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North Korean Labour – The Little-Known Factor in Pyongyang-Moscow Relations

By Nah Liang Tuang

SYNOPSIS

The Kim-Putin summit of 13 September 2023 grabbed public attention for Pyongyang's agreement to supply Russia with ammunition in return for Moscow's technical assistance in North Korean satellite launches. The topic of North Korean labour for Russia was largely ignored by the media although this has emerged as an important bilateral matter.

COMMENTARY

The [summit](#) meeting between North Korea's Kim Jong-un and Russia's Vladimir Putin on 13 September 2023 produced an agreement in which Pyongyang agreed to provide artillery ammunition and North Korean workers to Russia, in exchange for the latter's assistance for its satellite launches.

The supply of artillery shells and short-range rockets for the Russian army would help Putin in his war with Ukraine. For the Democratic People's Republic of North Korea (DPRK), a successful satellite launch would help to advance Kim's long range missile programme as the technologies are similar, besides being a significant propaganda victory. But is the agreement as significant as it seemed?

Flashy but Not that Impactful

A quick analysis will show that North Korea will not be sending Russia the most recently manufactured, and hence most effective ammunition. Instead, Kim will likely

send decades old munitions to preserve his forces' operational readiness for another Korean War. These shells and rockets are of [dubious reliability](#), as 20 per cent of those fired at South Korea's Yeonpyeong Island in 2010 failed to detonate.

As for accuracy, frontline reports indicate that the manufacturing consistency of propellant charges for North Korea's shells is poor, leading to subpar accuracy. Taken together, these factors are likely to contribute to the ineffectiveness of ammunition from the DPRK.

Moreover, the [1 million](#) shells Pyongyang agreed to supply will be depleted by year's end given the prodigious consumption of Russian artillery in Ukraine. Some media reports estimated that the Russians could fire as many as [25,000 to 30,000](#) shells per day. For Moscow, this injection of DPRK ammunition is hardly a game changer.

As for the DPRK, the successful lofting of the *Malligyong-1* satellite into orbit was a morale boosting event for the domestic audience and a national ego trip before the international community. But upon closer inspection, this satellite launch arguably represents an achievement emphasising form over substance. Specifically, Russia shipped an entire 80-ton [rocket engine](#) to North Korea for the launch.

This assured the positive optics of the *Malligyong-1* entering orbit but precludes the possibility of the DPRK acquiring the technology to manufacture reliable satellite launch vehicles domestically. This limits the proliferation of missile technology to North Korea.

Furthermore, in July 2023, the South Korean authorities [retrieved the wreckage](#) of a failed North Korean satellite that was launched in May, assessing that its capabilities were insufficient for spying. Since only about 6 months separated this failed satellite launch from that of the *Malligyong-1* on [21 November 2023](#), it is unlikely that the latter is a significantly improved model. As such, experts have deduced that its surveillance camera would have a resolution of 3-5 metres per pixel, which [severely limits](#) its military utility.

It would seem then that President Putin has received a stockpile of lacklustre ammunition while Chairman Kim received a one-off or limited assistance to send a sub-par satellite into orbit. In contrast, the other component of the Kim-Putin deal – North Korean labour – is more valuable for both states albeit less conspicuous.

Importance of North Korean Labour

With the People's Republic of China being the DPRK's [principal trade partner](#), and monopolising more than 90 per cent of the latter's rather limited foreign trade, Moscow-

Pyongyang trade relations are insignificant. However, Russia has been an “importer” of North Korean workers [since the late 1940s](#) to the present time.

To a lesser or greater extent, the Soviet and then Russian economies have suffered from labour shortages, and this shortfall has always been partially met by North Korea as a source of blue-collar workers. The current labour deficit is exacerbated by the current war in Ukraine, as government spending on the military industrial complex has [ramped up](#), maximising military production and drawing labour away from the civilian sector.

This worsens an already dire worker drought caused by Russians fleeing the country to escape being drafted for the war, and by exceedingly high casualties on the Ukrainian frontlines, forever depriving the Russian labour market of citizens who were militarily mobilised and killed or grievously wounded. To forestall a collapse of certain sectors of Russia’s economy, foreign workers are needed, and Kim Jong-un is willing to plug Russia’s labour gaps with his citizens.

Russian firms are keen to hire North Korean workers because they are not only hardworking and capable of producing [quality work](#), but are also [affordable](#). According to Russia's Labour Ministry, North Koreans are paid on average US\$415 a month, 40 per cent less than that of the average Russian worker doing the same job. Such wage savings would boost the cost efficiency of Russian companies, leading to macroeconomic benefits for the nation.

Additionally, the sheer number of DPRK workers that Russia is prepared to employ, despite UN sanctions requiring all countries to repatriate such labour by the end of 2019, speaks to the substantial amount of goods and services that these workers will produce for Russia’s economy, keeping many companies solvent, and preserving their tax paying capability to support the Russo-Ukrainian war.

In examining the unreported and quiet absorption of North Korean workers into Russia, it seems there are at least 20,000 to 30,000 of them (mostly in the Russian Far East) in the construction, farming, and certain manufacturing sectors. In view of UN sanctions following the Russian invasion of Ukraine in February 2022, the Russian authorities appear to be using student and tourist visas to facilitate the North Korean workers’ travel and stay in the country, according to [Russian Interior Ministry statistics](#).

As for the DPRK, the Kim regime is financially motivated to despatch its citizens as expatriate workers to Russia because of the country’s decrepit economy, where salaries are insufficient for sustenance, and where expatriated workers are required to contribute at least [US\\$7,000 of their annual incomes](#) to the DPRK authorities. The author of this essay estimates that these workers contribute at least US\$147 million annually in foreign currency earnings to Pyongyang.

Such a figure approximately tallies with US State Department estimates that North Korea derives at least [US\\$150-300 million](#) in taxes on its foreign-based citizens. This stable revenue source could support the North Korean nuclear and missile programme, among other projects undertaken by the Kim Jong Un regime.

Prospects for Stopping the Flow of North Korean Labour

It is arguably pointless for the US and its allies to demand that Russia adhere to [UN Security Council Resolution 2397](#), which prohibits the employment of North Korean guest workers. Since the US and its allies supply both military and civil aid to Ukraine, bolstering Ukrainian resistance to the Russian invasion, Moscow is unlikely to stop the labour flow from North Korea into Russia.

There isn't any practical and effective means to pressure the Kremlin to honour its UN mandated responsibilities. Conceivably, the West and their Asian allies could commit to sanctions targeting Russian firms known to employ North Korean workers, such that any state found dealing with such firms would be severely penalised. Unfortunately, this has no effect on Russian companies selling to the domestic market, or firms doing business with Moscow's friends like Iran and Syria, who are already heavily sanctioned and willing to obfuscate the origin of any services or goods from Russia. Hence, the "export" of North Korean labour to Russia will likely continue.

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