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North Korea and the liberation of Southern Africa, 1960-2020

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MONEY
NATIONALISM AS A BUSINESS MODEL

In 2022, a private university in Zambia's capital, Lusaka, opened a new campus in a bid to keep up with rising student numbers and academic success. The state-of-the-art facilities included student accommodation, sport fields, academic halls, and a library. A year later, an attentive journalist made a surprising discovery while browsing through a recent issue of the propaganda magazine *Foreign Trade of DPR Korea*. It was an advert of a North Korean construction company bearing a photo of a recently completed job: the university library in Zambia.¹⁰⁷³

The university library symbolises the proliferation of smaller art studios and other North Korean companies that succeed in flying under the radar in Africa. The previous chapters of this final part of the book are centred around spectacular memorials that function on the national level. The United Nations now recognises Mansudae Overseas Projects as an instrument in North Korea's economic toolbox. However, there also appears to be a multitude of smaller, generally unknown companies that operate on local or provincial levels in Africa.

This chapter explores the financial dimension of the relationships between African liberation movements and North Korea.¹⁰⁷⁴ The first section describes how African demands for memorialisation have resulted in an attractive market for North Korean art studios. While the introduction of United Nations sanctions has seriously hampered this particular form of trade, African–North Korean ties remain intimate. The second section considers the African continent as a crucial node in the global illicit networks that fill the coffers of the Kim regime. Construction remains an important item in the North Korean portfolio, which is complemented by a host of illegal activities.

Heritage Industry

The march of liberation movements towards the highest echelons of power heralded the start of a new memorial culture in Southern Africa. As the previous chapters have highlighted, the newly elected governments across the region constructed memorial landscapes that foregrounded their own crucial role in the liberation of their nations. In this context, Renzo Baas describes memorialisation as 'a state-sponsored domain, even an industry'.¹⁰⁷⁵ Indeed, African heritage is booming business – and some of the profits flow towards Pyongyang.

The North Korean 'one size fits all model' for nationalist heritage is a lucrative business model. With the collapse of the North Korean economy in the 1990s, a desperate need for hard foreign currency arose. North Korean art studios tapped into profitable markets when they realised that governments in Africa were willing to pay good money for their services. In particular, Mansudae Overseas Projects has had unrivalled access to Southern African liberation movements. In Angola alone, the UN confirmed that, until 2015, MOP had undertaken over 56 different construction projects.¹⁰⁷⁶

A recurring feature of North Korean construction projects is that they tend to cost much more than originally planned. The National Heroes' Acre in Namibia was initially budgeted for N\$34 million but was realised for N\$60 million. In 2006, the entrance fees amounted to N\$64,188 while the upkeep costs N\$500,000 a year. These costs have been described as 'a drain on the National Monuments Council's already meagre finance'. Nevertheless, the Namibian government was prepared to spend considerable sums of money on nationalist heritage. The

¹⁰⁷³ NK News, 24 May 2023.

¹⁰⁷⁴ Parts of this chapter are based on Van der Hoog 2022b.

¹⁰⁷⁵ Baas 2022, p. 64.

¹⁰⁷⁶ UN PoE S/2017/150.

closed tender for the State House, where the Namibian president resides, was estimated at a whopping N\$445 million – and again awarded to MOP.¹⁰⁷⁷

How much money does North Korea earn through its monumental diplomacy in Africa? Unfortunately, the financial dimension of African–North Korean relations is difficult to ascertain. African governments usually award Mansudae projects through closed tender procedures, which makes it impossible to determine a total number. The United Nations noted that the financial activities of North Korea are obscured by ‘a general veil of secrecy’.¹⁰⁷⁸

The introduction of a sanctions regime against North Korea in 2006 did not criminalise construction work. Strictly speaking, the core business of Mansudae Overseas Projects was perhaps controversial but not illegal. However, over the years, it appeared that MOP had not only built civilian monuments, but it had also ventured into military affairs. In Namibia, the art studio worked alongside KOMID, the North Korean arms company that supplied the Namibian Defence Force. The UN scolded MOP for ‘assisting in the evasion of sanctions by providing services and assistance related to the manufacture and maintenance of arms and related material’.¹⁰⁷⁹ In addition to nationalist heritage such as the Independence Memorial Museum, MOP was also responsible for the construction or augmentation of the headquarters of the Ministry of Defence, a military academy, a munitions factory to produce small arms ammunitions, and several military bases.¹⁰⁸⁰

The United Nations Panel of Experts observes that the value of North Korean construction projects appears to be inflated and often takes place through joint ventures, which allows foreign partners to earmark funds for sanction-evading purposes. The Panel stresses that ‘illicit earnings could be remitted in the guise of legitimate payments’.¹⁰⁸¹ In 2015, Mansudae Overseas Projects had withdrawn \$280,000 dollars in cash from a local Namibian bank and instructed its labourers to bring this back to Pyongyang, in increments of \$20,000. The request was filed as ‘travel expenses’.¹⁰⁸² In 2022, A North Korean diplomat smuggled hundreds of thousands of US dollars in cash from Niger to Nigeria, ‘likely utilising diplomatic credentials to avoid scrutiny and baggage inspections’.¹⁰⁸³ North Korea often makes use of bulk cash in order to circumvent the formal financial sector.¹⁰⁸⁴

An important but usually overlooked dimension of North Korean operations in Africa is the labourers. They are vital for the success of heritage construction and other business endeavours. In 2024, the UN reported that 100,000 North Korean nations were working overseas, in approximately 40 countries.¹⁰⁸⁵ Recent research on North Korean labourers in Europe shows that their working conditions amount to modern slavery. They work in dangerous circumstances, cannot move around on their own accord, and have to yield the majority of their salaries to the regime.¹⁰⁸⁶ There are signs that the circumstances in Africa are no different, which would not only violate international sanctions, but also a wide range of (local) labour laws.¹⁰⁸⁷ Forced labour is deployed in both civilian and military projects.¹⁰⁸⁸ The UN estimated that the sanctioning of North Korean overseas workers may cost North Korea ‘up to hundreds

¹⁰⁷⁷ [NAN] AACRLS.023: The Namibian, 5 July 2002; The Namibian, 6 May 2005; The Namibian, 19 October 2006.

¹⁰⁷⁸ UN PoE S/2017/150.

¹⁰⁷⁹ UN PoE S/2017/150.

¹⁰⁸⁰ UN PoE S/2016/156; UN PoE S/2017/150; UN PoE S/2022/132.

¹⁰⁸¹ UN PoE S/2014/147.

¹⁰⁸² UN PoE S/2017/150.

¹⁰⁸³ UN PoE S/2024/215.

¹⁰⁸⁴ UN PoE S/2017/150.

¹⁰⁸⁵ UN PoE S/2024/215.

¹⁰⁸⁶ Breuker and Van Gardingen 2016.

¹⁰⁸⁷ Van der Hoog 2018.

¹⁰⁸⁸ UN PoE S/2017/150.

of millions of dollars', which underlines the importance of labour export as a revenue stream for Pyongyang.¹⁰⁸⁹

However, the financial net around North Korea is tightening. Between 2000–15, Mansudae Overseas Projects won major tenders in Southern Africa, despite North Korea's increasing international isolation. While the original UN sanctions focused on curbing North Korea's arms trade, resolution 2321 (2016) explicitly prohibits member states from procuring North Korean statues.¹⁰⁹⁰ In 2017, the Panel of Experts asserted that Mansudae Overseas Projects had violated the UN resolutions against North Korea and recommended that MOP entities and staff members be designated. The UN Security Council resolution 2397 (2017) obligates member states to repatriate all North Korean overseas working before 22 December 2019.¹⁰⁹¹

The sanctions had an effect. Following international pressure, Namibia announced that it would terminate their contracts with MOP.¹⁰⁹² In 2017, Namibia repatriated 242 North Korean nationals.¹⁰⁹³ All vehicles and equipment of MOP were sold off in a private auction, showing that the UN Security Council measures made it much more difficult for MOP to operate as usual.¹⁰⁹⁴ In 2020, Angola repatriated 296 North Korean nationals following the UN deadline.¹⁰⁹⁵ Across the Southern African region, North Korean projects were forced to a halt. But, as the next part of this chapter shows, there is compelling evidence that trade continues, nonetheless.

Soft Power, Hard Currency

North Korea is a country that has moved beyond decline into despair. The increase of the sanctions regime in recent years has forced Pyongyang to rely increasingly on inventive sources of income. It is saved, in part, by the relations and experience it has amassed in Africa. The North Korean investments made during the African liberation struggles of the twentieth century are now paying off. As such, North Korea is successfully turning historical soft power into modern hard currency.

The library of the University of Lusaka provides a glimpse into the unexplored and myriad ways that North Korea earns money in the construction business in Africa. The library, Ifang Bremer reported for *NK News*, is designed by Moksong Overseas Construction & Economic Technology Cooperation Company. In *Foreign Trade of DPR Korea*, the company boasts to have 'agencies in several countries' to execute 'new architectural formation plans, construction methods and labour assistance' on a 'world level'.¹⁰⁹⁶ The name of Mansudae Overseas Projects is splashed across UN resolutions and global news reports. Until Bremer's discovery, few people outside of North Korea had heard of Moksong.

In 2020–21, the investigative collective The Sentry exposed the extensive reach of Korea Paekho Trading Corporation in the Democratic Republic of Congo and other African countries. Paekho is a North Korean art studio that has constructed several public works for local governments in Congo, such as roundabouts and fountains. The North Korean managers carried governmental passports and had adapted well to local circumstances: they were fluent in French and enjoyed access to local authorities. However, official Congolese documents

¹⁰⁸⁹ UN PoE S/2020/151.

¹⁰⁹⁰ UN resolution 3231 (2016), in particular article 29.

¹⁰⁹¹ NK News, 22 December 2019.

¹⁰⁹² UN PoE S/2017/150.

¹⁰⁹³ UN PoE S/2018/171.

¹⁰⁹⁴ UN PoE S/2019/171.

¹⁰⁹⁵ NK News, 5 August 2020.

¹⁰⁹⁶ NK News, 24 May 2023.

recorded their nationalities ambiguously as ‘Korean’ while local news reports depicted them as South Korean.¹⁰⁹⁷ This confusion worked to their advantage.

Following reporting from *The Sentry*, Paekho was designated by the United Nations. Nevertheless, the use of shell companies and different names makes it difficult to put a halt to companies such as Paekho.¹⁰⁹⁸ North Korea exploits legitimate business structures to conceal illegal activities, using ‘aliases, agents, offices and complicit companies based in multiple jurisdictions in ways that follow global trading patterns’.¹⁰⁹⁹ North Korean companies exploit the time periods between Security Council designations and member state implementation ‘by changing names, directors and addresses’, which makes it difficult to track them.¹¹⁰⁰

The construction projects that are executed by Moksong and Paekho are much smaller than the grand memorial sites of Mansudae Overseas Projects. However, the combined sum of all these smaller projects is likely to be a significant number. This makes it an important lifeline of the North Korean regime.

I argue that contemporary North Korean criminal networks in Africa build upon decades of diplomatic experience.¹¹⁰¹ During the twentieth century, embassies formed the basis of North Korea’s diplomatic charm offensive (described in the first part of this book, ‘Blood’) and military cooperation (described in the second part of this book, ‘Bullets’) in Africa. The end of the Cold War and subsequent collapse of the North Korean economy transformed this diplomatic system from money-spending to money-earning entities. This network now constitutes the backbone of a sprawling web of corruption.

North Korea is not a truly socialist state, despite mainstream scholars and commentators depicting it as such. It is a kingdom first and a capitalist enterprise second.¹¹⁰² Today, as mentioned in Chapter 10, North Korean embassies operate as a decentralised system that seeks to earn money whenever the opportunity arises.¹¹⁰³ They are money-spinners, as ambassadors are required to generate a certain amount of money each year.¹¹⁰⁴ This is not just an African phenomenon but occurs around the world: the North Korean embassy in Germany partly operated as a city hostel; the North Korean embassy in Bulgaria could be rented for weddings; the North Korean embassy in Pakistan turned out to be a bootlegging operation where thousands of bottles of Johnnie Walker Black Label were stashed.¹¹⁰⁵

In Africa, the construction work of Moksong and Paekho is probably only the tip of the iceberg: evidence suggests that North Korean diplomatic staff are involved in a shadowy world of running illicit schemes. Cigarettes, counterfeiting dollars, producing top-notch crystal meth: the North Koreans build upon years of experience in Africa.¹¹⁰⁶ As early as 1976, two North Korean diplomats were caught with 400 kilos of hashish in Egypt.¹¹⁰⁷ In 1989, the British foreign office reported a rhino horn smuggling ring in the North Korean embassy in Zambia, when ‘a plastic horn was found flung out of one of the embassy windows’ by an enraged North Korean diplomat who discovered that ‘the embassy had been sold a fake’.¹¹⁰⁸ A report from 2000 estimated that, in the past decade, ‘North Korean diplomats were the biggest buyer of

¹⁰⁹⁷ *The Sentry* 2020; *The Sentry* 2021.

¹⁰⁹⁸ UN PoE S/2021/211.

¹⁰⁹⁹ UN PoE S/2015/131.

¹¹⁰⁰ UN PoE S/2017/150.

¹¹⁰¹ Rademeyer 2017.

¹¹⁰² Breuker 2018.

¹¹⁰³ Salisbury 2021, p. 313-330.

¹¹⁰⁴ Interview with an anonymous North Korean diplomat, Seoul, 19 July 2021.

¹¹⁰⁵ *New York Times*, 7 October 2017; Reuters, 8 November 2017; Reuters, 28 January 2020; see also UN PoE S/2018/171, especially p. 75-77.

¹¹⁰⁶ Chestnut 2007; Rademeyer 2017.

¹¹⁰⁷ [SADIRCO] 1.191.1.

¹¹⁰⁸ [NAUK] FCO 21/412: Smith to Broomfield, 11 December 1989.

African ivory’ in the world.¹¹⁰⁹ In 2015, a North Korean diplomat and a taekwondo master were arrested in Mozambique while possessing \$99,300 in cash and 4.5 kg of rhino horn.¹¹¹⁰ In 2022, a North Korean diplomat in South Africa attempted to traffic rhino horn with a staggering worth of \$65 million. The UN Panel of Experts reported that between 2022-2023 North Koreans were involved in the smuggling of rhino horns and elephant tusks ‘from Botswana to Mozambique, via South Africa and Zimbabwe and involving Malawi citizens’. These operations reveal the existence of complex regional trading networks. All involved countries either replied to the UN that they did not possess relevant information about these activities, or failed to reply at all.¹¹¹¹

Conclusion

Postcolonial African governments offer North Korea political support and sources of income beyond the reach of the United Nations sanctions regime. The role of North Korea on the world stage is poorly explained, as it is usually overlooked that the survival of the ‘hermit kingdom’ is partly dependent on the support of African states. Through historical relationships, maintenance dependency, and weak enforcement (as discussed in Chapter 10), various forms of illicit trade continue to thrive between the African continent and North Korea. Pyongyang’s status as a rogue pariah state is not widely recognised beyond the Western liberal world order.

However, the sanctions from the United Nations do impact African–North Korean relations. The introduction of new punitive measures and the tightening ones pushes North Korea into a different *modus operandi*. The grand, eye-catching heritage projects that were the focus of the previous chapters constitute but one area of African–North Korean ties. Naturally, on account of its visibility, such projects receive most attention in popular and academic analysis. This chapter, in contrast, argues that there is presumably a much larger undercurrent of smaller projects of North Korean operations in Africa that escape our attention.

With the UN sanctions system in place, illegal forms of cooperation are most likely the model for the immediate future of the African–North Korean alliance. To unearth this world of underground activities, more work and improved research methodologies are necessary. The UN is primarily targeting the supply side of this relationship, but, as Andrea Berger argues, North Korea ‘is largely immune to external influence’.¹¹¹² I suggest that it is imperative to analyse the demand side by concentrating on African agency.¹¹¹³ As such, this book has attempted to provide the historical contextualisation necessary to understand not only how, but *why* this form of cooperation has survived the Cold War and extends into the present.

¹¹⁰⁹ [SNU] Vantage Point, Vol. 23, No. 5, May 2000; Chestnut 2007, p. 80-111.

¹¹¹⁰ Rademeyer 2016, p. 23-27.

¹¹¹¹ UN PoE S/2024/215.

¹¹¹² Berger 2016a.

¹¹¹³ See also Van der Hoog 2022b, p. 7-8.