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United States Congress

"North Korea's Forced Labor Enterprise: A State-Sponsored Marketplace in Human Trafficking"

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Thank you for inviting me to testify today on this important subject. The issue of North Koreans being subjected to forced labor outside of their country is a timely topic. The other witnesses on the panel have provided key details on exactly how North Korea forces its citizens into abusive work environments outside their country and then takes most of the compensation produced by this labor. I would like to use my time to offer some more general observations about this pervasive phenomenon and the context in which it occurs.

1. *The phenomenon is complex*. There is no single model for what's going on with respect to the use of forced labor by North Koreans outside North Korea. Based on our research and review of accounts collected by other research groups and media, we know that North Korean workers are being used in numerous countries across the world, in China, in eastern Europe, the Middle East, Russia, Mongolia, Malaysia, Burma, Cambodia—there were even some for a time in Australia and the Netherlands. We know the workers are involved in heavy labor, logging, and factory work. But they also toil in restaurants as wait staff and performers, bussing tables, and rehearing, singing, and dancing for South Korean and other tourists. We know that in almost all cases, the workers' lack of liberty meets the international legal definition of trafficking.

   North Korea's export labor is managed by the government, but business operations vary widely. In some cases, a government or state-owned or state-controlled enterprise will pay the North Korean government directly for the use of North Korea labor. In other cases local business owners pay money to the North Korean government. In some cases, wages are given to North Korean government offices which then supposedly pay workers, in other cases a third-party company or North Korean company receives wages and hands over most of the compensation to the North Korean government . In most cases, workers receive only a small portion of the supposed compensation, they are paid in a cash bulk at the end of their stay, usually three years, and are given small stipends for personal use. In some cases, workers are allowed to seek additional irregular work on local businesses when their regular work is interrupted, as in Russia, where logging operations using North Korean workers are curtailed in rainy summer months due to muddy ground conditions. In other cases, as with waitresses, workers are obliged to stay

on their compound, only working in one place. The bottom line is that there is no single manifestation of the use of forced labor and we should avoid simplifying it to a single type of work. Different things are going on in different places.

2. *There is a larger context: abuses in North Korea generally.* North Korea workers outside of North Korea are being subjected to serious human rights abuses. Their liberty and right to fair compensation for work are being violated, among other abuses. In a perverse demonstration of how abusive North Korea is—some of these workers are nonetheless among the more fortunate of North Korean citizens in being allowed to travel abroad and work. Inside North Korea, making money—even at very low wages—is exceedingly difficult, especially when many citizens are already obligated to work for the state at almost impossibly low wages and, in addition to any regular work, are routinely forced to undertake routine forced labor for special projects or needs. Forced labor is of course endemic inside North Korea as well: students, for instance, are required to leave school to plant rice in the spring, and harvest it in the fall. Workers throughout the country are obligated to spend time outside of work fulfilling quotas for scavenging for scrap metal or stones for road work. Some of the workers outside of North Korea, even loggers and construction workers, are being selected from among the higher stratas of North Korea's highly hierarchical Songbun system—not the highest, but close. And workers at the Kasong Industrial Complex inside of North Korea are working for South Korean industries for wages that are largely pocketed by the North Korean government.

   All of these workers are victims, of course, of a totalitarian system. The entire citizenry, even many of the personnel who themselves enforce the abusive practices, are themselves victims of it. But it is important to understand the overseas forced labor abuses in context to the larger picture.

3. *There is a secondary rights issue: the revenue that the system provides to the Pyongyang government—but the issue is a complex one.* The human rights issues are not only about the abusive use of forced labor, but concern the larger fact that the abuses provide a revenue stream to the North Korean government and the military in particular, the biggest consumer of government revenue.

   It is tempting to look at the issue of forced labor from a prohibition perspective, and say "these abuses are terrible," and "we should do everything we can to shut this down, send these workers home, cut off this revenue stream to the abusive government." This may not be the most strategic approach, however.

   a. First, it should be recognized that the United States government and its allies have sharply limited ability to curtail this forced labor system, especially given that

much of the work is being done in countries like Russia and China. The system is going to continue until there are major changes to the international sanctions regime as it applies to North Korea—and these are the kind of changes that, given the China and Russia veto in the Security Council, can only occur if major events in North Korea change underlying political dynamics.

b. Second, some observers note that horrible as the system is—that it is abusive and provides revenue to the North Korean government—it also may be an Achilles Heel for the government. Every worker who leaves North Korea is one more worker who can return home with knowledge of the world outside, and undermine the government's fictional narrative about a government's proper treatment of its population. Major economic changes are underway in North Korea: individuals are undertaking more and more private enterprises—selling items, offering services—and it may be that some of the overseas wages remitted home, small as they are, are feeding that growth. Even if the North Korean government takes four dollars for every five dollars made by workers outside, the one dollar left that returns to North Korea is a dollar more that will filter into North Korea's newer non-state economy and the possibilities it creates for greater openness in the long term.

c. Third, we don't really know how much revenue this system provides to the government. It would be better to learn more about how significant the revenue is from overseas forced labor before addressing it as a target for sanctions or prohibition. If Pyongyang's three top revenue streams come from other areas—say, weapons sales, smuggling, and other illicit criminal schemes—then it is those areas which deserve the most attention from the revenue perspective, while issues with overseas workers can be approached less from a sanctions perspective and more from a labor rights perspective.

What does it mean to focus on overseas labor from a labor rights perspective? It would mean swallowing some of our outrage at the sheer abusiveness of the trafficking and compulsion of the system and exploring whether it might be possible to compel authorities in countries in which work is occurring to undertake monitoring and enforcement of labor provisions, difficult as they may be.

The International Labor Organization, for instance, works in some of these countries—Burma, Cambodia, Malaysia, Mongolia. Could their offices be asked to get involved in visiting workplaces and offering counseling for workers? Would this lead, perhaps, to employers being forced to allow those workers more freedoms? Could it encourage some of these workers to stand up to abuses or seek refuge abroad? Could it lead to workers,

even if they remain in abusive situations, returning to North Korea with a better understanding of how abusive their government is, and spreading that understanding to others? Would it allow the workers to obtain more of their compensation?

These approaches are worth exploring. Exposure, monitoring, and counseling could lead in some cases to some mitigation of the worst forms of abuse or exploitation, and to other potentially positive outcomes. Countries which are part of the Trans-Pacific Partnership—Vietnam, Malaysia—could also be put on notice that it is expected that their improved labor rights protections under the agreement will oblige them to monitor and crack down on abusive labor arrangements on their territory, including those involving North Korean workers.

*Recommendations*

Human Rights Watch makes the following recommendations of the committee and to members of Congress concerned by the topic of the hearing today:

- Press the State Department to exercise more pressure on countries with workplaces with North Korean workers to inspect and monitor those workplaces, and facilitate counseling to workers about their rights.
- Request the State Department and USAID to explore with other donors how the ILO and other international labor organizations and groups, as well as local government agencies in receptive countries, can better monitor workplaces that use North Korean workers and offer counseling.
- Request that the US Trade Representative report to Congress on whether provisions are included or can be added to the Trans-Pacific Partnership to obligate partners in the agreement to improve their labor monitoring and inspection capacities, including for workplaces using North Korean workers.
- Request the administration to provide better information on estimates of the revenue generated by the North Korean government from overseas labor, in comparison with other revenue streams.

Thank you for inviting me to testify today.