‘Dansk krigsskib bygget med hjælp fra nordkoreanske tvangsarbejdere,’ *DR*, 24 September 2017, <http://www.dr.dk/nyheder/indland/dansk-krigsskib-bygget-med-hjaelp-fra-nordkoreanske-tvangsarbejdere>, and ‘Nordkoreanske tvangsarbejdere havde kontrakt på at bygge dansk inspektionsskib,’ *ING*, 25 September 2017, <https://ing.dk/artikel/nordkoreanske-tvangsarbejdere-havde-kontrakt-paa-at-bygge-dansk-inspektionsskib-205633>.

firm Karstensens Skibsværft's outsourcing of the production of the warship named 'Lauge Koch.'<sup>447</sup> This was done at the Crist Shipyard, one of the Polish exploiters of North Korean forced labour. The connection back to the findings of the first report solidifies the article's main argument.

The central pillar in this connection between security and North Korean labour is the conclusion that the shipyards employ North Korean labourers. Following an accident in which one North Korean worker died in a welding accident – he was wearing flammable clothing and was working in a room without any safety precautions – the Polish Labour Inspectorate determined that it was time to verify allegations of misconduct. The companies under investigation were not only recipients of EU funds, but included Nauta, a NATO certified company that has already concluded projects on NATO military vessels. However, beyond the Scandinavian media this particular aspect has remained peripheral.

On the other side of the pond this is not the case. In an article that combines several sources on North Korean forced labour, and includes the newspaper's own investigations as well, the centrality of Poland as 'a NATO ally [of the United States] at the heart of the European Union' emphasises the implied danger to strategic military interests, at least from a US perspective.<sup>448</sup> The same awareness remains unimaginable in a European and Korean context because of the centrality of human rights, and the issue of indirect financing of missile programs, in the discussion (or, in the UK case, reification of anti-EU sentiments). One conspicuous example is found in a column published by *Het Financieele Dagblad*, a Dutch newspaper themed around economic issues.<sup>449</sup> This column, based on the findings of the first report, describes the incredible nature of these obvious human rights violations as they are taking place within EU borders, and addresses the willingness to exploit these workers from both the European side and the North Korean side. The author formulates his position quite explicitly when he is convinced that 'these North Korean forced labourers are on a waiting list in their own country to be allowed to work in foreign countries – anything is better than the horrible oppression in North Korea itself.' Whether this is a well-developed contribution to the discourse remains to be seen. However, the fact that this column, focusing so much on the

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<sup>447</sup> Sofia Lotto Persio, 'North Korean Forced Labourers Helped Building a Danish Warship: Report,' *Newsweek*, 26 September 2017, <http://www.newsweek.com/north-korean-forced-labourers-helped-building-danish-warship-report-671573>.

<sup>448</sup> Peter S. Goodman, Choe Sang-Hun and Joanna Berendt, 'Even in Poland, Workers' Wages Flow to North Korea,' *The New York Times*, 31 December 2017, <https://www.nytimes.com/2017/12/31/world/europe/north-korea-poland-workers.html>.

<sup>449</sup> Ferdinand Grapperhaus, 'Moderne slavernij,' *Het Financieele Dagblad*, 26 July 2016, *Opinie & Dialoog* Section.

human rights aspect of the issue, was written by the current Minister of Justice and Safety, Ferdinand Grapperhaus, is most certainly important to note.

Nevertheless, *The New York Times*' investigation is also elaborate and a genuine attempt at mapping the problematic situation as it has developed, and continues to develop. Naturally, as the context of these North Korean forced labour practices becomes more intricately detailed in research, the article has managed to offer a preliminary glimpse into the findings presented here.

The New York Times article is an example of how it is possible to construct a larger framework of North Korean overseas dealings, and address the issue of forced labour building on the findings of the first report released by the 'Slaves to the System' research team. The example of North Korean workers in the Czech Republic offers a historical glimpse into the development of the practice. This now historical case-study is extensively explored in this issue. Although North Korean workers found a relatively manageable environment in the Czech case, this has not proven true in other cases. More importantly, even if working environments are improved significantly, such developments still do not negate the restriction of liberty, a liberty that is essential to the protection of individual human rights. One of the case's most important conclusions is that continued coverage is paramount to either finding a structural solution or moving the debate forward, and increasing awareness among the public is key to forcing international pressure on those who still facilitate the forcible exploitation of North Korean workers.

Continued coverage is important, and even now international media outlets are picking up on the issue. The Singapore-based newspaper *Strait Times* just recently published an update on North Korea workers in Poland.<sup>450</sup> Despite pressure from Washington, there are not only there still workers left in Poland, they remain largely unchecked and unregulated according to the article, basing this on fears from MEP's of Poland's further estrangement within the EU bloc following the tense Brexit vote and negotiations. It is impossible to gauge comprehensively the extent of forced labour exploitation, and responsibility is even harder to determine without utilising domestic and supranational legal frameworks. Reluctance and untimeliness are the largest impediments in cooperative frameworks to dispel the practice, but media attention has clearly influenced the debate, often expanding on existing research and creating new opportunities for both pressure and dialogue. As the chapter on the Czech Republic in this

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<sup>450</sup> 'Defying Washington, North Koreans continue to earn wages,' *The Strait Times*, 3 January 2018, <http://www.straitstimes.com/world/europe/defying-washington-north-koreans-continue-to-earn-wages-in-poland>.

volume shows, international pressure and political will are determined by the feasibility of reform, and the willingness of the media to echo public outcry.

In terms of the previous report's impact on international organisations, the timeline and impact differs from that of international media. What was interesting was that both domestically and internationally within the EU any response shone in its absence at first. While the media covered the story in detail and abundance, as shown above, governments remained silent on the issue of North Korean forced labour.

Real interest within the Dutch government was sparked when two politicians, both from opposition party SP, asked questions in parliament about North Korean forced labour in the EU on the basis of the *Slaves to the System* report on the 23th of January 2017. At first, these questions seemed to be deflected, with the Minister of Social Affairs and Employment taking the maximum time allotted to respond, stating that 'no evidence has been found of employing North Koreans in conditions that are characterised by forced labour. (Translated from Dutch)',<sup>451</sup> Because this directly contradicted the findings of the first report, the *Slaves to the System* team wrote a letter to the Minister explaining the research, and its willingness to provide additional documents, evidence and explanation should it be needed.

Luckily, on the 31<sup>st</sup> of May 2017, questions were raised in parliament yet again, and this time not only by a member of an opposing party, but by a member of one of the ruling parties as well.<sup>452</sup> Following up on the lacking responses from before, this time the Minister response leaned more towards admitting that there was North Korean forced labour in the European Union, but still remained vague about it.<sup>453</sup> Nevertheless, for more than half a year (the second set of questions was only answered on the 22th of August 2017), the issue got attention in the Dutch parliament, which, up until before, it had not gotten.

In other countries as well, this issue was brought to parliament. In Denmark, the report and the documentary 'Cash for Kim' sparked another investigation into North Korean forced labour in Poland, because of the alleged building of Denmark war vessels by North Koreans.<sup>454</sup> This issue was picked up in the Denmark parliament as well, with questions being asked by politicians, sparking heated debates on the security of the war vessels, and whether or not North

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<sup>451</sup> Lodewijk Asscher, 'Beantwoording van de vragen van de leden Karabulut en Van Bommel' *Ministerie van Sociale Zaken en Werkgelegenheid*. 27 maart 2017. 3.

<sup>452</sup> Lodewijk Asscher. 'Kamervragen van de leden Ter Broeke (VVD) en Karabulut (SP)' *Ministerie van Sociale Zaken en Werkgelegenheid*. 22 augustus 2017.

<sup>453</sup> Ibid.

<sup>454</sup> Sebastian Abrahamsen, and Andersen, Lasse Skou, 'Politikere: Nordkoreansk tvangsarbejde er 'vanvittigt'' *Information*. 25 September 2017. '<https://www.information.dk/indland/2017/09/politikere-nordkoreansk-tvangsarbejde-vanvittigt>

Korean labourers had access to sensitive information regarding the construction or technology used in these ships.<sup>455</sup>

Even before these national debates, but after the preliminary report was released, the issue was briefly discussed at the EU parliament on the 17<sup>th</sup> of May 2016, which prompted an European Migration Network investigation committee to research how many North Korean workers were employed in each European country. While the publication of these results was done on a voluntary basis, it did show some interesting results, such as Germany admitting to have almost thousand North Korean labourers.<sup>456</sup> This statement was retracted in the same year, stating in its June 2016 statistics that while there seemed to be 1161 North Korean national, they were recounting,<sup>457</sup> but to this day Germany has not published new numbers. In fact, when one now looks up the latest numbers (June 2017), under North Korea, it states ‘The number of persons subject to social security contributions and having a nationality of the Democratic People's Republic of Korea (North Korea) is **implausible and is therefore not presented**. There is currently no information available [...] (Translated from German)’<sup>458</sup> While the report was a starting point for this EU ad-hoc inquiry, we can still see that countries try hard to get out of admitting they have North Koreans in their workforce. Even if the German number was not as high as first counted, stating that people having DPRK nationality is ‘implausible’ seems like a gross overstatement.

One of the major events surrounding the report was the fact that the case of North Korean forced labourers in Poland was put on the ILO agenda. In august 2016, the Polish Trade Union submitted a report on the periodic review of the Forced Labour Convention (Convention 029) reporting on situation of Third Country Nationals resembling forced labour. In the report, special reference was made to DPRK workers. The International Labour Organization subsequently dealt with the issue in the 2017 June International Labour Conference in the Commission on the Application of Standards (CAS). The CAS is led by a panel of experts who wrote the following:

*The Committee notes the observations of Solidarnosc, stating that Poland is a country of destination of people who become victims of forced labour, the majority of whom are migrants. Solidarnosc also states that there has been exploitation of citizens of the*

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<sup>455</sup> Sebastian Abrahamsen, and Andersen, Lasse Skou, ‘Oppositionen kræver byggeriet af flere danske krigsskibe undersøgt’ *Information*. 27 September 2017. <https://www.information.dk/indland/2017/09/oppositionen-kræver-byggeriet-flere-danske-krigsskibe-undersoegt>

<sup>456</sup> European Migration Network. ‘EMN Ad-Hoc Query on Ad-Hoc Query on North Korean migrant workers’ *European Commission*. 17<sup>th</sup> May 2016.

<sup>457</sup> Bundesagentur für Arbeit Statistik. ‘Beschäftigte nach Staatsangehörigkeiten in Deutschland 30.06.2016’ *Bundesagentur für Arbeit*, 30 June 2016.

<sup>458</sup> Bundesagentur für Arbeit Statistik. ‘Beschäftigte nach Staatsangehörigkeiten (Quartalszahlen) Deutschland, Länder und Kreise’ *Bundesagentur für Arbeit*, 30 June 2017.

*Democratic People's Republic of Korea (DPRK) for forced labour in Poland. The Committee notes Solidarnosc's indication that there were 239 DPRK workers brought legally to Poland in 2011 and 509 workers brought legally in 2012. According to Solidarnosc's indication, DPRK workers have notes Solidarnosc's concern regarding the working conditions of those workers, which might be assimilated to forced labour.*<sup>459</sup>

The ILO discussion reads 'In cooperation with the Leiden Asia Centre of Leiden University, clear examples had been found of serious abuse of DPRK workers employed in Poland, which allowed the conclusion that there was reason for concern about forced labour.'<sup>460</sup> The conclusion of the ILO discussion was that the ILO committee urged the Polish authorities to act upon these claims made, and provides three key actions to ensure that the victims of forced labour would have access to aid.<sup>461</sup> To this end, what the Trade Unions set out to achieve, namely, '*The Government of Poland should take measures to improve the situation. The discussion in the Conference on labour migration should address those issues and should ensure that each worker was recognised as a person entitled to rights, not just as labour.*'<sup>462</sup> was not completely achieved. It had more than the recommended three key action points. It was, however, a considerable victory for the awareness of the issue, as well as the start of helping the victims and fighting the practice.

After the information was discussed more and more in parliaments, both nationally, in the European Union, and at the ILO, the notion that North Korean forced labour abroad is problematic gained momentum. And while the United Nations Human Rights Commissioner for North Korea had mentioned before that there are North Korean workers abroad, only in September 2017 it decided to expand the sanctions on North Korea to include 'a ban on Member States from providing work authorisations for DPRK nationals, other than those for which written contracts have been finalised prior to the adoption of this resolution.'<sup>463</sup>

The same was true for the United States. Even though North Korean labour does not occur in America, already on the 4<sup>th</sup> of May, the decision was made in congress that individual sanctions were possible for any person who 'engaged in or was responsible for the exportation

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<sup>459</sup> International Labour Conference, 106<sup>th</sup> Session, Geneva, June 2017. Commission on the Application of Standards, 'List of Member States Invited to Appear before the Committee and Texts of the individual Cases, p. 87.

<sup>460</sup> International Labour Organisation. 'Individual Case (CAS) – Discussion: 2017, Publication 106<sup>th</sup> ILC session (2017)' 106<sup>th</sup> ILC Session. 2017.

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13101:0::NO::P13101\\_COMMENT\\_ID:3292417\\_5](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13101:0::NO::P13101_COMMENT_ID:3292417_5)

<sup>461</sup> Ibid., 9.

<sup>462</sup> Ibid., 8.

<sup>463</sup> United Nations Security Council. 'Resolution 2375 (2017) Adopted by the Security Council at its 8042nd meeting.' *United Nations Security Council*. 11 September 2017.

of workers from North Korea in a manner intended to generate significant revenue.’<sup>464</sup> This shows that it was not only an issue for countries with (a potential for) North Korean labourers, but also for other states who wanted to ensure that these practices are halted.

Even after almost two years, the first *Slaves to the System* report still has an impact. On the 16<sup>th</sup> of January 2018, the Norges Bank (the Norwegian Central Bank), which manages one of the largest sovereign wealth funds in the world, the Norwegian Government Pension Fund Global (GPF), decided to exclude a company from investment, namely Atal SA in Poland. This was because Atal SA contributed to ‘serious human rights violations, including forced labour, through employing a subcontractor which has used North Korean workers at Atal’s construction sites’.<sup>465</sup> An independent Council of Ethics (CE), which works with the GPF, made the recommendation to exclude Atal SA from investment on the 25<sup>th</sup> of August 2017, on the basis on the first *Slaves to the System* report.<sup>466</sup>

The CE advises on whether the GPF’s investments are in line with its ethical guidelines. The GPF invests in over 9000 companies, all of which have to adhere to certain principles. For instance, a company that causes severe environmental damage, or produces or sells weaponry cannot be invested in by the GPF.<sup>467</sup> Similarly, companies where there is ‘an unacceptable risk that the company contributes to or is responsible for [...] systematic or serious human rights violations such as [...] deprivation of liberty and forced labour’<sup>468</sup> will also be excluded from investment. It is the CE’s task to advise the GPF, and make recommendations on the observation and exclusion of companies in the GPF’s portfolio.<sup>469</sup>

In its recommendation, the CE clearly explains that ‘the most important sources stem from the ILO and UN, and the report North Korean Forced Labour in the EU, the Polish Case from the University of Leiden’.<sup>470</sup> On the basis of the *Slaves to the System* report, the CE contacted Atal SA and asked whether it employed North Korean labourers. Atal SA stated that it does not directly hire North Koreans, but that it does work with subcontractors that do.<sup>471</sup> The

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<sup>464</sup> United States Congress. ‘H.R.1644 – Korean Interdiction and Modernization of Sanctions Act,’ 115<sup>th</sup> Congress. 4 May 2017. <https://www.congress.gov/bill/115th-congress/house-bill/1644>

<sup>465</sup> Council on Ethics For the Norwegian Government Pension Fund Global. ‘Atal SA’ *Council on Ethics*. 16 January 2018. <http://etikkradet.no/en/atal-sa-2/>

<sup>466</sup> Ibid.

<sup>467</sup> Norwegian Government Pension Fund Global. ‘Guidelines for observation and exclusion of companies from the Government Pension Fund Global’ *Council on Ethics*, page 2. [http://etikkradet.no/files/2017/04/Etikkradet\\_Guidelines-eng\\_2017\\_web.pdf](http://etikkradet.no/files/2017/04/Etikkradet_Guidelines-eng_2017_web.pdf)

<sup>468</sup> Ibid.

<sup>469</sup> Ibid.

<sup>470</sup> Council on Ethics For the Norwegian Government Pension Fund Global, ‘Recommendation to exclude Atal SA from the Government Pension Fund Global’ *Council on Ethics*. 25 August 2017, 2. <https://nettsteder.regjeringen.no/etikkradet-2017/files/2018/01/Recommendation-Atal-SA-20473.pdf>,

<sup>471</sup> Ibid., 4.



CE finds that Atal SA does have a responsibility for all workers at its sites, even if they are hired through subcontractors and not necessarily via itself. It also believes that ‘there is an unacceptable risk that Atal will once again contribute to serious human rights violations because the use of North Korean labour appears to be an accepted practice’.<sup>472</sup>

The decision of CE concretely shows that the first *Slaves to the System* report has had a considerable impact not only on companies, but on the awareness of the international financial community as well. Throughout this section, we can see that on a national level, even after the report convincing was needed to show state leaders that there is indeed a problem with hiring North Koreans at the moment. However, since then the issue has gained momentum, and larger organisations started to comment on it and even try and resolve the issue.

While the issue of North Korean forced labour abroad was already known at the United Nations, the *Slaves to the System* report did contribute to awareness within the ILO and the EU, and even in the financial world with organisations such as the Norges Bank taking precautions. It is this collective awareness that in the end prompted the United Nations, the EU and the United States to install additional sanctions focussing specifically on North Korean forced labour. Even though there is still a long way to go in combating forced labour, the first *Slaves to the System* report has helped pave the way for raising awareness about North Korean slavery abroad.

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<sup>472</sup> Ibid., 5.

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## CHAPTER 7

### NON-ENFORCEMENT: THE CONSCIOUS CHOICE NOT TO ENFORCE

When we published our first report *Slaves to the System, North Korean Forced Labour in the European Union: the Polish Case*<sup>473</sup> expectations were high that, first, the European Union would put a stop to the human trafficking of North Korean workers and their exploitation on EU territory; and, second, that we would not write about Poland again. We were wrong on both accounts. The EU never did enforce EU law in Poland, and Poland never put a stop to the exploitation of North Korean in its shipyards, building sites, tomato farms, and the like.

To a certain extent, it is to be expected that desire for financial profit overrides other considerations. Or, that the well-being of overseas DPRK workers is sacrificed to notions of international North Korean emancipation.<sup>474</sup> And to an important extent, North Korean networks and companies are not always recognizable as such. This being the case, the continuation of this practice can be understood if not condoned.

Yet, during what amounted to be some sort of media storm, the North Korean workers in Poland were talked, written, and argued about.<sup>475</sup> No attempt seems to have been made to actually talk to them, to investigate *seriously* what their situation was like, to ask their point of

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<sup>473</sup> Remco Breuker and Imke van Gardingen. *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*. Leiden: LeidenAsiaCentre, 2017.

<sup>474</sup> Dressed up as economic agency, perhaps, but it is hard not to see through the emperor's new clothes. Foremost public NK expert Andrei Lankov compared North Korean overseas workers to Wall Street bankers in an interview, because both groups work extremely long hours and pay a high tax rate (see raw footage of the documentary *Dollar Heroes*). Lankov and colleagues also wrote a series of articles in which he vehemently attacked looking at the overseas dispatch of DPRK workers from a human rights perspective as among other things 'disingenuous.' See for example Andrei Lankov, 'North Korean workers abroad aren't slaves.' *NKnews*, last modified November 27, 2014. <https://www.nknews.org/2014/11/north-korean-workers-abroad-arent-slaves/>; Robert Potter, 'North Korea's slaves: It's about agency, not pay.' Last modified May 16, 2016. <https://www.nknews.org/2016/05/north-koreas-slav>; Andrei Lankov, 'As new sanctions bite, they'll hurt North Korea's few entrepreneurs.' Last modified November 22, 2017. <https://www.nknews.org/2017/11/as-new-sanctions-bite-theyll-hurt-north-koreas-few-entrepreneurs/>; Anrey Lankov, 'How North Koreans get rich on overseas labour jobs.' Last modified January 16, 2018. <https://www.nknews.org/2018/01/how-north-koreans-get-rich-on-overseas-labour-jobs/>.

<sup>475</sup> The media coverage has been intense, long lasting, and in different languages. Please refer to [www.hongik-ingan.com](http://www.hongik-ingan.com) for a selection of the media coverage.

view. A North Korean worker who was in Poland at that moment, but has since defected, stated that:

*Due to the activities of an international human rights body, the work at our Polish site disappeared, which pissed us off. And worst of all, it wasn't as if our working conditions had actually improved because of this. I think that human rights activism should really benefit the workers. You should be active in order to improve the human rights of the worker. I have the feeling that nobody really understands what is going on. They're just making a lot of noise, without offering solutions and without seeing further than what's visible on the outside.*<sup>476</sup>

Instead of the authorities (domestic or EU) taking charge and then sorting things out, the North Korean workers in the middle of the affair (those working at shipyards Crist and Nauta) were relocated immediately to different job sites.

*Eleven of us had been placed to work as welders on a shipyard in Gdynia in Poland. Several ships from European countries were there to be repaired. But when in the summer of 2016 researchers from the European Union announced their concerns with regard to human rights following the death of Chŏn Kyŏngsu, we were forced to leave the shipyard. From the day, I arrived on the Crist Shipyard in Gdynia on February 21, 2014, I worked as a welder, repairing and maintaining Dutch ships. But in June 2016 we received the instruction 'not to work on the Dutch ship anymore' (we were engaged in repairing and maintaining a Dutch cruise ship). Towards the end of July, we had to leave the shipyard.*<sup>477</sup>

Although moved out of the immediate sight of the press and researchers, no North Korean workers were sent home. The Polish government, which had stated it had stopped issuing visas and working permits to North Korean workers in February 2016, kept issuing visas and working permits to North Korean workers at approximately the same rate as before, although it stated it had stopped doing so.<sup>478</sup> In sum, except for the media coverage and straining my relations with the Polish government and in particular the North Korean state, nothing much changed.<sup>479</sup>

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<sup>476</sup> Interview conducted with Mr K., 19 December, 2017.

<sup>477</sup> Interview conducted with Mr K., 19 December, 2017.

<sup>478</sup> Two facts speak against Poland keeping its promise to no longer issue working permits and visas to DPRK workers: the continued presence of North Korean workers in Poland in what seems to be hardly a decreased number (while it is now two years ago that Poland announced it would end issuing visas and working permits). And two, Polish statistics which indicate that working permits and visas were in fact issued the last two years. See <http://www.mpips.gov.pl/analizy-i-raporty/cudzoziemcy-pracujacy-w-polsce-statystyki/>.

<sup>479</sup> According to the North Korean embassy in Poland, I am working for the CIA and the South Korean NIS: 'Please contact the professor of Korean Studies and ask how much money he gets from the US and south intelligence in return for the lie. Please put into consideration that 99.9% of people around the world who bluster about the Korean issue have neither visited the Korean peninsula nor had any contact with Koreans. I reckon that if you get the answers to these three questions based on the fact, it would be a great contribution to promotion of social justice and truth.' The communication dates from December 13, 2017 and was sent to the bureau Filmproduktione GmbH, which produced *Dollar Heroes*. I have to honestly admit I in fact do agree with the statement in the middle sentence of this paragraph.

## POLITICAL DIMENSIONS

The political dimensions of this thorny issue are complicated, ambiguous, and constantly changing, which certainly does not help. The confrontation between North Korea and the US is often lazily seen as just that or as a Northeast Asian problem with the added complication of large US interests. While it is of course undeniably the case that the increasing tensions between North Korea and South Korea, the US, and Japan mainly take place in the Northeast Asian arena, both in terms of potential fall-out and political interests, a significant part of the globe is involved in this issue.

The political sensitivity surrounding North Korea reflects the global dimension as well as the fundamental division between the different schools of thought how to contain the North Korean threat (and indeed on the issue of whether there is a North Korean threat to begin with). In this sense, the US frequently finds itself opposed to China and Russia, while at the same time angling for Chinese cooperation.

The ways in which legal and other implications of DPRK overseas labour were dealt with in the EU and in particular the Netherlands, in parliament and by the executive branches of the respective governments, show how complicated the issue is and how it implicates international partners.

Dutch parliament asked questions several times about North Korean workers in Poland and the EU.<sup>480</sup> The Ministry of Social Affairs and that of Foreign Affairs prepared the government's answer, with Social Affairs in the lead. While the Ministry of Foreign Affairs had been aware of our research and both ministries had representatives present at the launch of the report, the formal answer submitted to Parliament did not suggest this. Quite the opposite, in fact. The answer followed the line of the Polish government, denying that forced labour had taken or was taking place, and denying anything untoward had happened.<sup>481</sup> While the Dutch ministry was only following protocol by accepting the explanation of fellow member state,<sup>482</sup> it had nonetheless accepted a version of the truth that was evidently not true. Further correspondence between LeidenAsiaCentre and the Ministries failed to clear up the misunderstanding, when the intervention of two Members of Parliament through new parliamentary questions forced both ministries involved to compose their own answers.<sup>483</sup> No

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<sup>480</sup> Parliamentary question no. 2017D01819, to be found here:

<https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2017Z00871&did=2017D01819>.

<sup>481</sup> Response of the government no. 2017D08423:

<https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2017D08423>.

<sup>482</sup> According at least to one civil servant who said so in the condition of anonymity.

<sup>483</sup> Parliamentary question no. 2017Z07198:

<https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2017Z07198&did=2017D15302>). Then



longer relying on the Polish government, the answers given by the ministries now were more in line with the available evidence.<sup>484</sup>

Ironically, the only state to take seriously human rights breaches of overseas workers was North Korea.<sup>485</sup> Until 2013, North Korea was only interested in overseas labour as a way to earn hard currency. After the UN COI report on human rights in the DPRK, Pyongyang realised that the only way the international community could effectively block overseas labour was through an appeal to human rights. Although the actual practice of sending workers overseas is not centrally managed, some parts of the process (such as visa applications and travel) are. Pyongyang does have a voice in the generalities of the operations, even if it is not fully involved or indeed aware of all operations.<sup>486</sup> Kim Chŏngŭn, who apparently took a serious interest in the matter, issued three directives. First, the enemy should not be given any pretext to intervene: managers must take appropriate measures to make sure all affairs were in order and refrain from causing any kind of problem that might bring unwanted attention.<sup>487</sup> Second, the working and living conditions needed to be regulated. Most pressing problem was the role corrupt managers played, who squeezed the last bit of money from workers for their own private gain, endangering the entire enterprise. So, third, a security officer was appointed (*anjŏn taep'yo* 안전대표).<sup>488</sup> A local DPRK diplomat was appointed as 'security officer' to combat corruption in his area by talking to the workers under his supervision at least once a month and keeping tabs on the situation. Interestingly, this approach did manage to push back corruption under the middle-level managers, but it did nothing to reduce the larger source of exploitation, that by the state.<sup>489</sup> Generally though, DPRK managers and diplomats tried to follow local rules and

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Minister of Foreign Affairs Bert Koenders sent an explanatory letter to the project team on 31 May 2017, responding to our letter dated 12 April, 2017. The letter stressed the efforts of the ministry to combat DPRK forced labour in Poland and elsewhere.

<sup>484</sup> Government response no. 2017D22856:

<https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2017D22856>.

<sup>485</sup> The next paragraph is based on an interview I conducted in Seoul with Thae Yong-Ho, the former DPRK vice-ambassador to the UK, on August 8, 2017.

<sup>486</sup> Thae stated that due to the decentralised nature of these operations, even in Pyongyang there is no concrete grasp of the number of workers sent abroad.

<sup>487</sup> Such as workers defecting: 'I hadn't been paid my salary since April. I assumed, with all the back pay, that I would receive at least 1000 Zloty. But I received no more than 420 Zloty (or about 100 dollars).' Interview with Mr K., 19 December, 2017.

<sup>488</sup> Mr K. confirmed Thae's explanation of the role of the security officer.

<sup>489</sup> Interviews with ex-workers corroborate how much the managers would keep for themselves and how this led to dissatisfaction and even defection. The most important for Pyongyang to put a stop by unauthorized extortion and embezzlement by mid-level managers was next to not drawing attention to human rights abuses the fear that workers would feel forced to defect. When he found out the difference between what he earned according to his Polish principals and what he actually received, Mr K. was indeed driven towards defection. He further stated that 'Just like in North Korea, where each week your employer will tell you to give him what he wants and where the People's Unit's will tell you to bring it what it wants, whether in cash or in kind, Poland was no different.' He continued explaining that he once lodged a protest with his manager when he was severely



regulations to not stand out too much in the EU. In countries like Qatar and Kuwait, this was less of a problem due to the absence of similar regulations.

And this leads us to what we have seen to be perhaps the biggest change in the phenomenon of overseas DPRK labour, in particular with regard to the countries with more elaborate regulatory practices: while the practice, as evinced by interviews and the undercover footage of *Dollar Heroes* does not change (it is still human trafficking and labour exploitation that put the North Korean workers in vulnerable and exploitable positions), but the on-paper reality reflecting it did change. Former DPRK vice-ambassador to the UK Thae Yong-ho's statement that North Korean managers and companies try to abide by local rules and regulations also applies to their local partners, who were much more cavalier about exploiting North Korean workers two years ago (as suggested by the workers not having individual bank accounts or employment contracts, not possessing safety clothing, not being paid, forged pay slips, etc). In that sense, it would be instructive to see whether the North Korean workers at Partner Shipyard possess individual bank accounts now onto which their salaries are deposited or individual employment contracts.<sup>490</sup> From interviews with (former) workers, it still seems to be clearly the case that the workers are not told what work they are going to do, how much they will be paid,<sup>491</sup> for how long they will be engaged doing this, and what, in general, their rights are. If that indeed is the case, the cleaning-up of the externally visible part of overseas DPRK labour is merely window-dressing and does not suggest any kind of fundamental change in the practice, for better or for worse.<sup>492</sup> It would then merely be a tribute to institutional and political gullibility.

While the DPRK was aware of the risks human rights infringements—or rather, their observation in situ—was bound to have on its ability to keep sending out workers to bring in hard currencies, the EU was generally less observant. EU Parliament has been aware of the problematic sides of DPRK workers in the EU since the early 2000s. It showed an interest what had happened in the Czech Republic<sup>493</sup> and several hearings featuring exiles from North Korea

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underpaid, but that this did not make a difference. It just damaged his reputation. Mr K. and his colleagues were told to confirm to the Polish inspectors that they had received their proper wages, even though it was kept from them how much they were supposed to receive in the first place. Interview conducted with Mr K., 19 December, 2017.

<sup>490</sup> Given the fact that those North Korean workers we interviewed all said that they did not have a bank account and were not supposed to have one either, this does not seem very likely.

<sup>491</sup> 'There was no agreed upon salary. [...] There was a certain amount that I was hoping to get, but what I received was incomparably smaller. About ten times smaller.' Interview conducted with Mr K., 19 December, 2017.

<sup>492</sup> Our previous report noted how pay slips had been forged. This seems to have been noticed by the Polish Labour Inspectorate. Mr K. explained that the workers had to sign their pay slips, but also that that bore no relationship to the salaries they received. Mr K. is very explicit about this being a precaution against—rather frequent inspections by the Polish Labour Inspectorate. Interview conducted with Mr K., 19 December, 2017.

<sup>493</sup> See the chapter in this report on the Czech Republic.

have been held. In 2016, on several different occasions members of parliament asked questions concerning the DPRK workers in Poland.<sup>494</sup> The EU Commission dodged the question by answering as follows:

*The Commission is aware of reports on alleged violations of the human rights of citizens of the Democratic People's Republic of Korea (DPRK) working abroad.*

*The Commission condemns forced labour and recalls the EU Charter of Fundamental Rights, which prohibits slavery, forced labour and trafficking in human beings for all forms of exploitation. The Charter also sets out the right of workers to working conditions which respect their health, safety and dignity.*

*The EU has developed an ambitious legal and policy framework against trafficking in human beings for all forms of exploitation<sup>495</sup> (1) for which the level of compliance will be assessed in 2016.*

*In the EU and irrespectively of the status of EU or third-country national, the rules on working conditions, health and safety at work as well as legislation against trafficking in human beings apply. It is the responsibility of the national authorities to ensure that the rules are enforced. The Commission may launch infringement procedures in case of breach of Union law.*

*The use of ERDF<sup>496</sup> and ESF<sup>497</sup> funds must be consistent with the activities, policies and priorities of the Union, including the Charter. The Commission is in contact with the Member States to check possible irregularities. In the event of infringement of EC law by an economic operator, the Commission can make financial corrections by cancelling all or parts of the financial contribution to the programme.*

*Finally, all EU Member States have ratified and are accountable for the implementation of the 8 fundamental Conventions of the International Labour Organisation (ILO) including Conventions 29 and 105 on the prohibition of forced labour. The Commission supports the ILO's work with its Member States to raise awareness on and eliminate forced labour.*

The EU Commission fundamentally avoided the issue, pointing out the responsibility of the individual Member States and, if necessary, mentioning the ILO as the logical arbiter. The answer to follow-up questions was in a way blunter, carrying the same message of non-intervention–non-enforcement, or the delegation of enforcement, in other words.

*On the alleged situation of forced labour concerning citizens of the Democratic People's Republic of Korea (DPRK) working abroad, the Commission refers the Honourable Members to its answer to written questions P-004172/2016(1) and E-013290/2015(2).*

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<sup>494</sup> EU Parliamentary question no. P-004172-16, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+WQ+P-2016-004172+0+DOC+XML+V0//EN>; EU Parliamentary question no P-006692-16 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+WQ+P-2016-006692+0+DOC+XML+V0//EN>.

<sup>495</sup> Directive 2011/36/EU of the European Parliament and of the Council of 5.4.2011 on preventing and combating trafficking in human beings and protecting its victims, OJ L 101, 15.4.2011.

<sup>496</sup> European Regional Development Fund.

<sup>497</sup> European Social Fund.

1. As to the alleged breaches in Poland, the Commission has contacted the Polish authorities which are fully aware of the claims presented in the media. It is the responsibility of the national authorities, including the labour inspectorates, police and judicial authorities, to ensure that the prohibition of forced labour and the rules on working conditions are enforced. The Commission monitors this application and if breaches of Union law by Poland or other Member States are identified, the Commission will launch infringement procedures.

2. The Commission holds no records of companies hiring DPRK workers and does not have the power to establish such a record system.

3. The Commission has no power to check individual work contracts offered to DPRK workers and will not establish a systematic review mechanism.

With regard to sanctions, the EU's additional restrictive measures complement those measures adopted by the UN Security Council (SC) and also implemented in the EU through a Council Decision and Council Regulation. These include restrictive measures provided by the latest UN SC Resolution 2270 of March 2016, aiming at the DPRK's illegal nuclear, Weapons of Mass Destruction and ballistic missile programmes.

Under the current EU, restrictive regime transactions relating to personal remittances or transactions in connection with legitimate trade contracts are subject to prior authorisation by the national competent authorities.<sup>498</sup>

Although this led to a cautious and voluntary self-assessment by member states to find out whether there were North Korean workers in their own country and if so how many, the European Commission kept its silence on this issue.

Next to the export of weapons and weapon systems, the export of its labourers is perhaps the DPRK's most well-known way of earning money abroad that was not from its inception explicitly illegal. It would have stood to reason for overseas labour to have been sanctioned as soon as sanctions against the DPRK were put into place in 2006 by the EU and the UN.<sup>499</sup> The export of labour is not mentioned, however, not even when the human rights abuses inevitably accompanying this phenomenon become glaringly obvious. Every long-distance missile launch and every nuclear test from the DPRK brought about more and more detailed sanctions, prohibiting technologies and parts feasibly usable in weapons production programs and outlawing the export to the DPRK of luxury items such as ski lifts and pianos.<sup>500</sup> Overseas labour, perhaps the most important source of income from abroad, was consistently left out of

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<sup>498</sup> EU Commission response no. P-006692/2016:

<http://www.europarl.europa.eu/sides/getAllAnswers.do?reference=P-2016-006692&language=EN>.

<sup>499</sup> I will skip the sanctions put into place by South Korea, because –obviously– forced labour has nothing to do with those sanctions.

<sup>500</sup> EU sanctions can be found here: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2017:265I:TOC>; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2017.265.01.0008.01.ENG&toc=OJ:L:2017:265I:TOC>; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2017.265.01.0005.01.ENG&toc=OJ:L:2017:265I:TOC>; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2017.265.01.0001.01.ENG&toc=OJ:L:2017:265I:TOC>.

UN sanctions can be found here: <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/sres2375.pdf>; <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/sres2371.pdf>; <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/sres2397.pdf>.

the sanctions. It is in fact understandable why this would be the case with regard to the UN Panel of Experts which composes, implements, and monitors the sanctions vis-à-vis the DPRK. Since the sanctions have to go through the Security Council, any strong sanction measure against overseas DPRK labour was doomed from the start. Navigating the incredibly complicated force field that is the UN Security Council when it discusses the DPRK means scuppering two-thirds of any meaningful sanction proposal. The two largest users of cheap but motivated and qualified DPRK labour after all are both Security Council permanent members: China and Russia. Finally in 2017, the sanctions came to include overseas labour and joint ventures with North Korean companies,<sup>501</sup> but the wording was inevitably ambiguous (apparently on the insistence of China and Russia as a condition not to veto that round of sanctions), and the grace period involved for not hiring more (it is not clear whether this would mean not more than before or not any more) DPRK workers is long enough for the sanctions to be almost symbolical.<sup>502</sup> And more importantly, implementing sanctions at the UN level is one thing, but the sanctions only become meaningful when (if) they are enforced.<sup>503</sup>

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<sup>501</sup> '18. Decides that States shall prohibit, by their nationals or in their territories, the opening, maintenance, and operation of all joint ventures or cooperative entities, new and existing, with DPRK entities or individuals, whether or not acting for or on behalf of the government of the DPRK, unless such joint ventures or cooperative entities, in particular those that are non-commercial, public utility infrastructure projects not generating profit, have been approved by the Committee in advance on a case-by-case basis, further decides that States shall close any such existing joint venture or cooperative entity within 120 days of the adoption of this resolution if such joint venture or cooperative entity has not been approved by the Committee on a case-by-case basis, and States shall close any such existing joint venture or cooperative entity within 120 days after the Committee has denied a request for approval, and decides that this provision shall not apply with respect to existing China-DPRK hydroelectric power infrastructure projects and the Russia-DPRK Rajin-Khasan port and rail project solely to export Russia-origin coal as permitted by paragraph 8 of resolution 2371 (2017); See [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2375.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2375.pdf).

<sup>502</sup> There is a grace period of two years, which in my estimation should be enough to carry the workers over into a sufficiently different political situation. This paragraph '[e]xpresses concern that DPRK nationals continue to work in other States for the purpose of generating foreign export earnings that the DPRK uses to support its prohibited nuclear and ballistic missile programs despite the adoption of paragraph 17 of resolution 2375 (2017), decides that Member States shall repatriate to the DPRK all DPRK nationals earning income in that Member State's jurisdiction and all DPRK government safety over sight attachés monitoring DPRK workers abroad immediately but no later than 24 months from the date of adoption of this resolution unless the Member State determines that a DPRK national is a national of that Member State or a DPRK national whose repatriation is prohibited, subject to applicable national and international law, including international refugee law and international human rights law, and the United Nations Headquarters Agreement and the Convention on the Privileges and Immunities of the United Nations, and further decides that all Member States shall provide a midterm report by 15 months from the date of adoption of this resolution 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 of this resolution, including an explanation of why less than half of such DPRK nationals were repatriated by the end of that 12 month period if applicable, and all Member States shall provide final reports by 27 months from the date of adoption of this resolution.'

See [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2397.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2397.pdf).

<sup>503</sup> The most up-to-date and insightful treatment of the DPRK sanctions is: Andrea Berger, *A House Without Foundations: The North Korea Sanctions Regime and its Implementation*, Whitehall Reports, 9 June 2017.

The EU, on the other hand, is not captive to the same force field the UN Security Council is. Neither Russia nor China have veto power in Brussels. In theory and certainly in practice, the decisions taken in Brussels with regard to sanctioning the DPRK are more binding than those taken in New York by the UN. At the same time, it should also not pass unnoticed that with regard to sanctioning the DPRK, the EU implements all UN Security Council sanctions.<sup>504</sup> It adds to the UN sanctions specific sub-sanctions corresponding to the peculiar EU environment. The sheer amount of sanctions now in force against the DPRK mean that even when combined with relatively unenthusiastic enforcement, a rather strict sanction regime comes into being. However, implementation in Brussels does not equal enforcement in the 27 EU Member States and it is undeniably so that the EU sanctions have been rendered less effective because of a clear lack of enforcement. As the large and diverse organisation it inevitably is, the EU is almost bound to have diverse views on the issue. The lack of action of its political arm is not reciprocated in the departments responsible for the implementation of the sanctions against the DPRK or in the departments responsible for initiating and supporting UN resolutions against human rights infractions in North Korea. Generally, the EU keeps pace with the UN sanctions and in some cases, even anticipates them. Of course, due to the very different organisational structure, in this regard, unlike the UN, the EU does not have to contend with internal parties like China and Russia with veto power who are dead set against real and effective sanctioning of the DPRK. Having said that, it is clear that even within the EU Commission, sanctions against the DPRK are implemented rather than enforced. The example of overseas DPRK labour in EU Member States may again suffice to make the picture clear: despite the fact that Poland has indeed not stopped giving room to the exploitation of DPRK workers within its national borders, there has been no discernible action from the EU headquarters, merely the tired old mantra that this is a matter within the jurisdiction of the Member State.<sup>505</sup> The fact that this issue is about structural and wide-spread contemporary slavery and human trafficking; that the practice breaks the EU sanctions against the DPRK (and did so even before forced labour was a part of the sanctions); and that EU subsidies seem to be abused by the same companies keeping the North Koreans in a condition of slavery say differently.<sup>506</sup> Non-enforcement now becomes something hard to imagine and even harder to understand from the point of view of the infringements, abuses, and crimes committed. From the context of the different

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<sup>504</sup> See <http://www.consilium.europa.eu/en/policies/sanctions/different-types/>.

<sup>505</sup> See the EU Commission responses to EU Parliament questions cited above.

<sup>506</sup> See our previous report for details.

discourses—the academic, the political, the administrative, the financial—it is quite different; it is then not only imaginable, but understandable.

## THE FINANCIAL SIDE

Our previous report noted how North Korean overseas labour fit the globalized capitalist world market snug as a glove. The mobility, willingness to always work, low prices, quality work, lack of unionized organization, and obedience are perhaps not unmatched, but certainly rare and sought-after.<sup>507</sup> In a significant way, it is the financial attraction of using North Korean labourers that is the prime motivating factor keeping the entire structure alive.<sup>508</sup> As such, users and end-users of the products built by the North Koreans –possibly unwittingly– play a key role in the continuation of North Korean overseas forced labour. This means that it is the entire production chain that should come under scrutiny and not merely the initial phase of it, in which the DPR workers figure. As such, it is certainly disconcerting to have to admit that well-reputed Dutch multinational shipbuilding companies have been involved, possibly unwittingly, in the production chains involving North Korean slave labour.<sup>509</sup> It is altogether possible – and certainly what one would hope for – that these companies were and/or are in the dark about the presence of North Korean forced labour in their production chains. But the question is whether this would actually be more reassuring, because that would mean that North Korean forced labour manages to remain well-hidden in the supply chain. As has become clear from Chapter 1, the companies stand to profit from the cheap but high-quality labour the North Korean workers deliver, but the profits in the production chain equally go to the DPRK–Polish joint ventures in-between (such as Wonye), the DPRK-owned companies (Redshield, Rungrado), and the shipyards where the actual work takes place. It is only the North Korean workers themselves who consistently miss out on the financial profits generated by this practice. If, as was the case in earlier days, workers would earn and keep their salaries, they were supposed to earn about 200 Euro per month in the EU. Even when living costs were deducted, this would still amount to one overseas worker earning enough to comfortably maintain ten persons in North Korea.<sup>510</sup> It is not hard to imagine how financially attractive overseas labour must have

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<sup>507</sup> Remco Breuker and Imke van Gardingen. *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*. Leiden: LeidenAsiaCentre, 2017.

<sup>508</sup> Although it is imperative to not reduce these networks and their reasons for being too simple economic motives. As for example the chapter in this report on Africa shows, DPRK trade relations involve more than money, but also a complex mix of ideological allegiance, personal friendships, and political opportunity.

<sup>509</sup> See the chapter on Poland in this report. Also see Peter Goodman, Ch'oe Sang-hun, and Joanna Berendt, 'Even in Poland, Workers' Wagers Flow to North Korea.' *New York Times*, December 31, 2017.

<sup>510</sup> According to Thae Yong-Ho, interview conducted in Seoul, August 8, 2017

seemed.<sup>511</sup> Especially not, if one realizes that North Korean workers in Poland live on almost nothing: Mr K., whom we interviewed for this report, stated that during the 40 months he had worked in Poland, he had spent on average 27 dollars per month. This was the absolute maximum he could spend if he wanted to send anything home (he earned about 2500 dollars in total, sent 1600 home, and borrowed another 200).<sup>512</sup>

## THE ACADEMIC DIMENSION

The contentious nature of the export of DPRK labourers abroad is in its roots political. During the conservative presidencies of Yi Myŏngbak and Pak Kŭnhye the government actively tried to persuade academics to tackle the issue in a manner that would be critical of the DPRK government by the securitisation of human rights.<sup>513</sup> While government research institutions like Korean Institute for National Unification had little choice in following this line of research,<sup>514</sup> it has become abundantly clear that hardly any academic was or is willing to risk her/his reputation and tackle this issue. As a result, within Korean Studies, one of the most important contemporary topics with regard to North Korea, is effectively a non-issue. Overseas DPRK labour combines issues pertaining to human rights, foreign relations, labour issues, armaments, international sanctions implementation and evasion, and the North Korean economy, and as such there are solid academic arguments to investigate the phenomenon. While this may be a simple matter of academic priorities, the numbers of studies delving into the human rights situation of North Korean workers in the Kaesong Industrial Complex suggests that this is in fact also a research trend that should be seen in the light of the political discourse on North Korea within academia. Against the background of the implied or subtly suggested

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<sup>511</sup> Although recently, the popularity of overseas labour in North Korea seems to have decreased on account of the number of people dying abroad and the persistent rumour that workers do not get paid their wages. See GSI analysis.

<sup>512</sup> Interview with Mr K., 19 December, 2017.

<sup>513</sup> A strong drive emanating from ROK embassies to disseminate propaganda accompanied by proper research on DPRK overseas labour (the association unfortunately tainted the few studies out there – often policy-related studies – on this topic) was complemented by enthusiastic acceptance of research critical of DPRK overseas labour and encouragement to apply for ROK government funding to undertake such research. This has been my personal experience as well, although it should be clearly stated here, that the funding for this project has come from LeidenAsiaCentre entirely.

<sup>514</sup> At least in terms of subject and research direction. As far as I have seen over the years, individual researchers at institutes such as KINU (which falls under the responsibility of the Prime Minister's office) have always striven for producing responsible academic output and not churning out propaganda that would satisfy the politicians in charge. Nonetheless, the pressure from the South Korean government with regard to this issue contaminated the discourse to the extent that even academics who were interested shied away from the topic out of a –reasonable– fear of being seen as politically motivated. For me personally, this was also a reason to stay away from the topic for a number of years. Once the pressure from the South Korean embassy in the Netherlands with regard to this stopped, I decided to pursue the topic on my own – i.e. academic – terms. This has of course not stopped the issue and our research to become embroiled in all kinds of political discourses. Crucial however is the fact that the research does not come from such a discourse.



political imperative that the KIC should continue to function as a symbol of North–South rapprochement,<sup>515</sup> the majority of the studies on the KIC come to the seemingly rather political conclusion that the human rights and labour rights of the North Korean workers were not infringed upon by the what to the politically unburdened observer would seem to amount to exploitation.<sup>516</sup> In fact, the way in which North Korean workers were ‘exported’ and then in fact leased to South Korean companies in Kaesong is reminiscent of the mechanisms used to place North Korean workers all over the world, even if the KIC very much presented a simplified version of the process.

Apart from the few empirical academic studies available, the burden of recording the phenomenon of overseas DPRK research has mainly fallen on NGOs. NGOs such as NKDB have devoted many resources to the mapping of overseas labour, focusing on interviewing refugees (which is one of the strong points of NKDB) and on field research in countries where DPRK companies and workers are active (such as Poland, Mongolia, and Russia).<sup>517</sup>

North Korean workers abroad appear to be a very contentious issue.<sup>518</sup> Although the intricate complex of problematic human rights infringements associated with North Koreans working abroad for their government has been known for some time, the 2014 UN COI report on DPRK human rights infringements did not include DPRK workers abroad.<sup>519</sup> In itself, a rather

<sup>515</sup> Although of course it was shut down by Pak Kŭnhye in 2016. The government of Mun Chae’in has suggested reopening the complex, but as of yet, no solution seems to have been found with regard to the very serious sanctions infractions restarting the KIC would constitute. As Marcus Noland noted, reopening KIC would constitute a breach of UNSCR 2321: para 31 & 32 (see <https://piie.com/blogs/north-korea-witness-transformation/kaesong-industrial-complex-moon-administration-and-unscr>). Apart from that, labour conditions at KIC already breached international treaties. See for example Noland, Marcus. ‘See no evil: South Korean labour practices in North Korea.’ (2014); Pak Ch’ ŏnjo 박천조, ‘임금대장을 통해 본 개성공단 임금제도의 변화 연구 Imgŭm taejang–ŭl tonghae pon Kaesŏng kongdan imgŭm chedo–ŭi pyŏnhwa yŏn’gu,’ *Sanŏp kwan’gye yŏn’gu* 산업관계연구, 25.4 (2015.12): 59–91; Yang Unch’ŏl & Ha Sangsŏp 양운철, 하상섭, ‘UN 의 대북한 경제제재의 한계 UN–ŭi kyŏngje chejae–ŭi han’gye,’ *T’ongil chŏngch’aek yŏn’gu* 통일정책연구, 21.2 (2012). 143–175.

<sup>516</sup> See e.g. Mun Mugi 문무기, ‘한미 FTA 와 개성공단 노동법제의 운용실태 Han–Mi FTA–wa Kaesŏng kongdan nodong pŏpche–ŭi un’yong–shilt’ae,’ *Nodong chŏngch’aek yŏn’gu* 노동정책연구 7.2 (2007.6), 73–101; Pak Chŏngwŏn 박정원, ‘북한의 「전력법」 분석과 남북한 전력법제 통합방향 Pukhan–ŭi ‘Chŏllyŏkpŏp’ punsŏk–kwa Nam–Bukhan chŏllyŏk pŏpche t’o panghyang,’ *Pŏphak nonch’ong* 법학논총, 28.3 (2016.2), 221–261; Mun Mugi 문무기, ‘개성공업지구의 노동규율과 사회권 Kaesŏng kongdamn chigu–ŭi nodong kyuyul–gwa sahoegwŏn,’ *Tonga pŏphak* 동아법학, 67 (2015.5), 27–62.

<sup>517</sup> See e.g. Yoon Yeo–san and Lee Seung Ju, *The North Korea outside The North Korean State*, Database Center for North Korean Human Rights, December 2016; Park Chan–hong, *Conditions of Labour and Human Rights: North Korean Overseas Labourers in Russia*, Database Center for North Korean Human Rights, December 2016.

<sup>518</sup> That at least is my impression after having researched this issue for the past three years or so.

<sup>519</sup> To be downloaded here in its full form or in abstracted form:

<http://www.ohchr.org/EN/HRBodies/HRC/CoIDPRK/Pages/ReportoftheCommissionofInquiryDPRK.aspx>.



convincing argument could be made that the COI was overstretched as it was and that adding the contentious (and research-intensive) issue of DPRK workers abroad would be an additional burden.<sup>520</sup> At the same time, the transnational nature of the issue and the complications that the implicit or even explicit involvement of third countries and/or parties would invite, should also have played an important role in shelving the issue of overseas DPRK workers. As the COI correctly assumed, their report on DPRK human rights abuses was going to be a difficult proposition to begin with because of the intricate political force field surrounding it.<sup>521</sup> Against the background of the extremely difficult process leading to the establishment of the COI itself, the decision not to include DPRK workers overseas is understandable if also a missed opportunity. If anything, the export of DPRK labourers abroad has turned out to more or less equate the export of the DPRK system and its human rights abuses.<sup>522</sup>

A mitigating factor for the exclusion of overseas labour in the COI report is the fact that in 2014 hardly any academic research on the topic had been done (not even in Korean) and that in 2018 this situation has not significantly improved.<sup>523</sup> Given the fact that the COI did not include or employ a North Korean Studies specialist, this would indeed have formed a formidable practical obstacle.

The situation described above has resulted in an atmosphere in which NGOs are left holding the bag, forced to allocate resources to a topic that otherwise would be well researched in academia also; in which partisan and unsubtle, in-your-face government-sponsored research predisposes both experts and the public alike to stay away from the discussion; and in which anecdotes are freely stacked up against the few empirically researched studies available (anecdotal reasoning being the bane of North Korean Studies anyway). In an instance of irony

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<sup>520</sup> This is what COI chair Michael Kirby has in fact publicly stated at a 2016 conference in London, celebrating the second anniversary of the publication of the UN COI's report on human rights in the DPRK.

<sup>521</sup> China refused to cooperate, Japan proved to be meddlesome because of the inevitable references to the colonial past on the Korean peninsula, South Korea had too much invested to take a step back, North Korea was angry at the perceived insults to the supreme dignity of the supreme leader, and so forth and so on.

<sup>522</sup> See Remco Breuker and Imke van Gardingen, *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*. Leiden: LeidenAsiaCentre, 2017; Remco Breuker and Imke van Gardingen, 'Louer des vies'? Le travail forcé des Nord-Coréens.' *Korea Analysis* 9, no. 4 (2015), 45–49; Remco Breuker and Imke van Gardingen, *A new lease of life? DPRK forced overseas labour in the EU*, LeidenAsiaCentre working paper, 2016, available here: <https://slavestothsystem.files.wordpress.com/2016/02/a-new-lease-on-life-def.pdf>.

<sup>523</sup> It is in fact astounding to see that so little work has been done on North Korean overseas (or indeed domestic) forced labour. NGOs such as NKDB and HRNK worked on this issue extensively, as did to a much lesser extent the Asan Institute. Researchers at universities, however, have so far shied away from a topic that is sufficiently toxic to damage careers due to its extremely politicized nature. Yoon Yeo-sang and Lee Seung-ju, *Human Rights and North Korea's Overseas Labourers: Dilemmas and Policy Challenges*, NKDB, 2015; Statement of Greg Scarlati, Executive Director, Committee for Human Rights in North Korea at the hearing of the Tom Lantos Human Rights Commission entitled 'North Korea's Forced Labour Enterprise: A State-Sponsored Marketplace in Human Trafficking', April 29, 2015; NKDB, *Pukhan haeoe nodongja kukkabyŏl koyong kiŏp risŭt'ŭ* (Seoul: NKDB, 2015).

probably best appreciated from the sidelines, the upbeat and optimistic approach, euphemistically obscuring all negative sides, to the phenomenon of DPRK overseas labour in these mainstream publications is eerily similar in tone and reasoning to those found in the extreme leftist *Words* (*Mal* 말), which in 2008 noted approvingly how North Korean labourers in Kuwait sweated ‘to feed their Fatherland as well as their families.’<sup>524</sup>

The dearth of academic studies on overseas DPRK labour is compounded by the fact that it is not merely in (North) Korean Studies that hardly any research time is spent understanding this complicated and multi-faceted practice (other than blithely either condoning or condemning it without proper empirical scrutiny), but also outside of the Area Studies to which (North) Korean Studies belongs. As far as I have been able to determine, there are no proper legal analyses, neither are there studies that try to understand overseas DPRK labour from a disciplinary point of view.

I would like to suggest to different perspectives from which to better understand North Korean overseas labour, perspectives that from an ideological or political perspective will seem completely contradictory, but which both would lay bare the mechanisms behind the practice, as well as the motivations of the labourers themselves and the people who sent them.

The first perspective is that of migrant labour as a means for a developing economy to earn the money it needs to develop further. Although this is in fact a perspective that is often adopted by those who condone overseas labour politically, it is only done so very superficially and inevitably in comparison with South Korean practices from the 1960s to the 1980s when thousands of nurses and miners were sent to then West Germany.<sup>525</sup> While this comparison is in itself debatable, there certainly is merit in also understanding DPRK overseas labour from the point of view of a developing state in dire need of investments, exporting one of its few

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<sup>524</sup> Cho Ch’ŏnhyŏn 조천현, ‘해외에서 땀 흘리는 북한 노동자 1 Haeoe-esŏ ttam-ül hŭllinŭn Pukhan nodongja 1,’ *Wŏlgan Mal* 월간말 259 (2008), 90–97.

<sup>525</sup> This also is a topic that is politicised that such an extreme extent in Korea and Korean Studies that it is all but impossible to study it without seeming to make clear political statements. See Yun Yongsŏn 윤용선, ‘1960–70년대 파독 인력송출과 차관: 원조인가 거래인가? 1960–1970 nyŏndae p’a–Dok illyŏk songch’ul–gwa ch’agwan: wŏnjo inga kŏrae inga?’ (Koreanische Gastarbeiter in der BRD und deutsche Anleihen zu Korea in den 60–70er Jahren: Entwicklungshilfe oder Tauschgeschäfte?). *Togŭl yŏn’gu* 독일연구 26, (2013), 377–409; Pak Chaeyŏng 박재영, ‘파독 간호사 · 광부의 독일정착과 삼각이민 연구 P’a–Dok kanhosa, kwangbu–ŭi Togŭl chŏngch’ak–kwa samgak imin yŏn’gu,’ *Tamunhwa jk’ont’ench’ŭ yŏn’gu* 다문화콘텐츠연구 15 (2013), 335–364.

forms of capital: people.<sup>526</sup> It would be necessary for such an approach to track how the funds earned by overseas labour are used in the (re-)construction of the North Korean economy. The second perspective seems diametrically opposed to understanding this phenomenon from the point of view of the developing economy of the state: the perspective of DPRK overseas labour as an instance of human trafficking. Politically, these two perspectives are indeed diametrically opposed. Empirically, however, they are complementary and partially overlapping. Just as it is hard to deny that there are indeed structural similarities related to the limited capacities and urgent needs of developing economies in the ways Seoul sent miners and nurses to West Germany and Pyongyang sent workers all across the globe, it should be recognised that the mechanisms used to select, sent, control, and exploit (I am using this term here in its neutral register) the workers sent abroad were qualitatively different. These mechanisms in the case of North Korea are a complete match with the typology developed for human trafficking.<sup>527</sup> Polarisation around political identifications have so far hampered both of these approaches. A particular problem associated with delving into the issue at hand in more depth, is its breadth: proper research into DPRK overseas labour would include a significant amount of travelling and an intimidating array of languages at one's command to fully investigate how DPRK companies, managers, and workers operate abroad. This in itself is possible, if time and resource consuming. And that is exactly the problem: to obtain politically neutral funding for research into a topic as complex and in need of in-depth investigation as DPRK overseas labour, has proven to be nigh impossible. Our two research efforts into DPRK overseas labour have been fully funded by a university-allied foundation, guaranteeing that from the funder's side, no political intervention would ever be made.<sup>528</sup> Over the course of the past three years, we have found it virtually impossible to locate and obtain politically neutral funding for research in DPRK overseas labour.<sup>529</sup>

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<sup>526</sup> On the uses of workers' remittances for emerging economies, see for example Adolfo Barajas, Ralph Chami, Collen Fullenkamp, Michael Gapen and Peter Montiel, *Do Workers' Remittances Promote Economic Growth?*, IMF working paper 09/153, July 2009.

<sup>527</sup> I am working on a paper on precisely this topic together with Dr Masja van Meeteren (Leiden University). The typology of human trafficking, in particular human trafficking for labour, can be found here: Monika Smit, 'Trafficking in human beings for labour exploitation. The case of the Netherlands.' *Trends in Organized Crime* 14, no. 2–3 (2011), 184–197.

<sup>528</sup> The LeidenAsiaCentre funded our research. More about this foundation can be found at [www.leidenasiacentre.nl](http://www.leidenasiacentre.nl).

<sup>529</sup> Politicization is one problem, but the curious position the DPRK occupies in the international world does not help. EU research grants, for example, would be a logical possibility for our research, but practice has taught us that the DPRK often is not included in the geographical regions considered eligible for funding. The DPRK's refusal to sign international treaties and the impossibility to work with independent partners in the country make it difficult to include the DPRK in grant application calls. While this could be easily remedied by acknowledging the DPRK's peculiar position, it has not been remedied and funding remains elusive. We have applied for five

In this manner, a virtual vicious circle is created in which too few academic studies undergirded by empirical rigour and clear methodologies are produced to break through the stalemate between adversaries and advocates of DPRK overseas labour, essentially maintaining the political and politicised nature of the discourse.

## CONCLUSION

The above has shown how despite media attention (and even outrage), academic research, political measures, and legal obstacles, DPRK overseas labour is still fundamentally left alone, despite the well-known exploitation that accompanies it and despite its profits flowing unchecked into the coffers of the DPRK state – a clear breach of the sanctions. Non-enforcement, then, is a conscious choice. As it turns out, the case for non-enforcement is not difficult to make. Non-enforcement is politically embedded and it is economically profitable – it is structural and intentional in other words. It is not likely that this will change anytime soon in the absence of positive and pro-active across-the-board support for enforcement in different countries and industries and in the absence of in-depth academic research to lay bare the intricate networks—both North Korean and other—that make possible large-scale human trafficking and exploitation by the DPRK and its partners, resulting in forced labour and contemporary slavery.<sup>530</sup> Overseas labour by DPRK workers is beneficial to everyone except the workers themselves, making it something that is actively if often furtively or unknowingly supported by different social and economic groups. The arguments may vary: the workers are no slaves, but in fact comparable to Wall Street bankers who also work too hard and pay too much in taxes; the quality they deliver at such a low price point is impossible to resist in a capitalist market place; the workers are exposed to the world outside of North Korea and this will enlighten time, and so forth, and so on. What these arguments point to—and it is in particular their vacuous nature that drives the message home—is that putting a stop to the practice is in effect widely seen as undesirable. Or not seen at all: if the presence of DPRK overseas labour in the production chain indeed goes unnoticed. In itself, this may be the scariest notion.

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EU grants without ever getting the grant application evaluated on its merits: the focus on the DPRK was enough to declare it ineligible.

<sup>530</sup> Although at the time of writing this, the *Wall Street Journal* reported that the Polish parliament has now finally decided to ban DPRK labour in Poland. In the article, the accommodation by Polish politicians of DPRK supply and the demand for this kind of labour by Polish companies is explicitly noted. As long as there is a notion that working with the DPRK is profitable even if it is illegal, it is hard to imagine DPRK labour in the EU will cease. See *Wall Street Journal*, January 26, 2018 at <https://www.wsj.com/articles/poland-closes-door-to-cheap-and-now-banned-north-korean-labourers-1516962600>.

Continuation of course means—apart from the ethical and humane considerations that demand putting a stop to exploitation, human trafficking, and slavery per se—that the companies directly or indirectly, knowingly or unknowingly involved in this practice more or less directly fund the North Korean regime, its crimes against humanity, its nuclear and chemical weapons development programs, and its long-distance missiles. The economic stability derived from the exploitation of DPRK workers then translates rather neatly and symmetrically in an instability in international security.



## CHAPTER 8

### COMPLIANCE AND ENFORCEMENT

We concluded our previous report with nine recommendations. These recommendations consisted of preventive measures, of short-term measures, and of long-term measures. A wide range of measures was recommended, prioritizing the position of the labourers. We argued the following:

*The Member State and the companies involved should take the responsibility to inform the workers on their legal position and their rights. It could make a substantial difference in the awareness of the workers. Being used to their complete dependence on the DPRK state mechanisms, their situation abroad is not very different from their position within the DPRK. Raising awareness of their rights and legal position is important from a labour law perspective, but maybe even more so from the perspective of human rights. Workers may arrive at the realization that outside of the DPRK they enjoy individual legal rights that can be enforced. Other recommendations consist of ways to enforce regulations, on the use of relevant legal instruments, and on further research.*

After our report was published in June 2016, much has happened in terms of international politics and sanctions, but the ambition to start working on improving the situation of the DPRK workers abroad turned out to be virtually non-existent. The dire situation of the DPRK workers was discussed on TV, on the radio, the internet, and in newspapers, but mostly in order to reflect upon the wrongdoings of the DPRK, and to force states to fulfil their responsibility and stop supporting North Korea by welcoming DPRK workers. Hardly any attention, if any at all, was given to the position of workers abroad and how they should have access to justice, legal remedies, and to political asylum. Also, little attention was paid to the companies hiring them and their part in business deals that were made employing DPRK workers.

This chapter will recapitulate the recommendations and evaluate if there has been any follow-up to these recommendations. Inevitably there will be some overlap with the chapters

on non-enforcement and awareness. However, for the sake of follow-up activities and further research, it might be useful to evaluate the recommendations one by one.

**Recommendation 1** *Workers should be informed by EU Member States and by their respective employers about their rights and their legal position. Member States are responsible for the information. National migration offices that issue the working permits, trade unions and hirers play a crucial role in informing the workers.*

In our on-going research, we have yet to encounter a situation where DPRK workers were informed about their rights and legal position. Even though official documents may give that impression, we have not interviewed any worker who actually received an employment contract or was rightfully informed on labour conditions and labour rights. This might not be surprising to DPRK workers who in their own country never receive an employment contract, and were the majority of workers do not receive a regular salary at all, but are often paid in food rations, but this is an offense under EU law. The written Statement Directive (dating from 1991 – 91/533/EEC– and presently under revision) obliges employers to notify employees on their working conditions, working hours, remuneration and periodic payments, amount of paid leave, and such in the form of a written contract of employment and/or a letter of engagement and/or a written document that contains this information, at least within two months of the commencement of the employment (article 3).

As far as we have been able to determine, the DPRK workers in Poland have also not been told of their labour and legal rights, their right to have effective access to justice and redress, either by their employers, or by the Polish state.

We must therefore conclude that this recommendation has been largely, almost completely ignored, despite the fact that following this recommendation would have entailed nothing but the enforcement of existing law.

**Recommendation 2** *Intermediate companies, (sub)contractors and hirers should be informed about their place in the chain of responsibility, and, if needed, should be sanctioned according to the notion of chain liability.*

The chain of responsibility has been set in motion, although not in terms of improving the situation of DPRK workers. In our previous report, the case-study involved the Polish shipbuilding company Crist in Gdynia, building and repairing ships for countries from all over Europe, including coast guard vessels for Norway, marine vessels for the NATO and many international shipbuilders, including Dutch company Royal Damen.



Royal Damen has been working with Crist since the early nineties. The Polish branch of Damen is located in the near vicinity of Crist (on a six minutes walking distance). Recently only, they have stopped working with Crist. The Damen spokesperson stated to a Dutch journalist that they have recently stopped working with Crist, but claims that this has no relation with the hiring of DPRK workers by Crist.<sup>531</sup> A former DPRK worker at Crist explained that he was a welder, repairing Dutch ships. It is not clear what the name of the company was, but it was clear that he and his colleagues worked on Dutch ships. After 2016, he was told to not work on these ships anymore,

*Eleven of us had been placed to work as welders on a shipyard in Gdynia in Poland. Several ships from European countries were there to be repaired. But when in the summer of 2016 researchers from the European Union announced their concerns with regard to human rights following the death of Chŏn Kyŏngsu, we were forced to leave the shipyard. From the day, I arrived on the Crist Shipyard in Gdynia on Februari 21, 2014, I worked as a welder, repairing and maintaining Dutch ships. But in June 2016 we received the instruction 'not to work on the Dutch ship anymore' (we were engaged in repairing and maintaining a Dutch cruise ship). Towards the end of July, we had to leave the shipyard.<sup>532</sup>*

The effect of revealing the dire working conditions of DPRK workers seems so far to have led to two different actions; either to stop hiring the workers altogether or improve the way the uncomfortable reality is covered up on paper. Neither is desirable or acceptable.

After the publication of our previous report, questions have been asked twice in the Dutch Parliament on the involvement of Dutch corporations. The Minister of Social Affairs responded as follows:

*Work on Dutch ships also took place at the site. Officially, contact has been made with the relevant Dutch company. In response to reports of alleged forced labour by North Korean workers, the company asked the CRIST yard for an explanation. The yard has declared that it fully complies with Polish legislation and regulations. This has been confirmed by the employment office that has mediated in the employment of North Korean workers.<sup>533</sup>*

To take such an explanation for granted shows a reproachable lack of enthusiasm to identify risks in the supply chain. As had been made clear in our report, the company had been

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<sup>531</sup> The Correspondent, the Dutch media outlet covering the story on of Dutch involvement in North Korean overseas slave labour discussed in this report, contacted several companies which had their ships built on shipyards that used DPRK workers. The official statement Damen gave was that they had been working with Crist since the early nineties, but stopped doing so recently. The online reconstruction of what happened will be published by De Correspondent on 6 februari 2018.

<sup>532</sup> Letter from the Dutch Minister of Social Affairs and Labour to the Dutch Parliament, 27<sup>th</sup> March 2017. Referencenumber; 2017-0000040838.

<sup>533</sup> Letter from the Dutch Minister of Social Affairs and Labour to the Dutch Parliament, 27<sup>th</sup> March 2017. Referencenumber; 2017-0000040838.

investigated for a fatal accident at its shipyard. The labour inspectorate concluded in its investigation into this fatal accident that none of the necessary safety measures had been taken; there was no supervision, no security, no air circulation, no permit to perform this kind of hazardous work, no fire blankets, no extinguishers. The report shows signatures on the pay slips are forged. The company twice faced a court case concerning the illegal employment of DPRK workers. In one case, the court had imposed a fine for illegal employment. The other case was pending at that time.<sup>534</sup>

Regrettably, we have to conclude that the second recommendation was not followed. No government or company has yet taken responsibility for having directly or indirectly contributed to the unlawful situation North Korean workers find themselves in abroad.

**Recommendation 3** *Infringements of labour law and violations of human rights related to working conditions of DPRK workers in the EU should be part of the public debate and should be subjected to judicial remedy by the relevant authorities as well as by (representatives of) the workers themselves.*

The issue of DPRK overseas labour remains widely debated in the media. Spectacular investigative journalism in for example Russia (where North Koreans were forced to build World Cup Football stadiums in St Petersburg) contributed to this. The tense political situation and the UN sanctions on North Korea also played their part in this. Recently, *The New York Times* published a long-read which was partially based on the previous *Slaves to the System* report.<sup>535</sup> The newspaper also did some research and stated that in 2016 more 253 work permits for DPRK workers had been issued in Poland. And 124 in 2017. This, by the way, also is clear in the statistics from the Polish government.

The Polish Labour inspectorate increased the number of inspections. A letter from the Chief Labour Inspectorate (Legality of Employment Department) mentions the number of inspections focused on the legality of employment and performance of work by foreigners – citizens of the DPRK conducted in the period from 2013–2016 and separately in 2016.<sup>536</sup> In the period 2013–2015 the National Labour Inspectorate's inspectors carried out 13 inspections, covering 285 citizens of North Korea. In 2016, 16 inspections were conducted, covering 547 citizens of North Korea. The letter sums up the number of illegal employments and

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<sup>534</sup> R.E. Breuker & I.B.L.H. van Gardingen (eds.), *Slaves to the System, North Korean Forced Labour in the European Union: the Polish Case*. Leiden: LeidenAsiaCentre Press, 2016. Report STTS. p. 57

<sup>535</sup> 'Even in Poland, Workers' Wages Flow to North Korea', by Peter. S. Goodman, Choe Sang-Hun and Joanna Berendt, December 31, 2017.

<sup>536</sup> Written correspondence Chief Labour Inspectorate, Warsaw, 09 June 2017, GNL-575-0512-7-2/17

infringements. The inspectorate discovered a number of breaches of provisions included in the *Act on the promotion of employment and labour market institutions* and of labour law provisions. A number of irregularities is listed from, amongst other things, irregularities related to operating as an employment agency without having the required permits for conducting such business, to the lack of written information for workers on the terms of their employment, the non-payment of salary for overtime work and/or bonus for overtime work, and missing or insufficient protection during the performance of particularly hazardous work. The inspector concludes his letter with that these findings did however, not give grounds to suspect crimes of forced labour or human trafficking,

*According to the information provided by District Labour Inspectorates, the labour inspectors did not reveal cases suggesting that the involved employers or entrepreneurs engaged citizens of North Korea in conditions which may give grounds to suspect that crimes of forced labour or human trafficking were committed (art. 189a of the Penal Code in connection with art. 115, paragraph 22 of the Penal Code).*

The US State department report on Human Trafficking however, points specifically to the risks of falling victim to trafficking and exploitation that Third Country Nationals are exposed to in Poland and refers in that context to DPRK workers:

*Poland is a source, transit, and destination country for men, women, and children subjected to forced labour and sex trafficking. Labour trafficking is increasing in Poland; victims originate from Europe, Asia, and Africa. There is an increasing vulnerability to labour trafficking among Poland's growing Ukrainian migrant population and North Korean migrant workers.*<sup>537</sup>

It must be concluded that there have been persistent efforts by some relevant authorities to deal with the problem of DPRK overseas labour in the EU. The limited authority of the Polish Labour Inspectorate, however, to investigate and to sanction, remains problematic. But more problematic is the lack of action on the part of other authorities (such as e.g. the EU authorities with more investigative freedom and the EU Commission or relevant EU departments), despite the broad public discussions that have kept this issue in the news.

**Recommendation 4** *Available instruments of reporting by the ILO and national labour inspection bodies should be deployed. Representatives who are able to act independently and without risk for the victims/aggrieved parties should organise themselves.*

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<sup>537</sup> <https://www.state.gov/documents/organization/271339.pdf>

The ILO has acted effectively on the matter of DPRK workers. In August 2016, the Polish Trade Union submitted a report on the periodic review of the Forced Labour Convention reporting on the situation of Third Country Nationals resembling forced labour. In the report, special reference was made to DPRK workers. The International Labour Organization subsequently dealt with the issue in the 2017 June International Labour Conference in the Commission on the Application of Standards (CAS). The CAS is led by a panel of experts who wrote the following:<sup>538</sup>

*The Committee notes the observations of Solidarnosc, stating that Poland is a country of destination of people who become victims of forced labour, the majority of whom are migrants. Solidarnosc also states that there has been exploitation of citizens of the Democratic People's Republic of Korea (DPRK) for forced labour in Poland. The Committee notes Solidarnosc's indication that there were 239 DPRK workers brought legally to Poland in 2011 and 509 workers brought legally in 2012. According to Solidarnosc's indication, DPRK workers have to send back to the regime a large part of their legitimate earnings. The Committee notes Solidarnosc's concern regarding the working conditions of those workers, which might be assimilated to forced labour.*

As a response, the Polish Government stated the following:

*The Committee notes the Government's statement, in its communication dated 7 October 2016, that in 2016 comprehensive controls of the legality of employment of foreigners in selected entities known to employ DPRK citizens were carried out throughout the country. During those controls, no cases of illegal employment were detected but a number of infringements of the provisions of the Act on Employment Promotion and provisions of the Labour Law were found.*

The government statement refers in October 2016 to inspections during that year that allegedly no illegal employment was detected. In the previous years, however, illegal employment had been found, which is not mentioned. The government's statement is clearly contradictory to what the Polish Labour Inspectorate had found and confirmed in at least two official letters. The first letter (March 2016) refers to inspections performed from 2010 until 2016. In the inspected entities, a total of 377 DPRK workers were found to perform work and it was established that there were 77 DPRK workers whose employment was illegal.

*In the course of the above-mentioned inspections, it was established that there are 77 foreigners from DPRK whose employment and performance of work was illegal, and that they performed work for 5 inspected entities. Most cases of illegal employment of citizens*

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<sup>538</sup> International Labour Conference, 106<sup>th</sup> Session, Geneva, June 2017. Commission on the Application of Standards, 'List of Member States Invited to Appear before the Committee and Texts of the individual Cases (wcms\_556661)', p. 87

of DPRK were detected in the following voivodships: Świętokrzyskie (37), Pomorskie (29), and Małopolskie (10).<sup>539</sup>

A similar picture emerges from an official letter from the Polish Inspectorate in June 2017. This letter refers to 13 inspections in the period 2013–2015 during which the Polish National Inspectorate verified the legality of employment of DPRK citizens. The inspections covered 285 citizens of North Korea, 39 of whom were illegally employed.

*In the course of the above-mentioned inspections, the NLI identified cases of illegal employment and performance of work by 39 foreigners from North Korea, who had worked in 2 entities, one with the seat in Pomorskie Province (29 cases of illegal employment) and the other in Małopolskie Province (10 such cases).<sup>540</sup>*

Also important to note, is the fact that the Polish government representative stated that,

*Employment of DPRK citizens took place only as an activity of individual entities and their numbers in recent years had amounted to dozen of several dozen per year.*

However, as the first report outlined the number of workers did exceed ‘several dozens’ per year.

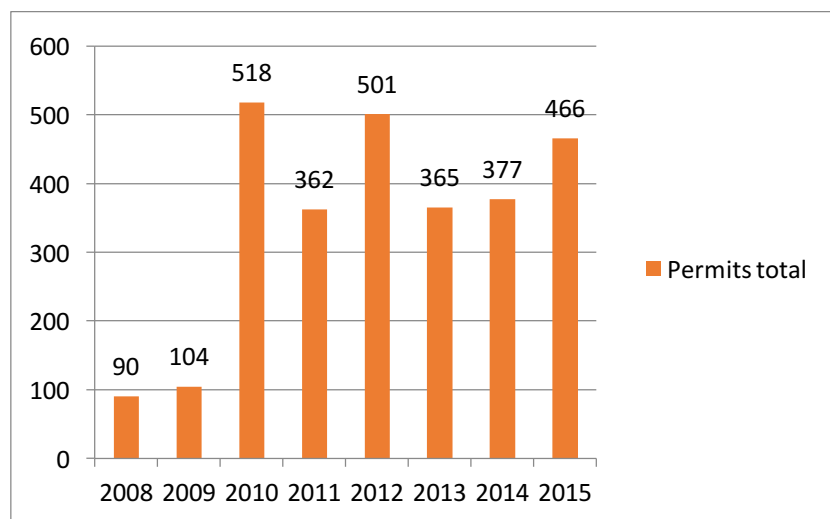


Figure 1. Work permits given to North Koreans per year in Poland.

The government representative furthermore stated:

*Given the signals revealed in 2016, controls conducted by the National Labour Inspection and the border guard covered in practice all entities employing DPRK citizens in Poland. The verifications had not confirmed infringements against DPRK employees related to*

<sup>539</sup> GNL-31-03-2016 (correspondence 31th March 2016)

<sup>540</sup> GNL-575-0512-7-2/17 (official correspondence from Chief Labour Inspectorate, Legality of Employment Department, Warsaw, 9 June 2017)

*forced labour and there had been no violations concerning non-payment of wages for DPRK citizens, whether non-payment or payment of wages lower than indicated in work permits.*

*The speaker considered such a situation as challenging and sensitive, especially if actions taken by the host country could pose a threat to the worker or his or her family residing in the country of origin, and expressed interest in hearing the experience of other countries and social partners on how to cope with such challenges.*

By acknowledging the possibility that workers or their families might be harmed by actions taken in the host countries, the government acknowledges the fundamental problematic nature of the situation the DPRK workers faced.

*In conclusion, the speaker emphasized that in 2016 and 2017, the Embassy of the Republic of Poland in Pyongyang had not issued any visa for DPRK citizens to seek employment and the only persons currently working in Poland would be those who had been in the country earlier.*

As the New York Times article cited above showed, this was actually not the case. Work permits had been issued all through 2016 and at least part of 2017, although it is altogether possible that it was not the Embassy of the Republic of Poland which issued the visa.<sup>541</sup>

In conclusion, it must be noted that in following the fourth recommendation, the ILO functioned properly and undertook prompt action. The Polish Labour Inspectorate, as noted above, did show significant efforts in identifying the problematic nature of DPRK workers in Poland until 2015, but was hampered by limits inherent in its authority. After 2015, the reports by the Polish Labour Inspectorate show increasing discrepancies with both the Polish government statistics on issued work permits to DPRK citizens and with interviews conducted with former North Korean workers in Poland.

There has been no follow up on the recommendations five to eight as listed below:

**Recommendation 5** *Define where civil or administrative litigation procedures can be initiated and/or criminal proceedings are in order. Seek redress and compensation for the workers*

**Recommendation 6** *Secure protection for workers who intent to lodge complaints, secure a safe haven for possible defectors.*

**Recommendation 7** *Undertake further research regarding how the secondment of DPRK workers to the EU may be in violation of EU and/or UN sanctions*

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<sup>541</sup> <https://www.mpips.gov.pl/analizy-i-raporty/cudzoziemcy-pracujacy-w-polsce-statystyki/>

**Recommendation 8** *Undertake in-depth research regarding the state liability of the DPRK for severe human rights violations and labour right violations abroad*

The chapter on non-enforcement explains the background to the lack of action undertaken with regard to both the human rights abuses suffered by overseas DPRK workers and the problematic financial contribution this phenomenon makes to DPRK weapon developments programs.

**Recommendation 9** *Undertake further research regarding the practice of allocating DPRK workers to the all ILO member states where DPRK are now known or thought to be employed.*

It is a matter of debate whether Recommendation 9 has been followed. In the last chapter of our previous report we urged the ILO, ‘*considering the fact that there is much supporting evidence of violations of labour rights, and considering the fact that DPRK workers are in no position to protect themselves and have no access to legal remedies, and combined with the fact that this practice moreover supports a state that violates human rights without parallel,*’ to not remain silent. This appeal was not done haphazardly. The ILO considers itself to be best placed to lead global action for decent work in the global supply chain. It aims to:

*strengthen its capacity as the global centre of excellence to facilitate, having regard to all relevant available evidence, the development and implementation of well-informed coherent policies and strategies and build the capacity of constituents. And the DPRK labour export-case provides a case to match this ambition. At least 19 ILO Member States are said to employ DPRK workers. The UN special rapporteur on human rights in North Korea stated that they include China and Russia, and reportedly include Algeria, Angola Cambodia, Equatorial Guinea, Ethiopia, Kuwait, Libya, Malaysia, Mongolia, Myanmar, Nigeria, Oman, Poland, Qatar and the United Arab Emirates.*<sup>542</sup>

The International Trade Union Confederation (ITUC) has addressed hosting countries of DPRK labourers and called on affiliates and friendly organisations to take action in this matter. Specifically they urged their affiliates to act upon the matter, while, ‘the international trade union movement cannot stay silent on the issue that has evolved from a serious human and labour rights violation to a critical issue of international security. The ITUC urges its affiliates to,

- I. *Write to their governments to investigate these issues and demand full transparency with regard to:*
  - a. *The number of (working) visas issued to DPRK workers (per year, sector, region and company)*

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<sup>542</sup> P. 90

- b. *Joint–Ventures with DPRK entities or individuals Request their governments to provide information on measures taken to:*
  - 2. *Stop issuing, renewing or extending work visas to DPRK migrant workers*
    - a. *End Joint Ventures with DPRK entities or individuals*
    - b. *Provide DPRK workers present in the country with humanitarian protection*
    - c. *Ensure equal treatment of DPRK workers present on the territory*
    - d. *Ensure access to justice for DPRK workers e.g. to claim unpaid wages*
    - e. *Sanction perpetrators*
    - f. *Call on companies to investigate and address the issue of forced labour of DPRK workers in throughout their activities*

## OUTSIDE THE SCOPE OF THE RECOMMENDATIONS

The UN Security Council, guided by the UN Panel of Experts in charge of the DPRK sanctions, has taken a number of measures that in their ostensible rejection of overseas DPRK labour were perhaps not expected to be taken. These sanctions do not fall within the scope of our recommendations, but should perhaps be regarded in a similar vein.

On August 5, 2017, the UNSC issued a resolution that included a freeze of work authorizations for DPRK nationals.

*11. Expresses concern that DPRK nationals frequently work in other States for the purpose of generating foreign export earnings that the DPRK uses to support its prohibited nuclear and ballistic missile programs, 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 unless the Committee approves on a case – by–case basis in advance that employment of additional DPRK nationals beyond the number of work authorizations provided in a member state’s jurisdiction at the time of the adoption of this resolution is required for the delivery of humanitarian assistance, denuclearization or any other purpose consistent with the objectives of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), or this resolution; (S/RES/2371, 5 August 2017)<sup>543</sup>*

In the same resolution, doing business with DPRK companies or nationals became significantly more difficult, although as the chapter on networks shows, DPRK entities are not always recognizable as such.

*12. Decides that States shall prohibit, by their 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 through additional investments, whether or not acting for or on behalf of the government of the DPRK, unless such joint ventures or cooperative entities have been approved by the Committee in advance on a case–by–case basis;*

<sup>543</sup> [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2371.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2371.pdf)



On 11 September, 2017 Resolution S/RES/2375 (2017) was adopted by the Security Council.<sup>544</sup>

This resolution now forbade provide work authorizations for DPRK nationals.

*17. Decides that all Member States shall not provide work authorizations for DPRK nationals in their jurisdictions in connection with admission to their territories unless the Committee determines on a case-by-case basis in advance that employment of DPRK nationals in a member state's jurisdiction is required for the delivery of humanitarian assistance, denuclearization or any other purpose consistent with the objectives of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), or this resolution, 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;*

The same resolution also effectively abolished all joint ventures and cooperative entities with the DPRK, albeit with a grace period of 120 days:

*18. Decides that States shall prohibit, by their nationals or in their territories, the opening, maintenance, and operation of all joint ventures or cooperative entities, new and existing, with DPRK entities or individuals, whether or not acting for or on behalf of the government of the DPRK, unless such joint ventures or cooperative entities, in particular those that are non-commercial, public utility infrastructure projects not generating profit, have been approved by the Committee in advance on a case-by-case basis, further decides that States shall close any such existing joint venture or cooperative entity within 120 days of the adoption of this resolution if such joint venture or cooperative entity has not been approved by the Committee on a case-by-case basis, and States shall close any such existing joint venture or cooperative entity within 120 days after the Committee has denied a request for approval, and decides that this provision shall not apply with respect to existing China-DPRK hydroelectric power infrastructure projects and the Russia-DPRK Rajin-Khasan port and rail project solely to export Russia-origin coal as permitted by paragraph 8 of resolution 2371 (2017);*

Finally, on 22 December 2017 Resolution S/RES/2397<sup>545</sup> was adopted, ordering all Member States to repatriate the DPRK workers in their territories. Here, again, a grace period was also invoked, this time a period of two years long.

*8. Expresses concern that DPRK nationals continue to work in other States for the purpose of generating foreign export earnings that the DPRK uses to support its prohibited nuclear and ballistic missile programs despite the adoption of paragraph 17 of resolution 2375 (2017), decides that Member States shall repatriate to the DPRK all DPRK nationals earning income in that Member State's jurisdiction and all DPRK government safety oversight attachés monitoring DPRK workers abroad immediately but no later than 24*

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<sup>544</sup> [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2375.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2375.pdf)

<sup>545</sup> [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2397.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2397.pdf)

*months from the date of adoption of this resolution unless the Member State determines that a DPRK national is a national of that Member State or a DPRK national whose repatriation is prohibited, subject to applicable national and international law, including international refugee law and international human rights law, and the United Nations Headquarters Agreement and the Convention on the Privileges and Immunities of the United Nations, and further decides that all Member States shall provide a midterm report by 15 months from the date of adoption of this resolution 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 of this resolution, including an explanation of why less than half of such DPRK nationals were repatriated by the end of that 12 month period if applicable, and all Member States shall provide final reports by 27 months from the date of adoption of this resolution;*

This, then, should logically bring to an end the practice of overseas DPRK labour within two years of the adoption of this last resolution: 22 December, 2019. It would, should, also bring to an end the human rights abuses associated with overseas DPRK labour. It would certainly damage the inflow of foreign currency into the DPRK. There are a few remarks in order.

First, it is not very likely that in two years' time the situation surrounding the DPRK is still fundamentally the same as it is now, to the extent at least that the UN sanctions concerning overseas labour would still be relevant. Given the political tensions within the UNSC, it stands to reason that the motivation for both China and Russia, by far the two largest users of overseas DPRK labour, to agree with this resolution was the insertion of the temporal condition. A litmus test for the efficacy of this resolution will be the resolution demanding the dissolution of joint ventures and cooperative efforts with the DPRK. An interview with Mr O., the interpreter-foreman at Partner Shipyards and Redshield, is perhaps indicative: according to him Redshield was no joint venture or cooperative entity, and as such impervious to the sanctions. It remains to be seen, of course, if Mr O. is right in thinking this. But given the resourcefulness of those involved in overseas DPRK labour, there is a good chance that he is right.

Second, the sanctions are meaningful and relevant to the extent that they are enforced. Andrea Berger's analysis of sanctions implementation and enforcement has shown sufficiently convincing how weak the foundation of the sanctions is to entertain many expectations in this regard.<sup>546</sup>

Third, regardless of the sanctions will or will not be enforced, Recommendation 5 ('Define where civil or administrative litigation procedures can be initiated and/or criminal proceedings are in order. Seek redress and compensation for the workers.'), Recommendation 6 ('Secure protection for workers who intent to lodge complaints, secure a safe haven for possible

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<sup>546</sup> Andrea Berger, *A House Without Foundations: The North Korea Sanctions Regime and its Implementation*, Whitehall Reports, 9 June 2017.

defectors.’), and Recommendation 8 (‘Undertake in–depth research regarding the state liability of the DPRK for severe human rights violations and labour right violations abroad’) retain their relevance. Even if overseas DPRK labour would come to an end, access to legal and other remedies for –by then– former overseas labourers might mean that procedures seeking redress and compensation may continue for years after the practice disappeared.

It seems fitting to finish this chapter with another set of recommendations, without either withdrawing or declaring definitively fulfilled the original nine recommendations. Consequently, in addition to the original nine recommendations, here are five more recommendations we see as necessary to deal with overseas DPRK labour in a responsible, humane, and above all legal manner. Most recommendations from our last report can be copied and pasted here since they either were not fully followed up or not at all. Therefor we want to repeat them here once more.

On top of that, we want to add recommendations and make them more concrete. The information we obtained and gathered ourselves for this research has proven to be so detailed that more specific recommendations are appropriate.

**Recommendation 10** *Engage with DPRK workers in safe and secure manners. Create possibilities for them to apply for political asylum, if they so desire. Make sure their families are not left behind in the DPRK, if they too want to join their family member in asylum.*<sup>547</sup>

**Recommendation 11** *The companies hiring DPRK workers, profiting from DPRK workers, or whether knowingly or unknowingly with DPRK workers in their value chain should offer transparency. That includes offering transparency on cost reductions, performing –belatedly– due diligence in clearing up the value chain, ask their suppliers for evidence on the wages paid to the individual workers, and anything else that can lead to full transparency in ewhat happened, but also in what the consequences were. A full calculation must also be made of what the compromised value chains have costs in terms of sanctions evasions and sanctions undermining, even if this happened unknowingly. This calculation must be both financial and political. This should happen as soon as possible, but at the latest within 6 months.*

**Recommendation 12** *The value chains that include or included overseas North Korean forced labour should be analyzed with regard to EU and UN sanctions transgressions with a view to follow–up legal measures.*

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<sup>547</sup> There is no easy or obvious route to realize this, but probably the best way to go about it is by including demands for family reunification in a complete parcel of measures dealing with the aftermath of overseas labour, including possible criminal procedures and legal redress procedures. Quid pro quo diplomacy: bring out the family and avoid criminal prosecution, would be the message. Or: take home the money earned, but bring out the family. Whether this has a chance of working, needs to be studied thoroughly.

**Recommendation 13** *The notion of overseas North Korean forced labour and/or contemporary slavery should be explicitly expanded to include the DPRK workers in Kaesong Industrial Complex, given the perfect similarity of working conditions and financial–legal structuring. A possible restart of the KIC should be considered in the lights of the UN sanctions regarding overseas DPRK labour.*

**Recommendation 14** *Active redress for DPRK workers should be sought first but not exclusively by the companies who exploited them, but also by the companies in whose value chain North Korean forced labour emerged, with or without the knowledge of the company involved.*



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