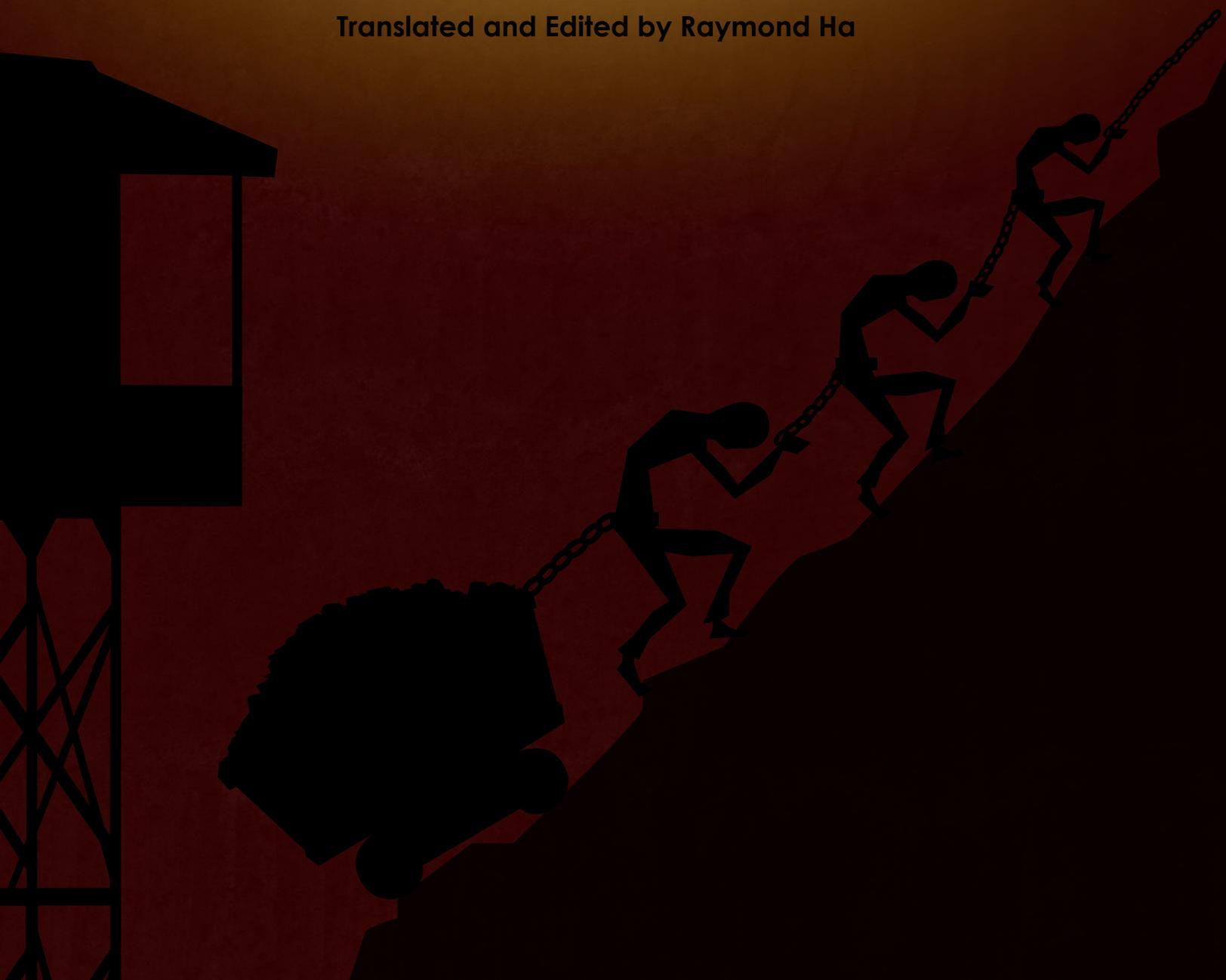


# GULAG, INC.

THE USE OF FORCED LABOR IN  
NORTH KOREA'S EXPORT INDUSTRIES

KIM KWANG-JIN

Translated and Edited by Raymond Ha



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NORTH KOREA'S EXPORT INDUSTRIES

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## ABOUT THE COMMITTEE FOR HUMAN RIGHTS IN NORTH KOREA (HRNK)

HRNK is the leading U.S.-based bipartisan, non-governmental organization in the field of North Korean human rights research and advocacy, tasked to focus international attention on human rights abuses in that country. It is HRNK's mission to persistently remind policy-makers, opinion leaders, and the general public in the free world and beyond that more than 20 million North Koreans need our attention.

Since its establishment in October 2001, HRNK has played an important intellectual leadership role in North Korean human rights issues by publishing twenty-seven major reports (available at <http://hrnk.org/publications/hrnk-publications.php>). Recent reports have addressed issues including political prison camps, the dominant role that Pyongyang plays in North Korea's political system, North Korea's state sponsorship of terrorism, the role of illicit activities in the North Korean economy, the structure of the internal security apparatus, the *songbun* social

classification system, and the abduction of foreign citizens.

HRNK was the first organization to propose that the human rights situation in North Korea be addressed by the UN Security Council. HRNK was directly, actively, and effectively involved in all stages of the process supporting the work of the UN Commission of Inquiry on North Korean human rights. Its reports have been cited numerous times in the report of the Commission of Inquiry, the reports of the UN Special Rapporteur on North Korean human rights, a report by the UN Office of the High Commissioner for Human Rights, and several U.S. Department of State's Democratic People's Republic of Korea Human Rights Reports. On several occasions, HRNK has been invited to provide expert testimony before the U.S. Congress.

# ABOUT THE AUTHOR



As non-resident fellow at the Committee for Human Rights in North Korea (HRNK), Kim Kwang-jin is an invaluable, experienced resource shedding light into the darkest corners of the North Korean regime's secret and illegal international financial operations. His revelations have saved insurance companies tens of millions of dollars and brought an end to an important method the corrupt regime purloined from foreign sources the funds it needed to maintain its internal oppression.

In September 2003, Kim Kwang-jin and his family rushed to an airport in Southeast Asia to fly to freedom in Seoul, South Korea. Months earlier, Kim lived a privileged life working for the government's overseas banking operations in Singapore. Then, Kim fell out of favor after he was suspected of leaking information about the regime to foreign nationals. Before being summoned back to North Korea to face severe punishment, Kim made the decision to defect with his family. During his banking career, Kim helped earn millions of dollars for what he calls North Korea's "Royal Court Economy," i.e., the enterprises and often illegal schemes that financially supported the country's totalitarian regime.

Since arriving in South Korea, Kim has served as an analyst at the ROK Institute for National Security Strategy. A household name on TV and radio programs addressing North Korea, he has worked as a consultant for the ROK Unification Ministry as well as media organizations including KBS, MBC, and RFA. He is a standing member of the ROK National Unification Advisory Council (NUAC). His educational background includes completion of Ph.D. coursework and an MBA in Finance and Insurance from Kookmin University (Seoul, 2014, 2012), a Master's in Economics/IT of North Korea at the University of North Korean Studies (Seoul, 2008), and a BA in British Literature from Kim Il Sung University (Pyongyang, 1989). Working for the North Korean regime, Kim served as Singapore Representative of North East Asia Bank (2002-

2003); an agent of the Korean Foreign Insurance Company and North East Asia Bank, Pyongyang, (1998–2002), and Professor of the Pyongyang Computer College (1991–1997). He has published numerous papers and articles on the North Korean economy and the current power transition in North Korea, including: “After Kim Jong-il: Can We Hope for Better Human Rights Protection?” (HRNK, 2009, 2011); “Financial Institutions in North Korea and Their Role”(2016); “North Korea’s Provocations after Presidential Elections in South Korea”(2012); “On KWP’s Role and Its Prospect in Power Transition to Kim Jong-eun” (2011); “The Defector’s Tale, Inside North Korea’s Secret Economy”, World Affairs Journal (2011); “Kim Jong Il’s Royal Court Economy and Destruction of the People’s Economy” (2008); “The Change of North Korea’s Foreign Exchange Control System and its Increasing Dependence on Foreign Currency” (2008); “The Dollarization of North Korea’s Economy and Kim Jong Il’s Royal Court Economy” (2007); “The Korea Foreign Trade Bank and North Korea’s Foreign Exchange Control System” (2007); and “The US Financial Sanctions Regime on North Korea and Its Prospect” (2006)

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## FOREWORD

Most of us cannot imagine a place where your life is pre-determined from the time you are born: what you eat, where you attend school, travel, and work—all forced onto you, regardless of your desires, dreams, talents, or merits. If you are born into the lowest rung of the loyalty-based social discrimination system (*songbun*), you will likely live a brutish, dangerous, and often short life, shrouded in the darkness of the country's state-run mines. This has been the reality of North Korea under three generations of the Kim regime.

“Gulag, Inc.: The Use of Forced Labor in North Korea's Export Industries” is an examination of North Korea's forced and slave labor practices, highlighting North Korea's extractive industry. This industry represents the bulk of North Korea's exports. Coal, iron ore, copper, and other commodities are mined to earn hard foreign currency for the state. Even though the price of commodities has decreased in recent years, this industry continues to play a central role

in North Korea's exports. Arrested by the North Korean regime's refusal to open up and reform, and crumbling under the burden of its obsession with nuclear and missile development, the North Korean economy has little else to offer. In fact, in 2013, coal and mineral resources constituted half of North Korea's total exports.

At first glance, this state-run mining industry may appear to be a legitimate means for the North Korean government to earn money, mainly from China. Yet, as this report documents, North Korea's mining industry uses and abuses individuals who are forced to work in mines and extremely harsh environments because of their low *songbun*. These individuals, systematically marginalized and discriminated against, cannot enter the institutions of power, including the Party, government, or the military. They are placed at an extreme disadvantage in all walks of life, and their labor is exploited to maintain production and export the state's underground resources. The dark

reality of this industry reveals a vast system of unlawful imprisonment, forced labor, and human rights violations.

“Gulag, Inc.” also provides an overview of North Korea’s mining industry, detailing the geographic distribution and production levels of mineral resources. It outlines the command structure of ministries and highlights North Korea’s national system that manages, allocates, and mobilizes labor for the mining sector. Finally, this report emphasizes the relationship that the mining industry has with the state’s penal system, including the political prison camps that are a long-standing part of the country’s mining operations. Ultimately, “Gulag, Inc.” concludes that the coal and minerals exported from North Korea are produced with forced and slave laborers.

“Gulag, Inc.” offers the information needed to make informed business decisions about engaging North Korea’s mining industry. While North Korea’s mining operations remain technologically outdated, hampered by run-down infrastructure, corrupt and unreliable from an investor’s standpoint, the Kim regime also uses forced labor and extracts profit from egregious human rights violations. Such practices are wholly unacceptable to responsible states and enterprises, and take away valuable market share from

legitimate mining companies interested in upholding industry standards and practicing corporate social responsibility. It is time for countries importing North Korea’s mining resources, in addition to countries and businesses directly investing in North Korea’s mining operations, to demand that North Korea shut down its gulags, end its state-sponsored forced and slave labor, and adhere to internationally accepted industry standards.

## NOTE ON TRADE DATA

Unless noted otherwise, statistics in this paper relating to North Korea's international trade volume, including its exports of underground resources, are computed based on data from two sources: the Korea Trade-Investment Promotion Agency's (KOTRA) annual reports on North Korea's international trade, entitled *Bukan dae-oe mu-yeok dong-hyang* (<http://www.globalwindow.org>), and the Information System for Resources of North Korea's (I-RENK) data on inter-Korean trade (<http://www.irenk.net/>), a service provided by the South-North Korea Exchanges and Cooperation Support Association (<https://www.sonosa.or.kr/>).

KOTRA's annual reports expressly exclude inter-Korean trade from its data, while I-RENK provides annual data on North Korea's total exports to South Korea and its exports of mining products to South Korea. For a given year, North Korea's overall exports and North Korea's exports of mining products are computed by adding

the respective data from KOTRA and I-RENK. Both KOTRA and I-RENK define "mining products" as items categorized under HS code chapters 25, 26, and 27. Statistics on North Korea's exports to China are drawn from KOTRA's annual reports. Whenever the data for a given statistic in a given year are recorded differently in two or more of KOTRA's annual reports, the most recently published data is used.

# INTRODUCTION

On March 2, 2016, the United Nations Security Council unanimously approved Resolution 2270, which prohibits North Korea from exporting “coal, iron, and iron ore” with certain exceptions and also “gold, titanium ore, vanadium ore, and rare earth minerals.”<sup>1</sup> These actions reflect an understanding that the mining sector plays a critical role in raising the funds necessary to sustain the Kim regime, which has now undergone its second hereditary transfer of power to Kim Jong-un. This paper surveys the role of systematic forced labor and human rights violations in North Korea’s mining sector. In doing so, it seeks to provide essential information that contributes to the international community’s ongoing efforts to improve the human rights situation in that country.

North Korea has suffered severe economic difficulties since the 1989–1991 collapse of the socialist economies of the Soviet bloc, especially during the “Arduous March” of the mid-1990s. Under such circumstances, the export of underground resources including coal, iron ore, lead, zinc, and magnesite has been a vital source of revenue for

1 United Nations Security Council, Resolution 2270, “Non-proliferation/Democratic People’s Republic of Korea,” par. 29–30, March 2, 2016. [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/RES/2270\(2016\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2270(2016)).

Pyongyang. In 2014, the mining sector accounted for 13% of North Korea’s nominal GDP<sup>2</sup> and 36% of North Korea’s exports. However, a decline in global commodity prices, the slowdown of the Chinese economy, and Beijing’s move away from coal will negatively impact North Korea’s mining exports for the foreseeable future, as these exports have been primarily driven by coal and iron ore exports to China.<sup>3</sup> Regardless of such external changes, mining remains essential to the North Korean economy because of domestic energy needs. Coal accounted for an estimated 53% of domestic energy production in 2014.<sup>4</sup>

Mining in North Korea is not capital-intensive, but relies heavily on human labor. Behind the regime’s efforts to maintain production in the mining

2 Bank of Korea Economic Statistics System, “17.3: *Bukan GDP gwallyeon tonggye*” [17.3: Statistics Related to North Korea’s GDP], accessed May 6, 2016. <https://ecos.bok.or.kr/>.

3 For a discussion of these issues, please refer to the following analyses on the *North Korea: Witness to Transformation* blog of the Peterson Institute for International Economics (<https://piie.com/blogs/north-korea-witness-transformation>): Kevin Stahler, “North Korea-China Trade Update: Coal Retreats, Textiles Surge,” October 27, 2014; Kevin Stahler, “How Has the Commodity Bust Affected North Korea’s Trade Balance? (Part I),” January 20, 2015; Marcus Noland, “China Sneezes, North Korea Catches a Cold,” August 17, 2015.

4 Statistics Korea, “North Korea Statistics,” accessed May 6, 2016. <http://kosis.kr/bukhan/index.jsp>.

## 2 Committee for Human Rights in North Korea

sector and the export of underground resources lies the dark reality of a vast system of forced labor and human rights violations. First and foremost, there is a national system of managing, allocating, and mobilizing labor for the mining sector. Individuals are denied the freedom of movement and the freedom to choose their occupation. The *songbun* system of social classification and discrimination is an integral element of labor allocation.<sup>5</sup> Those who belong to the marginalized classes are often assigned to the most difficult and avoided occupations, most notably the mines. These individuals are placed at an extreme disadvantage in all areas of life, including occupational choice, freedom of movement, education, and medical care. This social status is passed on to their children. Moreover, North Korea's penal institutions, including the political prison camps (*kwan-li-so*) and prison labor camps (*kyo-hwa-so*),<sup>6</sup> are also part

of the country's mining operations.<sup>7</sup> A vast number of North Koreans are forced to work in mines and other extremely harsh environments to this day.

The first section of this report provides an overview of the underground resources in North Korea and the economic significance of the mining industry. The second section describes the government institutions and specialized state agencies that are involved in the mining industry. The third section shows that the most marginalized individuals in North Korean society endure forced labor in North Korea's mines, while the last section demonstrates that mining is also deeply connected to North Korea's penal system, from Party cadre serving administrative penalties to prisoners in the political prison camps.

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5 For a comprehensive English-language overview of this system, please see Robert Collins, *Marked for Life: Songbun, North Korea's Social Classification System* (Washington, DC: Committee for Human Rights in North Korea, 2012).

6 For an overview of the *kwan-li-so* and the *kyo-hwa-so*, please see David Hawk, *The Hidden Gulag Second Edition: The Lives and*

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*Voices of "Those Who Are Sent to the Mountains"* (Washington, DC: Committee for Human Rights in North Korea, 2012).

7 For an overview of mining in the political prison camps (*kwan-li-so*), please see David Hawk, *The Hidden Gulag Second Edition: The Lives and Voices of "Those Who are Sent to the Mountains"* (Washington, DC: Committee for Human Rights in North Korea, 2012), 31-36.

# 1. OVERVIEW OF THE MINING INDUSTRY<sup>8</sup>

In North Korea, the mining industry is also referred to as the “extractive industry.” This includes the metal mining industry, non-metallic mining industry, and coal mining industry. Coal production is under the remit of the Ministry of Coal Industry, which was created in 2006, when the Ministry of Electricity & Coal Industry was divided into two ministries. The metal industry is structured along two categories: “black” metals, which includes steel, and “colored” metals, which includes lead, zinc, and other metals. The Ministry of Metal Industry oversees the mining of black metals and materials related to the manufacture of iron. Specifically, the Black Metals Mining Management Bureau within the Ministry controls the mining of iron ore, while the Refractory Materials Industry Management Bureau manages refractory materials. All metallic, non-ferrous, and non-metallic minerals other than iron ore are under the management of the Ministry of Extractive Industry.

The coal industry plays a significant role in North Korea’s mining and energy sectors. In 2014, according to estimates by the South Korean government, coal accounted for over half of North Korea’s

energy consumption at 53%. This is compared to hydroelectric power (29%), oil (7%), and other sources (11%).<sup>9</sup> North Korea possesses sizable deposits of anthracite and bituminous coal. Anthracite of over 90% carbon content is mainly located in the Paleozoic stratum across South Pyongan and South Hamgyong provinces. There is also a significant deposit of lignite, a low-heat coal, in North Hamgyong Province. Estimates of North Korea’s overall coal reserves vary widely, ranging from 4.3 billion metric tons to 16 billion metric tons.

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<sup>8</sup> The information in this chapter is drawn from several sources cited in the bibliography.

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<sup>9</sup> Statistics Korea, “North Korea Statistics,” accessed May 6, 2016.

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**Table 1: Number of Mines by Type of Resource**

Resource	Number of Mines	
	(Lee et al., 2014) <sup>10</sup>	(Korea Resources Corporation, 2011) <sup>11</sup>
Coal	187	240
Iron ore	17	234
Non-ferrous metal	58	
Non-metallic mineral	98	222
<b>Total</b>	<b>360</b>	<b>696</b>

**Table 2: Distribution of Mines by Region<sup>12</sup>**

Region	Number of Mines	Proportion (%)
Gangwon Province	16	4.4
Rygang Province	16	4.4
Jagang Province	18	5.0
South Pyongan Province	82	22.8
North Pyongan Province	35	9.7
South Hamgyong Province	44	12.2
North Hamgyong Province	49	13.6
South Hwanghae Province	30	8.3
North Hwanghae Province	37	10.3
Pyongyang City	15	4.2
<i>Unidentified or unknown</i>	18	5.0
<b>Total</b>	<b>360</b>	<b>100.0</b>

10 Lee Seok-Ki et al., 2000 *nyeon-dae Bukan gieop hyunhwang: Bukan gongsik mechae bun-seok-eul jungsimuro* [The Status of North Korea's Enterprises in the 2000s: Focus on Analysis of North Korea's State Media] (Seoul: Korea Institute for Industrial Economics & Trade, 2014), 64.

11 Statistics Korea, "North Korea Statistics," accessed May 6, 2016.

12 Lee et al., 2000 *nyeon-dae Bukan gieop hyunhwang*, 65.

**Table 3: Reserves of North Korea's Underground Resources<sup>13</sup>**

Type		Unit Total Reserves	Chosun Statistical Yearbook	Chosun Geographical Survey		
			Total Reserves	Proven & Probable	Expected	Total Reserves
Coal	Anthracite	Million metric tons	20,500	2,600	20,100	22,700
Precious Metals	Gold	Metric tons	2,000	317	655	972
	Silver	Metric tons	5,000	974	6,676	7,650
Metals	Copper	1,000 metric tons	2,900	1,438	3,523	4,961
	Lead	1,000 metric tons	10,600	2,577	7,391	9,968
	Zinc	1,000 metric tons	21,100	9,477	18,706	28,183
	Iron	Million metric tons	5,000	1,700	3,000	4,700
	Tungsten	Metric tons	246,000	36,000	119,000	155,000
	Molybde- num	Metric tons	54,000	18,000	29,000	47,000
	Nickel	Metric tons	36,000	25,000	35,000	60,000
	Flake Graphite	1,000 metric tons	2,000	18,729	-	18,729
	Limestone	Million metric tons	100,000	1,300	5,000	6,300
	Magnesite	Million metric tons	6,000	1,300	6,300	7,600
	Apatite	1,000 metric tons	150,000	80,000	170,000	250,000
	Barite	1,000 metric tons	2,100	2,399	2,426	4,825

<sup>13</sup> Bang Gyeong-Jin, Korea Resource Corporation (presentation, JoongAng Energy Forum, November 6, 2013), as reproduced in Jeong Woo-Jin, Jeong Woong-Tae, and Park Ji-Min, "Bukan gwangmul jawon gaebal gagong bunya-ui tuja jamjeryeok yeongu" [Potential for Investment in the Development and Refinement of North Korea's Underground Resources], *Korea Energy Economic Institute Research Report 14, No. 20 (2014)*, 7.

This table shows information from two North Korean sources: the 1988 *Chosun joongang yeongam* (Chosun Statistical Yearbook), and the 2013 *Chosun jiri jeonseo* (Chosun Geographical Survey). The latter source computes total reserves as the sum of two figures: proven and probable reserves, and expected reserves. “Probable” reserves are known with a greater degree of certainty than “expected” reserves. The difference in estimates between the two sources may be due to methodological disparities.<sup>14</sup>

North Korea also possesses abundant underground resources besides coal.<sup>15</sup> Among the approximately 200 types of underground resources in the country, up to 140 are recognized to be of significant economic value. Reserves of iron ore, a key raw material in the metal industry, are estimated at 5 billion metric tons. Regions with significant iron ore deposits include North Hamgyong Province, North and South

Hwanghae Provinces, South Pyongan Province, and Gangwon Province. The surface mine in Musan, North Hamgyong Province, which has a 1.3 billion metric ton deposit of magnetite, is widely known as a major excavation site for iron ore. North Korea also has the world’s second largest reserve of tungsten, a metal often used in alloys, at 246,000 metric tons. Furthermore, there are 2.9 million metric tons of copper in North Korea. In particular, Ryanggang Province has over 40% of known copper reserves and two-thirds of the copper mines that have high potential for expansion, making the region the mainstay of copper production in North Korea. There are also 2,000 metric tons of gold and 5,000 metric tons of silver in the country, with the largest deposits located in North Pyongan Province. Wonsan mine and Daeyoudong mine are especially well known.

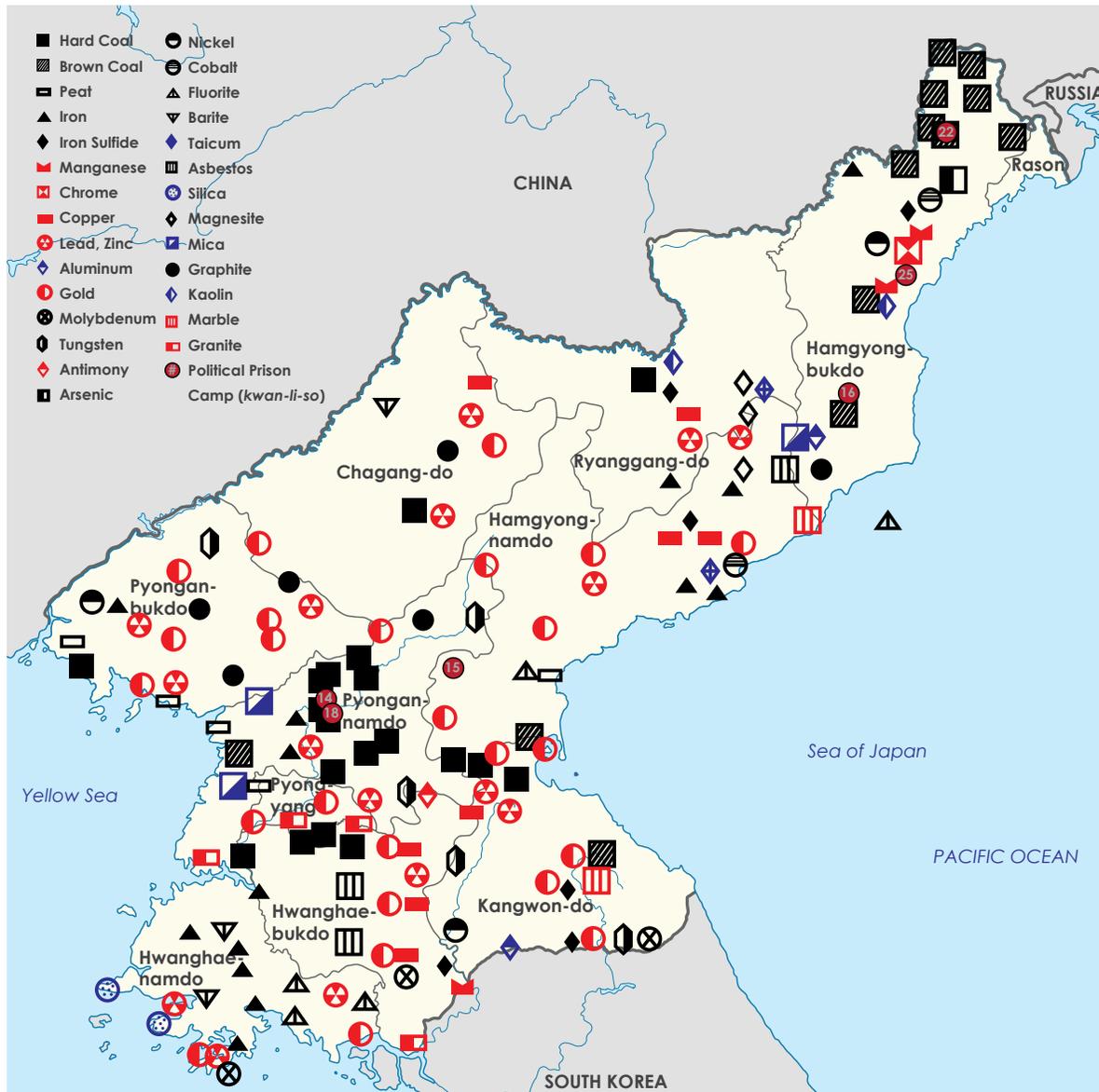
North Korea also has considerable reserves of non-metallic minerals. It has the world’s largest reserves of magnesite at 6 billion metric tons, and this magnesite is also of high quality. The main production area is centered in the Macheonryeong mountain range, along the border between North and

<sup>14</sup> Jeong, Jeong, and Park, “Bukan gwangmul jawon gaebal gagong bunya-ui tuja jamjeryeok yeongu,” 6-7.

<sup>15</sup> Total estimates of the reserves for a given resource, as discussed in these two paragraphs, are based on the 1988 *Chosun Statistical Yearbook* figures in Table 3.

South Hamgyong provinces. Yongyang Mine, located in Dancheon District, North Hamgyong Province, is the largest excavation site. North Korea's reserves of flake graphite, which are of world-class quality, amount to 2 million metric tons.

Image 1: Geographic Distribution of North Korea's Mineral Resources<sup>16</sup>



16 Reproduced courtesy of Park Syung-Je, strategy expert. Originally provided by an anonymous Russian source.

**Table 4: Estimated Production Levels of North Korea's Mineral Resources (1990–2012)<sup>15</sup>**

	1990	1994	1998	2002	2006	2010	2012
<b>Copper</b>	15,000	16,000	14,000	12,000	12,000	4,600	6,600
<b>Gold (kg)</b>	5,000	5,000	4,500		2,000	2,000	2,000
<b>Lead</b>	80,000	80,000	70,000	10,000	13,000	26,000	38,000
<b>Silver</b>	50	50	45	20	20	50	50
<b>Tungsten</b>	1,000	900	500	600	900	110	100
<b>Graphite</b>	35,000	38,000	35,000	25,000	30,000	10,000	10,000

Unit: metric tons, unless indicated otherwise. The estimate for a given year is often revised in subsequent years, and the entries above denote the most recently revised estimate. Blank spaces denote missing data.<sup>17</sup>

The mining industry was heavily affected by the severe economic crisis of the 1990s, marked by the collapse of the socialist bloc and the “Arduous March.” According to South Korean government estimates, North Korea’s coal production fell dramatically from 37.5 million metric tons in 1985 to 18.6 million metric tons in 1998, a fall of around 50%. Production of iron ore also fell by 70% from

9.8 million metric tons to 2.89 million metric tons over the same period.<sup>18</sup> However, the mining industry began to gradually recover in the 2000s due to a surge in Chinese demand,<sup>19</sup> greater market incentives for state-run firms and enterprises,<sup>20</sup> and the increased usage of non-state export channels.<sup>21</sup> In 2014, North Korea’s coal production reached 27.1 million metric tons, and iron ore production reached 5.47 million metric tons.<sup>22</sup>

<sup>17</sup> United States Geological Survey, *Mineral Yearbook, 1994–2013*. <http://minerals.usgs.gov/minerals/pubs/country/asia.html>.

<sup>18</sup> Statistics Korea, “North Korea Statistics,” accessed May 6, 2016.

<sup>19</sup> The mining sector’s recovery was not due to improvements in technology.

<sup>20</sup> Jeong, Jeong, and Park, “Bukan gwangmul jawon gaebal gagong bunya-ui tuja jamjeryeok yeongu,” ii.

<sup>21</sup> Please see section 2B for a more detailed discussion of this practice.

<sup>22</sup> Statistics Korea, “North Korea Statistics,” accessed May 6, 2016.

**Table 5: North Korea’s Coal & Iron Ore Production Levels, 1998–2014<sup>23</sup>**

	1998	2000	2002	2004	2006	2008	2010	2012	2014
<b>Coal</b>	18,600	22,500	21,900	22,800	24,680	25,060	25,000	25,800	27,090
<b>Iron Ore</b>	2,890	3,793	4,078	4,579	5,041	5,316	5,093	5,190	5,471

Unit: thousand metric tons.

The North Korean regime’s efforts to expand the mining sector date back to the early 1970s, when it greatly expanded production capacity at the Kimchaek Iron and Steel Complex with the Soviet Union’s assistance. To ensure a steady supply of raw materials to this complex, North Korea launched an extensive effort to develop iron ore resources by expanding facilities, such as the mine in Musan District. Moreover, the regime also began to increase production of non-ferrous and non-metallic minerals, starting with apatite and moving on to minerals, such as lead and zinc. The annual production capacity of lead and zinc is 50,000 metric tons. This is produced across a total of forty mines, including the Geomdeok Mine in Dancheon, South Hamgyong Province, and 40% of this output is exported.

The electric power, coal, metal, and railroad industries are the so-called “Four Priority Areas” (*4-dae seon-haeng bu-bun*) of the People’s Economy that the North Korean state has consistently emphasized. Among these, the production of coal and metal in the

mining sector has always been a central element of state policy. However, North Korea’s mining industry has faced a crisis over the past two decades due to several factors: the collapse of the socialist economies; the closed nature of the North Korean system; financial difficulties; prohibitions on the import of sophisticated technology; and the use of outdated mining technology.

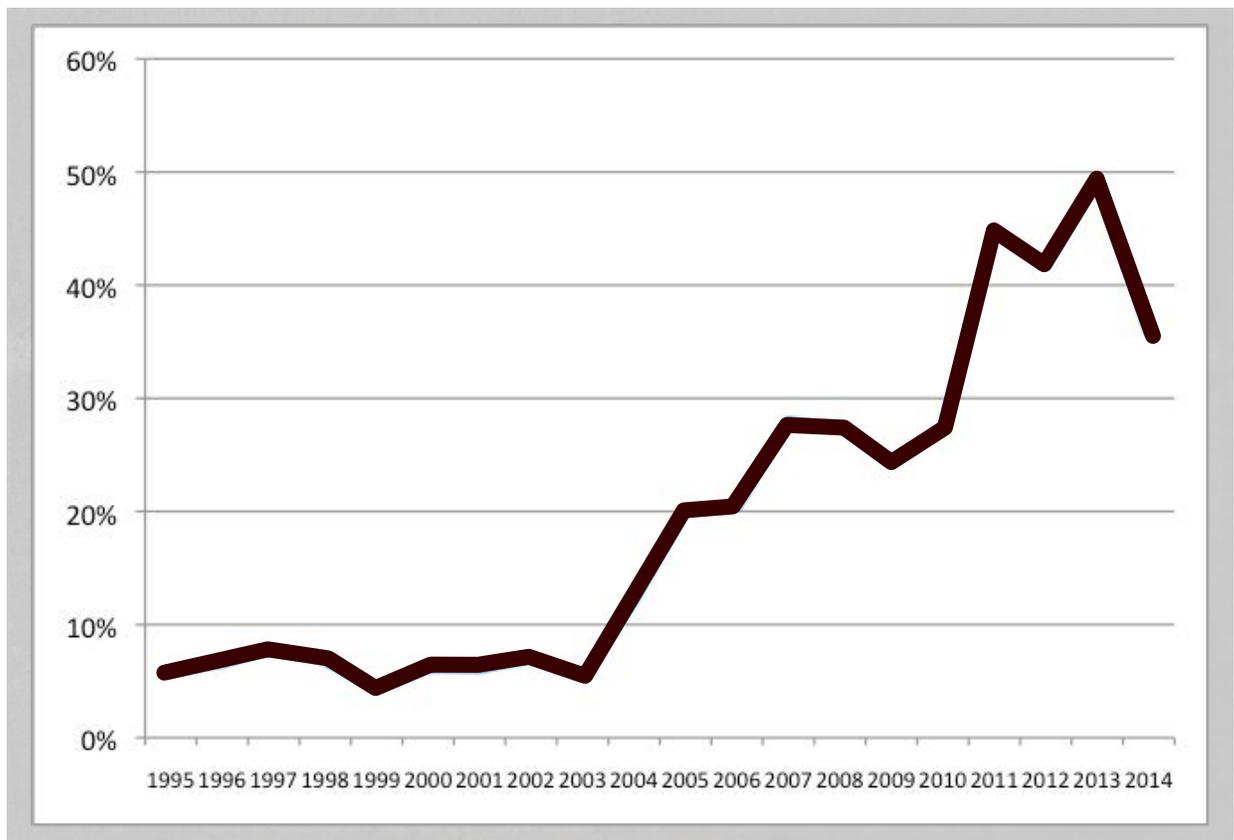
Nevertheless, ever since the collapse of the socialist economies, exports of underground resources such as anthracite and iron ore have been key sources of foreign currency for the North Korean regime. As shown in graph 1 below, underground resources have accounted for an increasingly large share of North Korea’s exports in revenue terms during the past two decades, reaching a peak of 49% in 2013. Exports to China have been particularly significant. In 2013, China accounted for 97% of North Korea’s exports of mining products in terms of revenue.<sup>24</sup> Exports of coal

<sup>24</sup> In 2005, the earliest year for which relevant KOTRA data is available, China accounted for 77% of North Korea’s mining exports. Despite the downturn, China still accounted for 97% in 2014, while Taiwan was the second largest at 2%. Among all years for which KOTRA and I-RENK data are available,

<sup>23</sup> Ibid.

and iron ore to China in the same year totaled \$1.68 billion, or 44% of North Korea’s overall exports to all countries for that year.<sup>25</sup>

**Graph 1: Mining Products as % of North Korea’s Exports (1995–2014)**

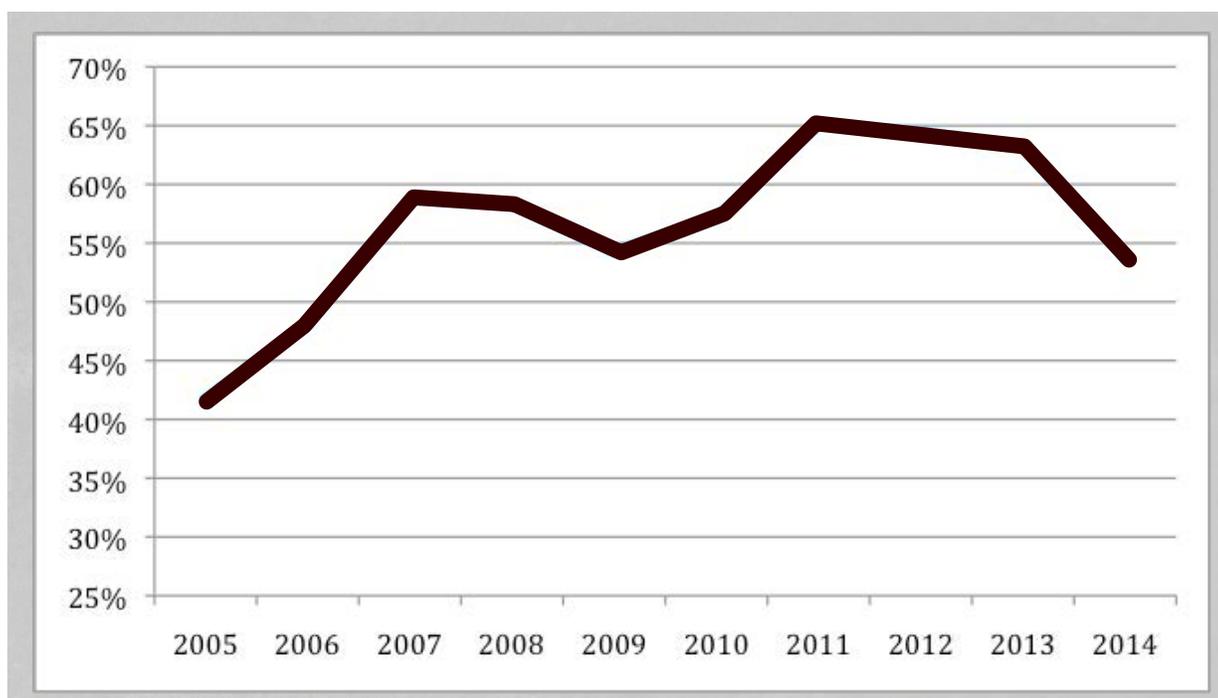


Note: “Mining products” are defined as exports of items classified under HS code chapters 25, 26, and 27.

South Korea’s share of North Korea’s mining exports hit its peak at 26% in 2007. However, this fell in subsequent years to 18% (2008), 8% (2009), and 1% (2010), South Korea’s imports of North Korean mining products were negligible from 2011 to 2014.

<sup>25</sup> Coal made up 36%, whereas iron ore made up 8% of North Korea’s overall exports.

Graph 2: Mining Products as % of North Korea's Exports to China (2005–2014)



Note: “Mining products” are defined as exports of items classified under HS code chapters 25, 26, and 27.

However, these two graphs also demonstrate that North Korea’s exports of minerals to China have begun to decline in the last few years. Several factors have contributed to this downward trend, including the slowdown of the Chinese economy, a fall in international commodity prices, and the Chinese government’s energy conservation policies.<sup>26</sup> The latest available data reveal that this trend continued in 2015. North Korea’s coal exports to China declined by 7.6% relative to 2014 in revenue terms, despite a 26.9% increase in tonnage. Over the same period, exports of iron ore

to China fell by 67.2% in revenue terms and by 45.5% in terms of tonnage.<sup>27</sup> The tightening of Chinese environmental regulations on coal use and low oil prices worldwide are likely to further affect North Korea’s coal exports.<sup>28</sup> Moreover, the implementation of sanctions put in place by UN Security Council resolution 2270 may further affect North Korea’s coal exports.

26 Kim Suk-Jin, “Economic Outlook of North Korea in 2015,” *Korea Institute for National Unification Online Series* 14, no. 21 (December 31, 2014).

27 Sung Si-Hyeon, “2015-nyeon Buk-jung-gan gwangmuljawon mit gokmul suchulib donghyang” [Sino-North Korean trade of underground resources and grain in 2015], *Korea Trade-Investment Promotion Agency*, February 2, 2016. <http://www.globalwindow.org>.

28 Sung, “2015-nyeon Bukan daejung muyeontan suchul donghyang” [North Korea’s Anthracite Exports to China in 2015], *Korea Trade-Investment Promotion Agency*, December 31, 2015. <http://www.globalwindow.org>.

## 2. ORGANIZATIONAL STRUCTURE<sup>29</sup>

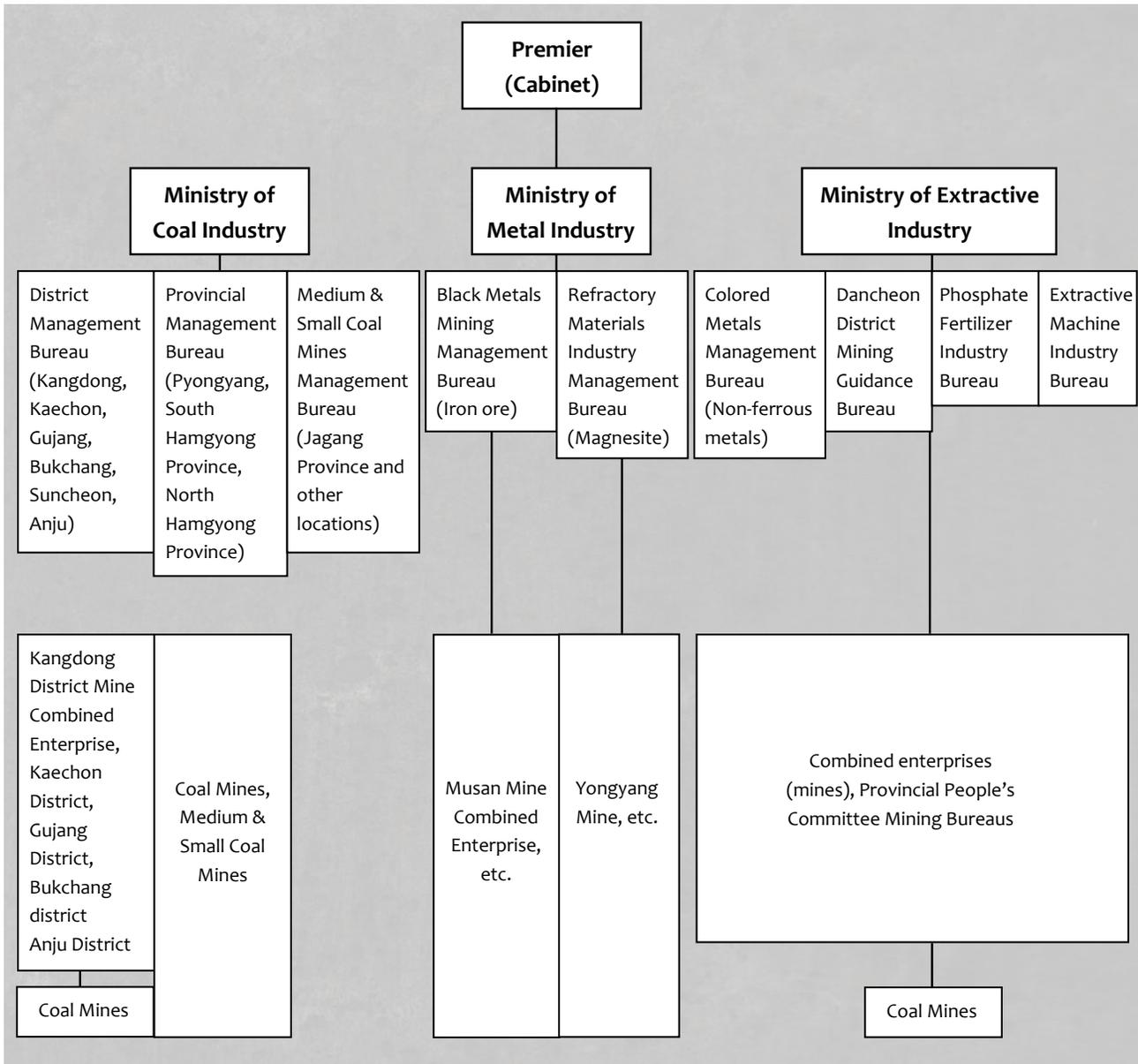
### A. Mining as a Key Sector of the State Economy

North Korea's mining industry is divided into two sectors: coal mining, and the mining of metallic and non-metallic minerals. Given its status as a key national industry, the mining sector is under the Cabinet's remit. The Ministry of Coal Industry oversees coal mining. The Ministry of Metal Industry controls the mining of materials related to the production of steel and iron, known as "black" metals, and refractory materials. The Ministry of Extractive Industry is responsible for the mining of non-ferrous metals and non-metallic minerals.

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<sup>29</sup> The information in Chapter 2 is drawn from several sources cited in the bibliography.

**Chart 1: Organizational Structure of North Korea's Mining Industry**



North Korea first established a specialized institution to oversee mining when it created a Ministry of Mining in December 1967. This step was taken in the context of measures to professionalize and specialize economic management during the Seven-Year Plan, which proclaimed a *byung-jin* (dual-track) line of simultaneously pursuing economic development

while strengthening national defense. Subsequently, the Ministry of Mining has been merged, subdivided, and reorganized several times to account for changing economic and social realities.

Table 6: Evolution of Mining-related Institutions in North Korea

		Merged	Separated
1972/12	Six-Year Plan	Heavy Industry Committee (Ministry of Mining, Ministry of Metal Industry, Ministry of Electricity & Coal Industry)	
1973			Department of Mining
1974		Mining Committee (renamed)	
1978/08	Second Seven-Year Plan		Geological General Bureau under the Mining Committee separated as Department of Resource Development
1979/12			Mining Committee split into: Department of Mining Department of Coal Industry Fourth Department of Machine Industry
1981/09		Extractive Industry Committee (Department of Mining, Department of Coal Industry, Department of Extractive Industry)	
1982/11			Department of Mining and Department of Coal Industry separated from Extractive Industry Committee

1985/11	Third Seven-Year Plan	Extractive Industry Committee (Department of Mining, Department of Coal Industry, Department of Resource Development)	
1990/01			Department of Mining, Department of Coal Industry, Department of Resource Development separated from Extractive Industry Committee
1998/09	Revision of Socialist Constitution	Ministry of Electricity & Coal Industry (Department of Mining, Department of Coal Mining, Department of Electrical Industry)  Ministry of Extractive Industry (Department of Resource Development, Department of Oil Industry)	
2006/10			Ministry of Electricity & Coal Industry split into: Ministry of Electrical Industry Ministry of Coal Industry

The current system of ministries under the State Cabinet was established after Kim Il-sung's death, when the Kim Jong-il era began in earnest. Reasoning that the economy had performed better under the Cabinet system, Kim Jong-il replaced the existing *Jung-mu-won*

(State Administration Council) with the Cabinet system in September 1998.<sup>30</sup>

<sup>30</sup> North Korea's Transitional Cabinet was formed in October 1945 and lasted until September 1948, when a regular Cabinet was established. The Cabinet was abolished with the creation of the State Administration Council (SAC) in December 1972. As noted above, the Cabinet replaced the SAC in September 1998.

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**Table 7: Reorganization of Cabinet Institutions since September 1998**

Month/ Year	Composition	Changes
1998/09	31 divisions (1 committee, 26 ministries, 1 academy, 1 bank, 2 bureaus)	-
1999/03	32 divisions (1 committee, 27 ministries, 1 academy, 1 bank, 2 bureaus)	Ministry of City Management & Land and Environment Protection separated into Ministry of City Management, Ministry of Land and Environment Protection (March 3)
1999/11	33 divisions (2 committees, 27 ministries, 1 academy, 1 bank, 2 bureaus)	Ministry of Sports renamed Sports Guidance Committee (Nov. 3) Ministry of Electronic Industry created (Nov. 25)
2002/04	34 divisions (3 committees, 27 ministries, 1 academy, 1 bank, 2 bureaus)	Capital Construction Committee created (April 29)
2003/09	33 divisions (2 committees, 27 ministries, 1 academy, 1 bank, 2 bureaus)	Capital Construction Committee abolished (Sep. 3)
2003/12	34 divisions (2 committees, 28 ministries, 1 academy, 1 bank, 2 bureaus)	Oil Industry General Bureau elevated to Ministry of Oil Industry (Dec. 31)
2005/05	35 divisions (2 committees, 29 ministries, 1 academy, 1 bank, 2 bureaus)	Ministry of Metal & Machine Industry separated into Ministry of Metal Industry, Ministry of Machine Industry (May 30)
2005/06	36 divisions (3 committees, 29 ministries, 1 academy, 1 bank, 2 bureaus)	Inter-Korean Economic Cooperation Committee created (June 22)
2006/10	37 divisions (3 committees, 30 ministries, 1 academy, 1 bank, 2 bureaus)	Ministry of Electricity & Coal Industry separated into Ministry of Electric Industry, Ministry of Coal Industry (Oct. 26)

The command structure of ministries and subordinate divisions involved in the extractive industries is as follows.

The Ministry of Coal Industry is led by a minister, vice minister, and a Party secretary, who oversee the Coal Industry Guidance Bureau, the Production Guidance Bureau, and the Construction Guidance Bureau. There are also bodies responsible for regional units, such as the Northern Sector Coal Industry General Bureau (Management Bureau) and the South Hamgyong Province Coal Industry General Bureau (Management Bureau). The line of command goes from the Ministry to General Bureaus (Management Bureaus) to combined enterprises, and then to individual coal mines.

Coal mines located in the same geographic production area are grouped into a *yon-hap gi-up-so* (combined enterprise). Provincial units—such as North Pyongan Province, South Hamgyong Province, and North Hamgyong Province—are overseen by Coal Industry General Bureaus (Management Bureau). Areas such as South Hwanghae Province, North Hwanghae Province, and Jagang Province are overseen by the Small & Medium Coal Mine Management Bureau. Province-level General Bureaus (Management Bureaus) also have their own geological surveying unit. There are several mineshafts in each mining area, and there are excavation teams, digging teams, and sub-teams in each shaft.

The Ministry of Extractive Industries is similarly led by a minister, vice minister,

and a Party secretary, who oversee the Planning Bureau, Production Guidance Bureau, Mining Guidance Bureau, International Mining General Bureau, Extractive Industry General Bureau (Management Bureau), and the Dancheon District Mining General Bureau (Guidance Bureau). In addition, the Ministry also operates the Dancheon Mining Research Institute and the Central Mining Research Institute's Analysis Office at Jeongju in North Pyongan Province.

The combined enterprise, which North Korea also uses to organize its mining sector, is a unique institutional form. The organizational structure of combined enterprises can be broadly classified into two types.

The first type is centered on one large-scale enterprise that manufactures key products of strategic significance for the People's Economy. Various enterprises in other sectors that are related to or otherwise provide necessary technology for the manufacturing process are grouped with this large-scale enterprise. Sangwon Cement Combined Enterprise and Heungnam Fertilizer Combined Enterprise are well-known examples of this type.

The second type is created by taking several enterprises that manufacture key products of strategic significance for the People's Economy within a given sector and merging these enterprises into one. Subsidiary enterprises are then tied into this merged enterprise. This

arrangement is particularly common in the mining sector. Prominent examples include the Musan District Coal Mining Combined Enterprise in North Hamgyong Province, the Anju District Coal Mining Combined Enterprise in South Pyongan Province, and the Hyesan District Mining Combined Enterprise in Hyesan, Ryanggang Province.

Each mining enterprise oversees several mines, and has its own geological surveying unit, mine design research institute, and other supporting elements. The general manager oversees the administration of each enterprise, and the chief engineer provides technical advice. There are also deputy managers responsible for administration, production, and logistical support. The Party structure in each enterprise is directly subordinate to the provincial Party committee, and it consists of the responsible secretary, organizational secretary, propaganda secretary, and personnel for all relevant areas.

The rationale for structuring enterprises in this manner was to revitalize the economy by normalizing production in each sector. Grouping multiple factories

and enterprises under one combined enterprise was meant to create shared responsibility for production, thereby overcoming the self-interested tendency of enterprises that had slowed production under the cooperative production system. However, these structural changes merely reorganized existing enterprises under the centrally planned command economy. These changes did not yield meaningful results, since profits and other market-oriented incentives were not strengthened, along with a lack of improvement in productivity.<sup>31</sup>

<sup>31</sup> As noted in Chapter 1, greater market incentives contributed to the recovery of the mining sector in the 2000s. Please see Jeong, Jeong, and Park, “Bukan gwangmul jawon gaebal gagong bunya-ui tuja jamjeryeok yeongu,” ii.

## B. Mining as an Economic Interest of Specialized Institutions

In addition to the “extractive industry” that the Cabinet oversees as a key sector of the state economy, specific institutions in North Korea, including Party organs, the military, and the Ministry of People’s Security (MPS), have significant economic interests in the mining sector. The Kumgang Guidance Bureau, a central guidance organ under KWP Office 39, monopolizes the mining and refining of gold. Each corps in the North Korean military and the MPS also engage in alluvial gold mining by panning for gold in rivers and streams.

The same holds true for coal mining and the extraction and export of lead and zinc. Numerous specialized bodies, including the Pyongyang Defense Command,<sup>32</sup> possess their own lead and zinc factories, and operate their own coal mines for self-consumption. The purge of Jang Song-taek in 2013 is illustrative in this regard. One of the pretexts for the purge was that the MPS, then under the KWP Administrative Department, used its powerful influence, plentiful resources, and trading channels to secure and export its own coal.

This type of economic activity, where institutions engaged in *won-chon dong-won* (mobilizing resources) on their own, became widespread starting

in the mid-1990s during the “Arduous March.” Trading companies collected and ‘mobilized’ resources such as coal, agricultural goods, and fishery products for sale. These resources were then exported to raise currency or to obtain goods such as flour, sugar, and soybean oil. Given that key national industries had collapsed and production had failed to normalize, this was a natural response to prevailing economic conditions. Individual entities began to rely on market principles to export goods, instead of using official state-run export channels.

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<sup>32</sup> Pyongyang Defense Command is also known as Training Unit 91.

## 3. MANAGEMENT OF LABOR IN THE MINING INDUSTRY

### A. Forced Labor as State Policy

Along with agriculture, the coal and mining industries are regarded in North Korea as one of the most difficult and arduous occupations. The allocation of labor to the coal and mining industries is not formally regulated by law. However, the Party compels certain individuals to work in these sectors as a matter of policy. Many individuals who are in these sectors seek to escape to another, and the allocation of labor in the coal and mining industries should be understood as a state policy of forced labor. For those working in these industries, moving to a different sector or occupation is strictly limited and controlled.

**Table 8: Occupations Unattainable by Those With Low Class Status (according to multiple defector interviews)<sup>33</sup>**

Government Institutions			Other fields, workplaces
Party	State	Military/Security	
<ul style="list-style-type: none"> <li>• Central Party institutions</li> <li>• Party cadre: political worker or Party worker</li> <li>• Provincial party bodies, party structures in the military</li> <li>• Propaganda Department</li> <li>• Party cell secretary</li> <li>• Party-related workplaces</li> <li>• Fields related to party institutions</li> <li>• Entering the Party</li> </ul>	<ul style="list-style-type: none"> <li>• White-collar (office) jobs</li> <li>• Power institutions</li> <li>• Critical state institutions</li> <li>• State employees</li> <li>• Administrative workers</li> <li>• Legal institutions, judicial branch</li> <li>• Prosecutor's Office</li> <li>• People's Committees</li> </ul>	<ul style="list-style-type: none"> <li>• Military officer</li> <li>• Institutions under the Ministry of the People's Armed Forces</li> <li>• Institutions under military units</li> <li>• Enlistment in the military</li> <li>• Propaganda departments in the military</li> <li>• Secret military facilities</li> <li>• Guard units</li> <li>• State Security Department employee</li> <li>• Ministry of People's Security: agent; police officer; administrative positions at <i>kyo-hwaso</i></li> </ul>	<ul style="list-style-type: none"> <li>• Military industry, munitions industry, munitions factory, business related to military resources</li> <li>• Work directly related to the Kim family ("No. 1" work)</li> <li>• Heavy chemical industry</li> <li>• Trading company</li> <li>• Schoolteaching</li> <li>• Fishing industry and other work involving going on a ship</li> <li>• Postal &amp; telecommunications stations, switchboard operators</li> <li>• Food-related enterprises, workplaces that process rice</li> <li>• Nurseries (day care)</li> <li>• Large-scale enterprises</li> <li>• Performing arts</li> <li>• Leaders of work teams</li> <li>• Ports</li> <li>• Railroad General Bureau, on-board staff on trains</li> <li>• Medical field (hospitals)</li> </ul>

<sup>33</sup> Korean Bar Association, 2008 *Bukan ingwon baekseo* [2008 White Paper on Human Rights in North Korea] (Seoul: 2008), 432-34.

The majority of the North Korean population does not have access to the circles of power, lacks social influence, and endures systematic disadvantages. The institutions in the table above are strictly forbidden to them. Restrictions on enlisting in the military were relaxed “by the year 2000 when the military sought to maintain high personnel levels.”<sup>34</sup> Even if individuals of low *songbun* are allowed to enlist in the military, it is difficult to even rise to the rank of *jung-sa* (sergeant first class) because their entrance into the KWP is restricted. Furthermore, even “when... admitted to the military, those of [low] *songbun* were not assigned to frontline or sensitive positions.”<sup>35</sup> The exclusion of the disadvantaged classes is extremely widespread even in occupations outside of the state apparatus. Those of unfavorable class standing are not permitted to work at ports, railroad facilities, postal and communications facilities, or hospitals. They are also forbidden from working at nurseries or performing work that involves going on a ship.

<sup>34</sup> Collins, *Marked for Life*, 56.  
<sup>35</sup> Ibid.

This is in violation of international human rights standards relating to labor. Article 23 of the Universal Declaration of Human Rights (UDHR) and Article 6 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) recognize the right to work and the freedom to choose one’s occupation. Articles 7 and 8 of the ICESCR stipulate additional provisions, including: equal pay for equal work; equal opportunities for promotion; reasonable limitation of working hours; periodic holidays with pay; and the right to form or join a union.<sup>36</sup>

North Korea, which ratified the ICESCR in 1981,<sup>37</sup> guarantees these rights in its own laws, including the Constitution and the Socialist Labor Law. In particular, Article 5 of the Socialist Labor Law states that “All workers are free to choose their jobs according to their wishes and talents and are guaranteed stable jobs and working conditions by

<sup>36</sup> Do Kyung-Ok et al., *White Paper on Human Rights in North Korea 2015* (Seoul: Korea Institute for National Unification, 2015), 323-24. See <http://www.un.org/en/universal-declaration-human-rights/> for the full text of the UDHR and <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx> for the full text of the ICESCR.

<sup>37</sup> See <http://indicators.ohchr.org/>.

the State.”<sup>38</sup> Article 30 further notes that factors such as “age, gender, physical condition, personal wishes, and capabilities” must be considered in occupational assignments.<sup>39</sup>

Such provisions are not observed in practice, as the state forcibly allocates labor for every sector based on its own economic plans. North Koreans “must obediently accept their lifetime assignment to a single livelihood, whether miner or farmer or political leader.”<sup>40</sup> A North Korean individual’s occupation “is dependent on two criteria—one’s family background (*songbun*) and the regime’s labor requirements.”<sup>41</sup> The State Planning Commission formulates a labor allocation plan, which is then implemented by the Ministry of Labor. Party cadre are assigned by the cadre section of Party organs at the provincial, municipal, and county level, whereas ordinary workers are assigned by the labor section of people’s committees at each administrative level.<sup>42</sup> The Organization and Guidance Department (OGD), Cadre Department, and other related departments are involved in the management of high-level Party cadre.

The North Korean regime also violates individuals’ right to freely choose their occupation by engaging in the practice

of “mass assignments.” This practice, partly intended to overcome labor shortages in dangerous or difficult occupations, refers to the forcible assignment of entire groups of people to work at “factories, mines or construction [sites] based on what the state believes necessary.” Such groups may include high school graduates or discharged soldiers, who are made to participate in “loyalty resolution rallies” before being sent to such workplaces. According to defector testimonies between 2011 and 2012, hundreds or even thousands of individuals were sent to mines and farms across the country in this manner.<sup>43</sup>

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38 Do et al., *White Paper on Human Rights in North Korea 2015*, 324-25.

39 Ibid., 325-26.

40 Collins, *Marked for Life*, 56.

41 Ibid., 54.

42 Do et al., *White Paper on Human Rights in North Korea 2015*, 325.

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43 Ibid., 326.

## B. North Korea's *Songbun* System and Labor in the Mining Sector

Article 1 of the UDHR declares that “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.” Moreover, Article 2 provides that “Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs.” Article 7 states that “All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.”

Articles 14 and 26 of the International Covenant on Civil and Political Rights

(ICCPR), a treaty that North Korea has ratified, reiterate equal protection under the law.<sup>44</sup> In its second periodic report on the implementation of the ICCPR in December 1999, the North Korean government cited Article 65 of its Constitution, which states that “Citizens enjoy equal rights in all spheres of state and public activity.” It further noted that its citizens “are ensured all the rights recognized in the Covenant [ICCPR] without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.”<sup>45</sup> However, every aspect of North Korean society is heavily influenced by the *songbun* system, which is essentially a caste system. This is especially the case with the use of labor in North Korea’s mining industry.

44 See <http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx> for the full text of the ICCPR.

45 United Nations Human Rights Committee, “Second periodic report of the Democratic People’s Republic of Korea on its implementation of the International Covenant on Civil and Political Rights,” May 4, 2000. [http://tbinternet.ohchr.org/\\_layouts/treatybodyexternal/Download.aspx?symbolno=C-CPR%2FC%2FPRK%2F2000%2F2&Lang=en](http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=C-CPR%2FC%2FPRK%2F2000%2F2&Lang=en).

The North Korean authorities have conducted the “Resident Registration Project” several times, systematically categorizing the population into three classes to enable social control: the basic class, complex class, and hostile class.<sup>46</sup> These classes are further subdivided into a total of 56 categories, which are described in table 9.<sup>47</sup>

The basic class is defined as “the core class, those who have shown unwavering loyalty by serving the Party in their assigned revolutionary posts and playing a crucial role, and workers, farmers, soldiers, and intellectuals of sound class background, familial environment, and social and political life.”<sup>48</sup> Most of those who belong to this class live in large cities, including Pyongyang. They not only receive preferential treatment in the recruitment of Party cadre and state officials, but also receive special privileges in all areas of life, including education, professional promotion, rationing, residence, and medical care.<sup>49</sup>

The complex class is defined as “those with complex political problems in their class background, social and political life, and familial environment,” whereas the hostile class is defined as “the exploitative class, who were overthrown, and those who betrayed the country and the people to the Japanese and American imperialists.”<sup>50</sup> Most of those who belong to the complex and hostile classes live in small provincial cities, rural areas, and mining areas.<sup>51</sup> They lead impoverished lives and are discriminated against in all areas, including employment, education, residency, and medical care. There is almost no social mobility between classes. Individuals in the hostile class may occasionally be elevated to the complex class if they make an extraordinary contribution, but being raised into the basic class is not possible.<sup>52</sup> An individual’s *songbun* is passed down from parent to child, along with the discrimination that this status entails.

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46 These three classes are also respectively referred to as the core, wavering, and hostile classes. See Collins, *Marked for Life*, iii.

47 Hyun In-ae, “Bukan-ui jumin deungrok jedo-e gwanhan yeongu” [Research on North Korea’s Resident Registration Policy (master’s thesis, Ewha Women’s University, 2008), 31-35. See also Collins, *Marked for Life*, 28-42 and Do et al., *White Paper on Human Rights in North Korea 2015*, 165-67.

48 Hyun, “Bukan-ui jumin deungrok jedo-e gwanhan yeongu,” 31-35.

49 Korean Bar Association, 2008 *Bukan ingwon baekseo*, 425. See also Robert Collins, *Pyongyang Republic: North Korea’s Capital of Human Rights Denial* (Washington, DC: Committee for Human Rights in North Korea, 2016).

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50 Hyun, “Bukan-ui jumin deungrok jedo-e gwanhan yeongu,” 32-34.

51 Korean Bar Association, 2008 *Bukan ingwon baekseo*, 435-37.

52 Do et al., *White Paper on Human Rights in North Korea 2015*, 167.

Table 9: Categories of Hierarchy and *Songbun* in North Korean Society<sup>53</sup>

Hierarchy and <i>Songbun</i>		Categories (Total: 56)
Three Main Classes	Basic Class	1. Revolutionaries (partisan comrades of Kim Il-sung, those who fought in the south after liberation in 1945, and those who fought in Japan and other countries); 2. Families of revolutionaries; 3. Bereaved families of revolutionaries; 4. Injured veterans; 5. Civilians injured during wartime while assisting the military; 6. Those who have met Kim Il-sung or Kim Jong-il in person, as recorded by the KWP Central Committee; 7. National Heroes; 8. Those who have served Kim Il-sung or Kim Jong-il with great loyalty; 9. Discharged soldiers; 10. Families of soldiers killed in action; 11. Families of those killed by enemies or rebellious elements; 12. Bereaved families of national heroes or those who died due to accidents at factories or enterprises; 13. Others (the core class, who have shown unwavering loyalty by serving the party in their assigned revolutionary posts and playing a crucial role, and workers, farmers, soldiers, and intellectuals of sound class background, familial environment, and social and political life)

53 Hyun, "Bukan-uj jumin deungrok jedo-e gwanhan yeongu," 31-35.

**Complex  
Class**

1. Draft dodgers; 2. Soldiers who deserted their units; 3. Returned prisoners of war; 4. Residents who were captured by the enemy and released; 5. Those who participated in enemy organizations, including the chi-an-dae (local civil militias that assisted U.S. and South Korean forces during the Korean War); 6. Former officials in the Japanese colonial administration, including the military, police, and judicial organs; 7. South Korean soldiers who served in the KPA after being captured or surrendering; 8. Captured South Korean soldiers worked in construction units and were later discharged; 9. South Koreans who entered North Korea; 10. Those tied to the "Tenth Division," a partisan group in South Korea organized by Pak Hon-yong; 11. Those tied to the Kumgang School, established to train the Tenth Division; 12. Released political prisoners; 13. Former religious leaders and those who practice religion; 14. Families of those who fled to the South after the division of the Korean peninsula; 15. Families of those punished for anti-party, anti-revolutionary, anti-state crimes; 16. Families of those held incommunicado for anti-party, anti-revolutionary crimes or economic or moral crimes; 17. Families of political prisoners; 18. Families of captured POWs who did not return; 19. Families of those who defected; 20. Families of large landowners; 21. Families of small landowners; 22. Families of capitalists who ran large factories with U.S. or Japanese support; 23. Families of pro-Japanese collaborators; 24. Families of pro-American collaborators; 25. Families of religious persons who betrayed the country by collaborating with foreign imperialists; 26. Families of anti-party factionalists; 27. Families of accomplices to anti-Party factionalists; 28. Families of those accused of espionage; 29. Families of tenant farm supervisors; 30. Families of pro-U.S. or pro-Japanese entrepreneurs; 31. Families of merchants



	<p><b>Hostile Class</b></p>	<p>1. Large landowners; 2. Small landowners; 3. Capitalists who ran large factories with U.S. or Japanese support; 4. Pro-Japanese collaborators; 5. Pro-U.S. collaborators; 6. Religious persons who betrayed the country by collaborating with foreign imperialists; 7. Anti-party factionalists; 8. Accomplices of anti-party factionalists; 9. Those accused of espionage; 10. Supervisors at tenant farms; 11. Pro-U.S. or pro-Japanese entrepreneurs; 12. Merchants</p>
<p><b>Songbun (Total: 25)</b></p>		<p>1. Revolutionary; 2. Revolutionary who currently holds office; 3. Laborer; 4. Soldier; 5. Tenant farmer; 6. Poor farmers; 7. Peasant; 8. Farmer in a cooperative; 9. Middle-class farmer; 10. Rich farmer; 11. Supervisor at tenant farm; 12. Small landowner; 13. Large landowner; 14. Office worker; 15. Student; 16. Craftsman; 17. Foreman; 18. Small company owner; 19. Patriotic large-business entrepreneur; 20. Entrepreneur; 21. Petty bourgeoisie; 22. Small merchant; 23. Merchant; 24. Religious person; 25. Former official in Japanese colonial administration</p>

Under North Korea's cadre and labor policies, those who belong to the complex and hostile classes are forcibly assigned to the most difficult and avoided occupations in North Korea, which include mines and farms. Moreover, the occupational assignments of those in the hostile class are "pre-determined by the occupation of their parents and/or grandparents."<sup>54</sup> The testimony of North Korean defectors attest to this reality:

Mr. Hong Il graduated from high school and was drafted into the air force. He did so well during his service time that his chain of command recommended him for entrance into Kim Il-sung Political College. However, an SSD [State Security Department] review of their records, which are more detailed than MPS records, found that Mr. Hong's father defected to the North from the South during the Korean War, and thus his *songbun* disqualified his attendance at such a high-level college. Consequently, he was sent to the mines to work as a laborer.<sup>55</sup>

To the open-ended question "what work sites are people with bad class background usually assigned to?" most respondents answered "physical labor at difficult and harmful work sites, including mines, coopera-

tive farms, and factories other than munitions factories... one respondent said, "If your father is a laborer, you are grouped with everyone else and assigned en masse to the same area" [ID005].<sup>56</sup>

The Commission heard from witnesses who spoke about being relocated from Pyongyang and other cities to more remote parts of the country and usually made to work in mines due to low *songbun*, resulting from their grandparents or parents having come from South Korea, having moved to the South during the Korean War, or having been landlords or Christians.<sup>57</sup>

The state's economic priorities also contribute to the hereditary transmission of occupational assignments, as Collins explains:

*[T]hose who spend their adult lives in hard labor such as miners or farmers are destined to watch their children enter the same occupation upon graduation from middle or high school so*

54 Collins, *Marked for Life*, 56.  
55 *Ibid.*, 45.

56 Korean Bar Association, 2008 *Bukan ingwon baekseo*, 434-35.

57 United Nations Human Rights Council, "Report of the detailed findings of the commission of inquiry on human rights in the Democratic People's Republic of Korea," par. 363, February 7, 2014. <http://www.ohchr.org/EN/HRBodies/HRC/CoIDPRK/Pages/CommissionInquiryonHRinDPRK.aspx>.

*their particular enterprise can sustain levels of production.*<sup>58</sup>

Captured South Korean prisoners of war (POW) and those with South Korean origins endure even more dismal lives. A former POW, Huh Jae-Seok, escaped from North Korea in July 2000 after enduring harsh labor at Aoji Coal Mine in Kyongheung County, North Hamgyong Province. The mine is notorious for its reputation as a destination for exiles and those purged from positions of power. All mining facilities in North Korea had POW camps after the Korean War, according to Huh.<sup>59</sup> There have also been testimonies of South Korean POWs being forced to work in mines, including at the Sanghwa Youth Coal Mine in Onsong County, North Hamgyong Province, the mine at Musan, and the Hakpo Coal Mine in Sechon County, Hoeryong.<sup>60</sup> According to testimony collected by the UN Commission of Inquiry (COI) on North Korean human rights:

<sup>58</sup> Collins, *Marked for Life*, 56.

<sup>59</sup> Huh Jae-Seok, *Nae i-reum-eun ttong-gan-na-sae-kki yeotda* [They Called Me the Sly One] (Seoul: One Books Publishing, 2008), 31-32.

<sup>60</sup> Do et al., *White Paper on Human Rights in North Korea 2015*, 516-17.

*Many [former POW] workers enslaved in the mines died from accidents or diseases contracted in the mines caused by the dust. Incidents such as explosions tearing off limbs or flesh, collapses in the mines engulfing workers and deaths resulting from crushing or cutting by machinery are not uncommon.*<sup>61</sup>

Discriminatory treatment under North Korea's *songbun* system also extends to the food distribution system. Those who receive the best treatment, the so-called 'daily recipients,' can receive supplies whenever they want and however much they want, not only for themselves but also for their families. This includes factory-made goods and a variety of health foods. Moreover, the daily recipients can request delivery of buckwheat noodles, high-quality bread, ice cream, and other goods produced at the "Mokran Hall," a secret banquet hall that was constructed in the KWP Central Party office building at Kim Jong-il's orders.

The lowest class of recipients consists of ordinary recipients at the *in-min-ban* (neighborhood unit) level. However, very few households have relied on

<sup>61</sup> United Nations Human Rights Council, "Report of the detailed findings of the commission of inquiry on human rights in the Democratic People's Republic of Korea," par. 873.

the public distribution system since its collapse during the “Arduous March.” The citizens of the lowest class, who work in mines, are most heavily affected by this system of prioritization.

**Table 10: Food Distribution by Class (when distribution was operating at normal or near-normal levels)<sup>62</sup>**

Category	Qualifying Recipients	Amount Supplied	Supplier
Daily Recipients	KWP Politburo Presidium members, KWP Politburo members, and key Central Party cadre & Government officials	Rice (700 grams per person), meat, vegetables, cigarettes, beer, tofu, and other necessities.	Guard Command Supply Department
Weekly Recipients	Deputy Director of Central Party Department (including OGD section chiefs), Cabinet members, general-grade military officers	Rice: 700 grams per day per person (70% white rice, 30% rice with mixed grains). Meat, vegetables, cigarettes, beer, tofu, and other necessities.	KWP Finance & Accounting Department
Bi-Monthly Recipients	Central Party Department staff	Rice: 700 grams per day per person (60% white rice, 40% rice with mixed grains). Meat (4 kilograms), cigarettes (30 packs), vegetables, oil, and other goods.	KWP Finance & Accounting Department

62 *Bukan gyeongje jeongbo chongram* (Seoul: Publishing Council for the Comprehensive Survey of Information on the North Korean Economy, 2005), 22. Adapted and summarized.



<p>Monthly Recipients</p>	<p>Other Party cadre and government officials, families of anti-Japanese patriots, national heroes, etc.</p>	<p>Rice: 700 grams per day per person (ratio of white rice to mixed rice is 7:3 or 5:5 depending on rank).</p> <p>Meat (1-6 kilograms), oil (1-3 liters), cigarettes (30 packs), vegetables, and other goods received every month. Quality and quantity depends on rank.</p>	<p>Distribution Centers No. 1-4, depending on rank</p>
<p><i>In-min-ban</i> (Neighborhood unit) Recipients  (Once every 15 days)</p>	<p>Laborers, farmers, office workers, ordinary citizens</p>	<p>Rice: 700 grams per day per person (ratio of white rice to mixed rice is 1:9 in rural areas, 2:8 elsewhere)</p> <p>Per household: 1kg of fish (typically once every 3-4 months), meat in celebration of holidays (1-2kg). Other food supplies bought with coupons at the distribution center.</p>	<p>Local distribution center</p>

# 4. OTHER ASPECTS OF FORCED LABOR IN THE MINING INDUSTRY

## A. *Kwan-li-so* and *Kyo-hwa-so*

The existence of North Korean political prison camps (*kwan-li-so*) has come to be widely known to the outside world through the testimonies of North Korean defectors.<sup>63</sup> It is currently estimated that “between 80,000 and 120,000 political prisoners are currently detained in four large political prison camps.”<sup>64</sup> The geographical area for each camp varies from 51 to 250km<sup>2</sup>, and it is estimated

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63 According to the Korean Bar Association, “there are six types of charges [against political prisoners]: 1) an enemy of class struggle such as landowners, capitalists, collaborators with the Japanese occupation and religious leaders and their families, 2) a collaborator with South Korean forces or having a family member of one who went to South Korea during the Korean War, 3) purged factions or those people having at least one family member judged as a reactionary or a[n] anti-revolutionary, 4) anyone of their family, including himself or herself, that became an opponent of the Kim Il Sung regime and the succeeding Kim Jong Il regime, 5) a criminal against the Party’s “Ten Principles for the Establishment of the [Monolithic] Ideological System” and a criminal criticizing the regime with reactionary words, 6) a... person [influenced by capitalism], such as a diplomat, an overseas student, a Korean-resident in Japan who was repatriated to North Korea and [those] who tried to cross the border.” See Korean Bar Association, 2008 *White Paper on Human Rights in North Korea* (Seoul: 2008), 523.

64 United Nations Human Rights Council, “Report of the detailed findings of the commission of inquiry on human rights in the Democratic People’s Republic of Korea,” par. 843.

that between 5,000 and 50,000 individuals are detained at each facility. Political prisoners are considered to be ‘enemies,’ and political prison camps are deemed as ‘enemy areas.’ The prisoners are deprived of their rights as North Korean citizens upon being incarcerated, and they also lose the right to vote or run for elected office. The provision of food, other necessities, and medical care is terminated. Prisoners are mostly forbidden from marrying or having children, and any contact with the outside world is strictly prohibited, even including visits by friends and relatives.

Prison camps that are known to the outside world include camp 15 in Yodok, South Hamgyong Province, which has both total control zones and revolutionizing zones;<sup>65</sup> camp 14 in Kaechon, South Pyongan Province;<sup>66</sup> camp 16 in Buha-ri, Myonggan County, North Hamgyong Province; camp 18 in Kaechon, South Pyongan Province (formerly at Bukchang); camp 22 in Hoeryong, North

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65 North Korea’s political prison camps are referred to in a number of ways. The North Korean authorities call them “*kwan-li-so no. #.*” Ordinary North Koreans refer to them as: “control zones, total control zones, special zones for managed individuals, migrant zones, mass concentration camps for political prisoners, exile facilities, or factionalist lairs.” To prevent exposure, the North Korean authorities disguise the facilities as KPA guard units.

66 Do et al., *White Paper on Human Rights in North Korea 2015*, 117.

Hamgyong Province;<sup>67</sup> and camp 25 in Chongjin, North Hamgyong Province.

According to the satellite imagery analysis conducted by the Committee for Human Rights in North Korea and AllSource Analysis,<sup>68</sup> mining facilities have been identified at camp 15,<sup>69</sup> camp

14,<sup>70</sup> and camp 16.<sup>71</sup> In *The Hidden Gulag*, Hawk concluded that “much of the coal mined in the prison camps goes directly to nearby power plants for the generation of electricity.”<sup>72</sup> Although mining activity at the *kwan-li-so* may not be directly tied to the export industry, the COI stated that forced labor in the *kwan-li-so* contributes to, “at minimal cost... the realization of politically important economic objectives, including energy generation and the provision of supplies to the security forces.”<sup>73</sup>

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67 According to recent testimonies from North Korean defectors, detainees began to be transferred to other facilities around 2009 and 2010. It appears that the facility was closed in May of 2012. This may have been due to concerns about its exposure to the international community, given the camp’s proximity to the border. Testimony gathered in 2015 indicates that camp 22 was closed in 2012. See Do Kyung-Ok et al., *Bukan ingwon baekseo 2016* [White Paper on North Korean Human Rights 2016] (Seoul: Korea Institute for National Unification, 2016), 312.

68 All satellite image reports are available at <http://www.hrnk.org/publications/hrnk-publications.php>.

69 Joseph S. Bermudez Jr., Andy Dinville, and Mike Eley, *North Korea: Imagery Analysis of Camp 15* (Washington, DC: Committee for Human Rights in North Korea & AllSource Analysis, 2015). This report concludes that mining facilities at camp 15 appear to have been dismantled between September 2013 and December 2014.

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70 Joseph S. Bermudez Jr., Andy Dinville, and Mike Eley, *North Korea: Imagery Analysis of Camp 14* (Washington, DC: Committee for Human Rights in North Korea & AllSource Analysis, 2015). The report identifies a coal mine active as of December 2014 (p. 17-21), one mining facility that appears to be inactive as of December 2014 (p. 29), and a rail line leading to a coal mine at camp 18 before its relocation (p. 4).

71 Joseph S. Bermudez Jr., Andy Dinville, and Mike Eley, *North Korea: Imagery Analysis of Camp 16* (Washington, DC: Committee for Human Rights in North Korea & AllSource Analysis, 2015). The report states that “[s]mall scale mining activity appears to be ongoing” at one area of the camp as of January 2015, as well as “evidence of continued activity at [a] small surface mine” at another area as of January 2015 (p. 9).

72 Hawk, *The Hidden Gulag Second Edition*, 35.

73 United Nations Human Rights Council, “Report of the detailed findings of the commis-

Political prison camp 15 (Yodok) is situated across five areas in North Hamgyong Province: Kooeup-ri, Ipseok-ri, Yongpyeong-ri, Pyongjeon-ri, and Daesook-ri. The facility occupies approximately one-third of Yodok County in area. The camp is divided between revolutionizing zones and total control zones, and it is believed that the North Korean authorities operate a guard unit at this facility to maintain control in the event of potential emergencies, including prisoner rebellions.<sup>74</sup>

Political prison camp 16 is located in Buha-ri, Myonggan County, North Hamgyong Province. It is also known as Hwasong political prison camp, taken from the former name of Myonggan County. The facility only consists of a total control zone,<sup>75</sup> and it is known to be the most strictly controlled camp. It is divided into three “villages.” Prisoners accused of less serious offenses are held in Village 1. Village 3 is known to be the strictest of the three; prisoners in this area are forbidden from staying with their families. According to some witnesses, there are high watch-towers installed with machine guns for the purpose of rapid suppression in the event of an emergency.<sup>76</sup>

Camp 18, operated by the MPS, was formerly located at Bukchang but was transferred to Tongrim-ri, Kaechon in 2012.<sup>77</sup> Although very little is known about camp 18 since it was moved to its current location,<sup>78</sup> numerous witnesses have testified about the harsh working environment of the coal mines at camp 18 when it was located at Bukchang. According to Mr. Lim Jung-soo, who was incarcerated at camp 18 from 1967 to 1987, “the major industry of Camp No. 18 was mining. Men worked in the mines and women were organized into work units, laboring from 5 am to 9 pm.”<sup>79</sup> Mrs. Kim Hye-sook, who was imprisoned at camp 18 from 1974 to 2001, provides a detailed testimony of forced labor in the coal mines:

*For most of her time in the camp, Hye-[s]ook, like other girls and their mothers in the Shim-san area, were assigned to gather coal in the Hong-je mine. Men and boys dislodged the coal with picks and shovels, and the women and girls picked up the coal pieces and transported coal in buckets, wheelbarrows and coal trolleys which they would then carry, push or pull up ramps leading to the surface of the mine-face. There were*

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sion of inquiry on human rights in the Democratic People’s Republic of Korea,” par. 1061.

74 Do et al., *White Paper on Human Rights in North Korea 2015*, 117-18.

75 A “total control zone” is an isolated lifetime political labor colony. See Hawk, *The Hidden Gulag Second Edition*, 23.

76 Ibid., 118-19.

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77 Cho Jung-Hyun et al., *White Paper on Human Rights in North Korea 2013* (Seoul: Korea Institute for National Unification, 2013), 18.

78 Do et al., *White Paper on Human Rights in North Korea 2015*, 119-20.

79 Hawk, *The Hidden Gulag Second Edition*, 74.



*many accidents in the mines, with the injured prisoners then being assigned to construction brigades or other work. Most of the workers doing forced labor in the mines contracted what is now called “black lung disease,” a condition for which Mrs. Kim is currently being treated in hospitals in South Korea.<sup>80</sup>*

In her memoir, Kim adds that there were fifteen people in each work team, which rotated in three shifts lasting from midnight to 8:00a.m., 8:00a.m. to 4:00p.m., and 4:00p.m. until midnight. Working conditions were extremely strict, and prisoners were seldom let off their shift on time.<sup>81</sup>

In addition to the *kwan-li-so*, North Korea’s *kyo-hwa-so* prison labor camps are also known to operate mines.<sup>82</sup> There are believed to be nineteen *kyo-*

*hwa-so* facilities currently in operation in North Korea, and all of them are under the purview of the MPS’s Prisons Bureau.<sup>83</sup> The COI’s report notes that *kyo-hwa-so* No. 4 (Kangdong County) and No. 9 (Hamheung) operate coal mines, while No. 12 (Jonggo-ri) operates a copper mine.<sup>84</sup> Witnesses have also testified that some male prisoners at the *kyo-hwa-so* in Kaechon are forced to work at a nearby coal mine.<sup>85</sup> Deadly accidents are common:

*One former inmate worked in the limestone quarry and the gold mine of Ordinary Prison Camp (kyo-hwa-so) No. 4 in Kandong [sic] County, South Pyongan Province. The inmates were so tired and exhausted that work accidents were frequent. On one occasion, he suffered an open fracture of his foot in a mining accident. The skin was sewn together without anaesthesia*

<sup>80</sup> Hawk, *The Hidden Gulag Second Edition*, 71.

<sup>81</sup> Kim, Hye-sook, *Noonmul-lo geurin sooyongso* [The Concentration Camp Drawn with Tears] (Seoul: Zeitgeist, 2011).

<sup>82</sup> United Nations Human Rights Council, “Report of the detailed findings of the commission of inquiry on human rights in the Democratic People’s Republic of Korea,” par. 801.

<sup>83</sup> Do et al., *Bukan ingwon baekseo* 2016, 79-80.

<sup>84</sup> United Nations Human Rights Council, “Report of the detailed findings of the commission of inquiry on human rights in the Democratic People’s Republic of Korea,” par. 790.

<sup>85</sup> Do et al., *Bukan ingwon baekseo* 2016, 84.

*and he was ordered to report back to the mine the same day. He only survived, because the head of his work unit reassigned him to lighter duties... deadly crushing accidents were related by another witness, who worked in the copper mine of Kyo-hwa-so No. 12 of Jonggo-ri.*<sup>86</sup>

*security guard at the camp. The prisoners, who were treated worse than animals, were mainly family members of purged intellectuals. Defector C had also heard from the former guard that married couples were imprisoned separately to prevent pregnancies.*<sup>89</sup>

The COI concludes that “the type, duration and intensity of forced labour exacted from inmates in the ordinary prison camps (*kyo-hwa-so*), especially in prison mines, does meet the enslavement threshold” under international criminal law.<sup>87</sup> It further notes that the “forced labour output of the [ordinary] prisons, including precious ores and other goods destined for export, provide the state with important foreign currency earning needed to sustain the political system.”<sup>88</sup>

There also exists testimony about forced labor at a magnesite mine in Daeheung-ri, Dancheon, South Hamgyong Province, although it is unclear whether this mine is associated with an operational *kwan-li-so* or *kyo-hwa-so*:

*A defector heard of prisoners being forced to work at a magnesite mine at Daeheung-ri from an individual who was a*

<sup>86</sup> United Nations Human Rights Council, “Report of the detailed findings of the commission of inquiry on human rights in the Democratic People’s Republic of Korea,” par. 802.

<sup>87</sup> *Ibid.*, par. 1078.

<sup>88</sup> *Ibid.*, par. 1082.

<sup>89</sup> Korean Bar Association, 2008 *Bukan ingwon baekseo*, 466.

## B. Other Aspects of the Penal System

North Korea's penal system outside of the *kyo-hwa-so* and *kwan-li-so* is also closely tied to forced labor in the mining sector. The citizens punished by the North Korean penal system most often receive the cruelest, harshest sentence of being sent to mines, coal mines, and farms.

Article 27 of North Korea's Criminal Code lists eight types of punishment: death penalty; penal labor for life; penal labor for a set term; labor training; disenfranchisement; confiscation of property; termination of qualifications; and suspension of qualifications. However, the regime had also widely used other forms of punishment that had not been codified by law. The Socialist Law-Abiding Life Guidance Committee, working through state inspection committees and prosecution agencies, monitors legal compliance and law enforcement. It also reviews cases of individuals who have violated the law and determines whether an individual should be subject to disciplinary measures or criminal punishment. Whereas cases involving criminal responsibility are transferred to the Prosecutor's Office, the Committee could impose administrative penalties including "warnings, stern warnings,

finer, demotions, lay-offs, and job termination, as well as one-month one-year-long unpaid labor."<sup>90</sup> During their careers, virtually all North Korean cadre undergo this form of unpaid labor, which is also known as the 'revolutionizing process.' The COI discusses this practice in its report:

*The Commission also received accounts of [P]arty officials and their families who, without being duly convicted by a court of law, were assigned to hard labour in a remote area for failings in their duty or for lesser political wrongs committed by the official or a family member... These practices are on-going, evidenced by an amnesty that Kim Jong-un reportedly decreed in April 2012 for more than 600 officials who were undergoing such punishment.<sup>91</sup>*

<sup>90</sup> Kim Kook-Shin et al., *White Paper on Human Rights in North Korea 2011* (Seoul: Korea Institute for National Unification, 2011), 207-08.

<sup>91</sup> United Nations Human Rights Council, "Report of the detailed findings of the commission of inquiry on human rights in the Democratic People's Republic of Korea," par. 364.

The North Korean government established the legal basis for administrative penalties by enacting the People’s Security Control Law on December 28, 1992. Article 57 of this law stipulates the types of administrative penalties that can be imposed: “labor-education, suspension of qualifications, demotion, cancellation of qualifications, suspension, confiscation [of property], and fines.” It states that other types of penalties may be raised with the Socialist Law-Abiding Life Guidance Committee.<sup>92</sup>

Moreover, the Administrative Penalty Law was enacted on July 14, 2004. This law provides an expansive legal basis to impose penalties on institutions, enterprises, organizations, and citizens who have committed illegal acts that are not addressed in the Criminal Code. It does so by stipulating in detail the types of administrative penalties, the elements of a violation, and all relevant procedures. The law also enables a variety of institutions to impose administrative penalties, including the “Socialist Law-[A]biding Life Guidance Committee, the Cabinet, prosecutor’s offices, court trials, and arbitration panels, People’s Security Agencies, and Inspector’s Offices.”<sup>93</sup>

**Table 11: Types of Administrative Penalties in North Korea<sup>94</sup>**

Administrative penalty	Behavior subject to sanctions
Warning, stern warning	104 cases including failure to meet planned targets, filing false reports
Unpaid labor	125 cases including violations in filling out people’s economic planning forms
Labor education	68 cases including wasting electricity
Demotion, removal from job	77 cases including illegal economic management activities
Termination of job	24 cases including violations of the reserve materials management system
Fines	26 cases including violations of trademark rights
Suspension, [indemnification], confiscation, suspension of qualifications, reduced pay, cancellation of qualifications	Applied as necessary in the process of reviewing the legal actions

92 Kim et al., *White Paper on Human Rights in North Korea 2011*, 208.

93 Ibid., 209-10.

94 Ibid., 211-12.

## CONCLUSION

North Korea's mining sector was heavily affected by the collapse of the socialist bloc and domestic economic difficulties that lasted for decades. Coal production in 1998 was roughly half of that in 1985, and iron ore production fell by 70% over the same period.<sup>95</sup> However, the mining sector began to recover in the 2000s. In 2014, underground resources constituted 36% of North Korea's total exports, and China accounted for 97%, in revenue terms, of the overall mining exports from North Korea. The Kim Jong-un regime uses the funds raised from the sale of these resources to strengthen its own power, although external factors including the fall in global commodity prices, the slowdown of the Chinese economy, and Beijing's move away from coal are likely to have a negative impact on Pyongyang's mining exports for the foreseeable future. Regardless of external changes, coal remains the centerpiece of North Korea's energy sector, accounting for

<sup>95</sup> Statistics Korea, "North Korea Statistics," accessed May 6, 2016.

an estimated 53% of energy production in 2015.<sup>96</sup>

North Korean state entities other than the Cabinet are also involved in the mining sector. Specialized entities, including the military and the MPS, engage in mining activities. The Kumgang Guidance Bureau of KWP Office 39, for instance, monopolizes the extraction and refining of gold. Furthermore, one of the stated reasons for the execution of Jang Song-taek in 2013 was that he had disrupted the operational order of the People's Economy by interfering in the mining sector. The MPS and Department 54 were accused of wasting resources and exporting coal at very low prices under Jang's watch.

To operate its mining industry, North Korea relies on forced labor on a large scale. Under the regime's *songbun* classification system, penal procedures, and policies and institutions pertaining

<sup>96</sup> Ibid.

to cadre and labor, the most powerless members of society and those of low *songbun* are forcibly assigned to work in the mining sector. This occupational assignment is passed down from generation to generation.

North Korea's Ministry of Labor forcibly allocates individuals to specific sectors, including the mining sector, in accordance with the State Planning Commission's labor allocation plans. An individual's capabilities and preferences are only nominally recognized; no one would voluntarily work at a mine. The state sometimes allocates entire groups of individuals to specific sectors. Individuals in North Korea do not have the freedom to choose or alter their occupation. In accordance with the regime's institutionalized policy of *songbun*, those belonging to the complex masses and the hostile class are often assigned to work in mines and coal mines, where they toil in abject working conditions. Social mobility is virtually nonexistent. These individuals are discriminated against in almost every area of life, including residency, professional promotions, education, and rations.

The mining sector is also a part of North Korea's *kwan-li-so* and *kyo-hwa-so*. Mining facilities have been identified in recent satellite images of *kwan-li-so* no. 14, 15, and 16. Before its relocation

in 2012, camp 18 was known to operate coal mines. Defectors have testified to the operation of coal mines in *kyo-hwa-so* no. 4 and 9, and a copper mine at *kyo-hwa-so* no. 12. Moreover, under the state's institutionalized penal system of forced labor, unpaid labor, demotions, and dismissal, numerous victims are forced to work in the mining sector.

The underground resources exported from North Korea are produced by forced labor and human rights violations committed by the state. The wealth that is generated from these exports is spent on state priorities: the privileged lifestyle of the Kim dynasty and the elite classes, the development of nuclear weapons and missiles, *songun* ("Military First") politics, *giftpolitik*,<sup>97</sup> and the maintenance of the *songbun* system of social classification.

Although the sanctions imposed by UN Security Council resolution 2270 were widely regarded to be unprecedented in strength, they do not yet appear to have had a significant impact on North Korea's exports of underground

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<sup>97</sup> This refers to the provision of luxury gifts to the North Korean elite to secure their loyalty. For a discussion of this practice during the Kim Jong-il era, please see Ken E. Gause, *North Korean House of Cards: Leadership Dynamics under Kim Jong-un* (Washington, DC: Committee for Human Rights in North Korea, 2015), 184-89.



resources to China, which continue under the guise of “livelihood purposes.” There is an urgent need to strengthen controls on North Korea’s mining exports, not only to improve the effectiveness of sanctions aimed at altering Pyongyang’s stance on denuclearization, but also to protect the human rights of countless North Koreans who endure forced labor in mines across the country.

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