

The Currency of Freedom

Cryptocurrency as Infrastructure for North Korean Defectors

Executive Summary

This report examines how cryptocurrency can be leveraged to advance financial freedom for North Korean defectors, including those who have already escaped the country, and those still inside it who may intend to. The analysis is grounded in case studies I've helped conduct on cryptocurrency adoption by civilians in five other authoritarian contexts (Venezuela, Nicaragua, Rwanda, Myanmar, and Russia), and applies their lessons to the specific conditions facing North Koreans.

Three major findings stand out. First, the lessons from cryptocurrency adoption in other authoritarian contexts (as in Myanmar, Venezuela, and Nicaragua) do not transfer cleanly to the case of North Korea. Venezuelans turned to crypto because they had subsidized electricity, smartphones, and a baseline of internet access. Myanmar's National Unity Government launched its parallel currency because it had a functioning shadow administration with diaspora reach. North Korea has none of these. The country's intranet, Kwangmyong, is sealed off from the global internet; the surveillance app of the same name is now mandatory on legal smartphones and reports usage in real time^[1]; and possession of foreign media — including a cryptocurrency wallet — is punishable by long sentences of reform through labor, or even execution^[2]. Inside-country adoption is a long-horizon goal that depends on prior gains in information freedom, not a near-term policy lever.

This leads to the second takeaway: the most acute crypto opportunity for North Korean defectors is not inside North Korea, where access is blocked by surveillance, but in the remittance corridor running from South Korea, through China, to families still inside the country. Defectors sending remittances through the traditional banking system lose a significant portion of every dollar they send home to broker commissions, with the figure climbing during periods of border tightening^[3]. Alternatively, stablecoin remittances such as Tether (USDT), can move money internationally at much lesser fees, and could significantly minimize the losses from standard international transaction fees if implemented in existing on-the-ground broker networks^[4].

Finally, cryptocurrency should not be distributed without cryptocurrency education. The same features that make Bitcoin and stablecoins valuable for defectors — self-custody, irreversible transactions, and independence from banks — also make them unforgiving to users unfamiliar with how they work. Cryptocurrency scams targeting North Korean defectors in South Korea illustrate how financial precarity, limited exposure to market economies, and reliance on community trust can be exploited by bad actors. Experiences from other crypto proponents and democracy advocates suggest that education is not a secondary consideration but a prerequisite

for adoption. Any effort to introduce cryptocurrency to the North Korean defector community should therefore be paired with practical training on wallet security, common fraud schemes, and responsible self-custody, ensuring that greater financial freedom does not come at the cost of greater financial vulnerability.

Ultimately, this report recommends a tiered strategy for harnessing cryptocurrency as a tool to help North Korean defectors and their families. In the near term, defector-led organizations and their supporters should qualify the stablecoin remittance corridor, train defectors in self-custodial wallet practices, and treat cryptocurrency as an operational infrastructure for the defector advocacy ecosystem itself. In the medium term, microSD cards and USB drives smuggled through the existing Flash Drives for Freedom pipeline should include offline wallet software and a basic Korean-language cryptocurrency primer. In the long term, as information penetration into North Korea continues to widen the cracks Kim Jong-un's Reactionary Ideology and Culture Rejection Law has tried to seal, in-country cryptocurrency adoption may follow^[5].

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I. Introduction

Authoritarian regimes strive to control citizens' money; what sets North Korea apart is the totality of that effort. In Venezuela, citizens lost faith in the bolivar and turned to Bitcoin partly because electricity was nearly free and partly because the state, while repressive, has not yet achieved the technological reach to stop them. In Russia, opposition figures like Anna Chekhovich at the Anti-Corruption Foundation have been pursued by a determined surveillance state, but Russia has up to twenty million citizens estimated to have utilized crypto at some point, with that number growing through existing covert infrastructure^[6]. In Myanmar, the National Unity Government in exile launched its own digital currency on a public blockchain and saw trillions of kyat flow through it within less than two years of launch^[7].

North Korea is different. The Democratic People's Republic of Korea operates a sealed intranet called Kwangmyong with no connection to the global internet for ordinary citizens^[8]. A separate Kwangmyong app, mandatory since 2022 on legal smartphones, allows the Ministry of State Security to monitor user location and activity in real time^[1]. Every legal smartphone in the country runs a system that watermarks files, scans for unauthorized media, and reports suspicious activity to administrators. The Law on Rejecting Reactionary Ideology and Culture, passed in 2020 and amended in 2022, calls for ten or more years of reform through labor for citizens caught viewing, distributing, or sharing South Korean dramas, music, or films, with public executions confirmed by South Korea's Ministry of Unification for offenses as small as listening to South Korean songs^[2].

It is unrealistic to expect that North Koreans inside the country can begin using Bitcoin tomorrow; however, there is an opportunity for cryptocurrency to meaningfully expand financial freedom for the roughly 35,000 North Korean escapees who have made it to South Korea since the late 1990s^[9], the thousands of defectors still hiding in China^[10], and the family members still inside North Korea who depend on remittances from the outside.

Cryptocurrency can do three things for the North Korean defector ecosystem that other tools cannot: it can dramatically reduce the cost of getting money to families inside North Korea by displacing the broker fees that consume substantial chunks of every remittance; it can give advocacy organizations a way to receive international donations, pay sources, and operate independently of government-run banks that are increasingly cooperative with law enforcement on cross-border transactions; and it can give individual defectors, particularly those still in transit through China, a way to carry value across borders that cannot be confiscated at a checkpoint, frozen by a bank, or stolen by a broker.

None of these claims is original. They are conclusions that activists, defectors, and institutions have reached separately as cryptocurrency has gained prevalence around the world. This report is intended to translate those lessons into a North Korea-specific application, with attention to the technical, legal, and security constraints that make North Korea's case unique from any other.

II. Financial Landscape of North Korea

Understanding how cryptocurrency might serve North Koreans first requires understanding North Korea's financial system. The North Korean won (KPW) is extremely volatile, trading on the unofficial market at roughly 60,000 KPW to 1 USD as of July 2026^[11], though the official rate is listed as 110 KPW to 1 USD^[12]. This is not the result of a single policy failure; it is the result of several decades of central planning, an escalating crisis since the Soviet Union's collapse cut off subsidies in 1991, and a series of government actions that have repeatedly destroyed citizens' savings.

The 2009 Currency Reform and the Memory of Confiscation

Arguably most consequential of those actions was the November 30, 2009 currency reform. Without warning, the regime announced that all North Korean won would be exchanged at one hundred old won to one new won, and that each household could exchange a maximum of one hundred thousand old won^[13]. After public protests, the limit was raised to one hundred fifty thousand won in cash and three hundred thousand won in bank deposits, but anything above those limits became worthless^[14].

The 2009 reform was a deliberate wealth crackdown aimed at the small business operators who comprised the *jangmadang* (black-market) economy that grew during the famine years of the 1990s. Consequent to the currency reform, the black-market value of the new won depreciated over 80% against the U.S. dollar in 2010, and the price of rice doubled^[15]. Analysts later concluded that monthly inflation exceeded 50%, the technical definition of hyperinflation^[15]. The effect was not only the immediate economic damage but the destruction of public trust in the won. North Koreans who had been quietly accumulating local currency learned that the state could vaporize their savings at any moment, for any reason. One resident of Sinuiju was quoted saying, "I worked like a dog for two months for the winter, but the money became useless paper overnight"^[14].

Spontaneous Dollarization and Yuanization

What followed the 2009 currency reform was one of the most dramatic episodes of spontaneous currency substitution recorded anywhere. Surveys of North Korean defectors found that the share of *jangmadang* transactions conducted in domestic currency fell dramatically from 2008 to 2013, with the Chinese yuan rising correspondingly^[15]. By more recent estimates, roughly fifty-three percent of ordinary North Koreans rely on Chinese yuan in lieu of local currency for daily economic activities^[16]. In markets along the Chinese border, approximately eighty percent of transactions are conducted in yuan; in markets farther from the border, half are conducted in U.S. dollars^[15].

This pattern matters for cryptocurrency analysis because it tells us that North Koreans are not ideologically committed to the won. In the past, with access to a more stable currency alternative, North Koreans have adopted it at extraordinary speed and scale, despite formal criminalization of foreign currency use. The same instinct that drove the dollarization of other foreign markets, such as Venezuela — namely the desire to preserve value across time in something the state cannot devalue at will — is alive in North Korea. The question for cryptocurrency is whether it can offer a similar combination of stability, portability, and resistance to state seizure that a Chinese yuan note offers North Koreans today.

(Lack of) Banking in North Korea

North Korea's banking system is not a banking system in any sense recognizable to outside observers. As Kim Ui-jin, a defector interviewed by the Korea Herald, recounted of his 2006 arrival in South Korea, he had “never been to a bank or engaged in any kind of financial investment” before he crossed the border^[17]. Under Kim Jong-un, the regime has tried to push citizens to register savings products with new commercial banks, but North Korean defector testimony alleges that ordinary people do not trust these institutions because their assets could be revealed to the government and confiscated. In practice, banking for ordinary North Koreans means private moneylenders working out of *jangmadang* stalls, in-kind hoarding (rice, gold, foreign currency), and informal credit networks.

This baseline matters because it inverts the usual challenge of cryptocurrency adoption. In countries with strong banking systems, crypto offers a worse user experience than what people already have, and adoption depends on niche use cases like international transfers or sanctioned political donations. In North Korea, by contrast, the traditional banking system is not the standard, and crypto is an alternative to concealing foreign currency. Crypto is arguably favorable in some respects (crypto cannot be physically searched and seized, can be sent across borders in seconds) and unfavorable in others (it requires a smartphone, an internet connection, and technical literacy that North Koreans do not have widespread access to).

III. The Audience for Cryptocurrency

The cryptocurrency strategy proposed in this report is built around a population that exists in three distinct legal and physical situations. Each population has different needs, different access to technology, and different relationships to risk.

Defectors in South Korea

Over 34,000 North Koreans have defected to South Korea since the Ministry of Unification began counting in 1998^[9]. The annual flow once peaked at nearly 3,000 in 2009 and stayed above 1,000 per year through 2019. Then, North Korea sealed its borders for COVID-19 and the

numbers collapsed significantly. In 2021, only 63 defectors arrived in South Korea. The number has slowly recovered to 196 in 2023, 236 in 2024, and 224 in 2025, but this remains roughly one-fifth of pre-pandemic levels^[18]. The bottleneck is not just the inner North Korean border but China, which has hardened its surveillance, deployed AI-enabled checkpoint systems that defectors must pass through, and forcibly repatriated at least 406 North Koreans since 2024^[19], totaling 1,076 known returns since 2020 as of October 2025.

Defectors who reach South Korea spend twelve weeks at Hanawon, a resettlement center under the Ministry of Unification, where they receive training on basic life in a capitalist society: how to use an ATM, how to take the subway, how to open a bank account, how to use a mobile phone^[20]. They emerge with a resettlement stipend, approximately eight million won (roughly \$7,000 USD), housing support, and South Korean citizenship. They then face years of adjustment in a society where unemployment among defectors is roughly double the national average and where roughly six percent are unemployed by official figures, though true figures may reflect much higher rates of unemployment^[21].

It is from this population — financially precarious but legally settled — that the bulk of cryptocurrency users would have to come. South Korea has five heavily regulated crypto exchanges: Upbit, Bithumb, Coinone, Korbit, and Gopax. These represent the only five exchanges that survived the 2021 ISMS certification and real-name banking requirements^[22]. While some defectors already take advantage of these exchanges, others have been taken advantage of through them; in other words, defectors have been victimized in crypto scams targeting their community. One instance of this is a 2025 case in which a former North Korean soldier resettled in South Korea was investigated for leading a roughly one billion won (\$728,000 USD) crypto fraud that targeted twenty other investors, two of which were fellow defectors^[23]. It is important that any defector taught to use cryptocurrency is also educated on the risks of such use and how to mitigate them.

Defectors and Refugees in China

The second population is the most legally precarious. Estimates of North Koreans living undocumented in China have varied widely over the years, with figures from various NGOs ranging into the hundreds of thousands. A 2009 global refugee survey identified 11,000 North Korean refugees hiding in China near the border alone^[24]. The Chinese government categorizes them as illegal economic migrants and routinely repatriates them despite the 1951 Refugee Convention to which it is a party^[25].

Women make up the majority of this population. They are also the most vulnerable. According to Liberty in North Korea and the activist and defector Yeonmi Park, North Korean women who cross into China are routinely sold as brides or trafficked into the commercial sex industry^{[26][27]}. Their children, fathered by Chinese men, are unregistered and stateless, with estimates of up to 300,000 North Korean women in China and up to one million unregistered children. Park has described how underground Christian church groups in China are already using Bitcoin to

provide financial assistance to these mothers and children, both to support them in place and to fund their further escape^[27].

It is in this population that the case for cryptocurrency as a survival tool is most acute. A woman trafficked into a rural Chinese village has no bank account, no legal identity, and no way to receive money from her family or from international aid networks except through brokers who take large cuts and who may turn her in for the Chinese government's reward. A self-custodial Bitcoin or USDT wallet on a smuggled smartphone, by contrast, cannot be confiscated at a checkpoint and can receive value from anywhere in the world in minutes.

Family Members Still Inside North Korea

The third population is the largest and the hardest to reach. Roughly 72% of the 34,000 defectors in South Korea are women, and many have left family members behind in North Korea^[28]. For years, the principal economic relationship between the two halves of this diaspora has been remittances. South Korean government figures and NGO estimates suggest that the majority of South Korea-based defectors send money home, with the actual figure likely higher^[29].

These family members inside North Korea cannot be reached directly with cryptocurrency in any near-term sense. They do not have global internet access, and their phones — if they have legal Pyongyang-issued ones — are monitored by the Kwangmyong app^[1]. A small number, mostly in border provinces like Ryanggang and North Hamgyong, can use smuggled Chinese phones to connect to Chinese cell towers, but the regime deploys radio direction finders to triangulate illegal signals and sentences offenders to years of reform through labor, with periodic crackdowns confiscating the phones and prosecuting brokers^{[30][31]}. The realistic cryptocurrency strategy for this population is indirect: lower the cost of getting fiat money to them by displacing broker commissions with stablecoin transfers, as opposed to putting crypto in their own hands and exposing them to serious risk inside the country.

IV. The Existing Remittance Corridor

The current cross-border remittance system that defectors use to send money home is, in effect, a well-functioning piece of financial technology, except that it loses thirty to seventy percent of every transaction to friction. Understanding how it works is essential to understanding what cryptocurrency could displace.

The system relies on two layers of brokers. In South Korea, a defector contacts a broker, typically another defector who has built relationships across the Sino-North Korean border. The South Korean broker takes the defector's South Korean won, converts them to Chinese yuan or U.S. dollars, and wires the money to a Chinese bank account controlled by a counterpart broker in China. The Chinese broker then contacts a phone broker in North Korea, typically operating

with a smuggled Chinese cellphone in a city like Hyesan or Sinuiju within range of Chinese mobile towers. The phone broker arranges an illicit call between the defector and the family member, often by traveling to a remote location with the family member and lending them the phone. The Chinese broker then delivers the cash, sometimes by paying the North Korean broker in his or her own funds first and settling the account later through cross-border trade, and sometimes by physically smuggling the cash across the river ^[32], ^[33].

The whole chain is illegal in North Korea, narrowly allowed under U.N. sanctions, and operates in a gray zone in China. The commissions reflect the risk. Pre-pandemic, brokers typically charged about 30% of the transferred amount^[33]. After COVID-19, when North Korea closed its borders entirely and China stepped up surveillance, commissions doubled. A Reuters reporting series and Daily NK have repeatedly documented post-pandemic commission rates of 50%, with some defectors reporting brokers charging up to 70%. As one defector summarized, “The money I send to North Korea has basically been cut in half”^[34].

In a country where being caught can mean a sentence to a political prison camp, the brokers’ risk premium is, in a grim sense, understandable. Still, Hong-Sik Hwang, a Seoul-based defector, estimated in 2025 that just \$1,440 to \$2,160 could feed a family of four for a year inside North Korea, making each percentage point of broker commission a meaningful loss in terms of food, medicine, and survival^[3].

It is here that cryptocurrency offers its most concrete and immediate value proposition. The first two legs of this transfer chain (defector in South Korea to broker in South Korea, broker in South Korea to broker in China) involve internationally connected actors, real bank accounts, smartphones, and full internet access. These legs are already digital, in the sense that money moves through Korean and Chinese banks, but they are constrained by the existing correspondent banking infrastructure: SWIFT fees, foreign exchange spreads, government scrutiny, and banks’ international sanctions enforcement. Replacing the traditional infrastructure with stablecoin transfers (defector to defector-controlled USDT wallet, then USDT to broker’s Tron address in China, for instance) can cost less than a dollar flat-rate per transfer, with transactions being finalized in seconds^[4], ^[35]. The final leg — the Chinese broker delivering cash inside North Korea — must remain physical for the foreseeable future. But removing the international banking layer can collapse a meaningful share of the commission fee loss.

V. Lessons from Other Authoritarian Contexts

Cryptocurrency has been adopted by individuals and movements in repressive societies in patterns that vary based on local conditions. The five case studies below, drawn from the country reports prepared by the Democratic Futures Project at the University of Virginia, illustrate the range of these patterns and what each can teach the North Korean case.

A. Venezuela: Crypto as a Hedge Against Hyperinflation

Venezuela's experience is the cleanest example of grassroots cryptocurrency adoption driven by failed state monetary policy. After oil prices collapsed in 2014, Nicolas Maduro's regime engineered a multi-tiered exchange rate system that benefited political allies and the military, leading the working-class to hastily trade their bolivares for the U.S. dollar as the bolivar experienced severe hyperinflation^[36]. Hoarding cash was made impossible; what Venezuelans had, however, was low-cost electricity, which made Bitcoin mining locally profitable, and a high enough baseline of smartphone penetration and internet access to allow ordinary peer-to-peer transactions^[37].

From 2015 onward, cryptocurrency adoption climbed steadily, with usage increasing 110% between June 2023 and June 2024 alone^[38]. Bitcoin became a day-to-day transactional tool and preferred method of payment, as it was more stable than the bolivar. The government, while officially hostile, initially tolerated the practice until a 2024 ban triggered by overstressed electrical grids^[37].

In the case of North Korea, the case of Venezuela mainly teaches cautions. Venezuela had the three preconditions that allowed adoption to bloom: cheap energy for mining, smartphone access for citizens, and a baseline of internet access. North Korea has none of these for ordinary citizens. The Venezuelan case shows what happens when access is possible, but it does not solve the problem of getting access in the first place.

B. Nicaragua: Crypto to Avoid Government Interference

Nicaragua's case is the most directly transferable to the North Korean defector context. Daniel Ortega's regime, having consolidated power since 2007, perfected a system of state control that includes surveillance and violation of banking privacy, charges of financial crimes as a tool against dissent, confiscation of physical assets, and manipulation of national and international financial institutions to choke off opposition funding^[39].

Félix Maradiaga, the former secretary general of Nicaragua's Ministry of Defense and political exilee from Nicaragua, channeled the power of Bitcoin to circumvent the Ortega regime after facing political persecution. In 2018, Maradiaga gathered a team to write reports documenting the events of the regime's crackdown on protestors. He tried to pay them through grants from European foundations, the UN, and U.S.-based organizations, but the regime accessed the banking records of these payments and froze the funds. After facing prison, deportation, and exile, Maradiaga and his wife, Berta Valle, turned to Bitcoin as a lifeline. Working with the Human Rights Foundation, they have used Bitcoin to support deported political prisoners (most notably the 125 prisoners Ortega expelled to Guatemala in September 2024, who were stranded without resources when U.S. aid was cut), to fund Valle's foundation's work, and to train other activists in Cuba, Cambodia, and across Central America in Bitcoin's basic uses^[40].

The North Korean parallel is direct. South Korea-based defector organizations face many of the same risks Maradiaga's organization did, though the South Korean state is dramatically more friendly than the Ortega regime. Defector organizations need to send money to sources inside North Korea and to brokers in China, they receive donations from international foundations whose transfers may be scrutinized by anti-money laundering controllers, and they cannot always rely on a banking system that is subject to the political pressures that surround discussions about North Korea. Cryptocurrency, especially used in the way the Human Rights Foundation has demonstrated in Central America, offers a tool that lets these organizations operate more financial sovereignty.

C. Rwanda: Circumventing Surveillance and the Importance of Education

Rwanda under Paul Kagame is a closer mechanical parallel to North Korea. Kagame's regime requires many businesses to share profits with the government; refusal can trigger asset freezes, shutdown of bank accounts, and loss of access to banking^[41]. The bank itself functions as an extension of the surveillance state, requiring Rwandan citizens to disclose personal information that allows the government to track how and where they spend money^[42]. Spending habits that do not align with the regime's preferences can trigger designation as a terrorist^[43].

Activists in the Rwandan diaspora, most prominently Anaïse Kanimba (daughter of Paul Rusesabagina of Hotel Rwanda), are founding networks such as the African Bitcoin Institute to document and teach how Bitcoin can serve as a freedom coin. Their argument is that activists' ability to organize, receive documents, pay for legal defense, and sustain communities depends on financial sovereignty that the banking system actively withholds^[44]. The model emphasizes Bitcoin's role as both a means of payment and a means of cross-border value transfer for displaced communities.

Three lessons from Rwanda transfer to North Korea. First, the work of cryptocurrency dissemination happens in exile, not inside the country. Inside Rwanda, even discussing politics in public or private is unsafe; thus, activism moves abroad out of necessity^[45]. Second, education comes first. As Kanimba's institute emphasizes, Bitcoin is still in its early stages even in Rwanda, where there is a strong tech sector; uptake is limited by trust, by fear of scams, and by the regime's deliberate fear-mongering against cryptocurrencies^[46]. The same is true for the North Korean diaspora in South Korea. Third, even small mining or transactional use of Bitcoin can generate sustainable financial support for displaced communities. This is a model worth examining for the South Korea-based defector economy.

D. Myanmar: Lessons on Stablecoins

Myanmar's case is a widescale application of turning to cryptocurrency for political resistance. After the February 2021 military coup, the National Unity Government (NUG), formed by

ousted lawmakers in exile, made three sequential moves that have no precedent. In December 2021, it officially recognized Tether (USDT), the dollar-pegged stablecoin, as legal tender for Myanmar, in open defiance of the junta and the Central Bank of Myanmar^[47]. In 2022, it launched its own blockchain-based currency, the Digital Myanmar Kyat (DMMK), pegged one-to-one to the fiat kyat but operated through a mobile wallet app called NUGPay. Additionally, the NUG established the online Spring Development Bank to leverage these digital currencies as a parallel financial system for the democratic movement^[48].

Within a year, the NUG reported that more than three hundred billion kyat (nearly one hundred fifty million U.S. dollars) had flowed through the platform. By late 2023, cumulative transaction volume had doubled to roughly three hundred million dollars. Users included anti-junta militias, civil servants who quit their government jobs in protest and now relied on NUG support, ordinary villagers in resistance-held areas, and even some urban merchants in junta-controlled cities^[48]. During the March 2025 7.7-magnitude earthquake in central Myanmar, blockchain analytics firm Elliptic documented NUG-linked digital currency channels facilitating earthquake aid where trust in official channels had collapsed^[49].

It is important to note that the Myanmar case depends on conditions North Korea does not have. The NUG is recognized as the legitimate government by a meaningful share of Burmese citizens, has territorial control through allied resistance forces in parts of the country, and has a large diaspora with banking access in Western countries. North Koreans have none of this. There is no equivalent of the NUG, no recognized government in exile with mass support inside the country, no territory under non-regime control, and no diaspora large enough or wealthy enough to anchor a parallel currency.

What does transfer, however, is the demonstration that stablecoin infrastructure works at scale in a hostile environment. The NUG's adoption of Tether specifically (rather than Bitcoin) was driven by the need for stability in a hyperinflationary environment, the same need that drives others to USDT today in other countries. This points strongly toward stablecoins as the asset class of first resort for the North Korean defector remittance use case.

E. Russia: Financial Autonomy through Crypto

The Russian case offers the most developed playbook for how a single opposition organization can use Bitcoin to sustain operations under sanctions and surveillance. Anna Chekhovich, financial director of the Alexei Navalny–founded Anti-Corruption Foundation (ACF), began using Bitcoin in 2016 after the regime froze bank accounts, threatened contractors, and made traditional banking routes unworkable^[50]. By 2022, after Western payment networks (Visa, Mastercard, PayPal) withdrew from Russia in response to the invasion of Ukraine^[51], the ACF model had become not just operational sovereignty for one organization but a template that the Human Rights Foundation, Amnesty International, and the National Endowment for Democracy have all participated in teaching to other activist groups.

The ACF's approach combines several practices that translate directly to the North Korean defector context^[52]. First, conversion of fiat reserves to Bitcoin for self-custodial storage, removing the option of state confiscation. Second, peer-to-peer transfers for international donations, rather than centralized exchanges. Third, use of the Lightning Network, the second-layer Bitcoin protocol that enables sub-cent fee microtransactions, to receive small donations that would otherwise be eaten by transaction fees. Fourth, and most important in relation to North Korea, a structured Bitcoin education program: simplified three-day webinars for beginners, distinguishing between self-custodial and custodial wallets, teaching seed phrase management, and emphasizing security and privacy practice^[53].

Chekhovich has emphasized in interviews, “When there is a tool that grants freedom from the oppressive state, it empowers people.” She also explains that beyond financial utility, Bitcoin cultivates new habits of autonomy in a population conditioned to depend on the state and fear dissent^[54]. This mirrors the cultural problem that defectors describe in their early years in South Korea: trained by decades in North Korea to defer to the state, they emerge into a market economy without the habit of financial independence, and they fall victim to scams that exploit their trust, including the 2025 case in which one former North Korean soldier defrauded twenty fellow defectors and South Koreans of nearly one billion KRW in a fake crypto investment scheme^[23]. The ACF's emphasis on financial autonomy as a habit speaks directly to that gap.

VI. Practical Use Cases for North Korean Defectors

Synthesizing the lessons above, four practical applications stand out for the North Korean defector context. They are ordered from most to least immediately feasible.

Use Case 1: Stablecoin-Based Remittances

The single highest-leverage application is replacing the South Korea-to-China banking leg of the existing remittance chain with stablecoin transfers. A defector in South Korea acquires USDT through Upbit, Bithumb, or one of the other licensed exchanges, transfers it to a self-custodial wallet, and sends it to the broker's USDT address (typically on the Tron network for lowest fees) in China. The Chinese broker converts the USDT to yuan through peer-to-peer markets and arranges the final cash delivery to the family inside North Korea as before.

The economics are straightforward. A SWIFT transfer of, say, five hundred dollars from Korea to China costs roughly thirty to fifty dollars in fees and foreign-exchange spread, plus the broker's risk premium of thirty to fifty percent. A USDT-TRC20 transfer of the same amount costs roughly one to four dollars in network fees^[4], ^[35]. If the brokers on each end accept stablecoins — which the Chinese P2P market increasingly does — the savings flow directly to the family inside North Korea in the form of more food, medicine, or supplies for the winter.

This use case does not require any change in the North Korean broker network on the ground. It modifies only the leg between South Korea and China. It can be piloted in the near future by defector organizations willing to train a handful of defectors and identify cooperative China-based brokers. It is the use case where cryptocurrency offers the most immediate, measurable improvement in the lives of North Koreans inside the country, without requiring those North Koreans to touch cryptocurrency themselves.

Use Case 2: Operational Infrastructure for Organizations

Following the model pioneered by the Anti-Corruption Foundation, Human Rights Foundation, and the World Liberty Congress, defector-led organizations in South Korea can adopt cryptocurrency as core operational infrastructure. The Human Rights Foundation's Bitcoin Education program already runs three-day webinars for nonprofits and human rights defenders on exactly this application^[53]. The program teaches how to receive donations in Bitcoin and stablecoins, how to manage self-custodial wallets safely, and how to integrate crypto into payroll, contractor payments, and travel funding.

The case for North Korean defector organizations using cryptocurrency is feasible because the South Korean state is not the threat; the threat is the slow encroachment of financial-surveillance norms (AML reporting, real-name banking, scrutiny of cross-border flows) that affects all activist organizations operating in regulated banking systems, plus the practical difficulty of using South Korean banks to support contacts in countries that are subject to sanctions. An NGO that can receive donations in Bitcoin and Tether, pay contractors in stablecoins, and route cross-border support through self-custodial wallets has substantially more operational latitude than one tied to traditional rails. This is not about evading legitimate compliance; it is about reducing operational friction for an organization whose work happens to span jurisdictions that traditional finance handles badly.

Use Case 3: Self-Custodial Crypto Wallets

A self-custodial crypto wallet is valuable because it can be carried across borders — hidden in one's mind through a memorized seed phrase — compared to physical assets that can be searched and confiscated. This is most helpful for defectors in transit. The escape route from China through Thailand, Myanmar, Laos, Vietnam, or Mongolia to South Korea is estimated to cost at least \$6,000 USD in broker fees, and defectors in transit cannot safely carry that much cash^[55]. Many are trafficked, robbed, or extorted along the way.

A North Korean refugee who has spent time in China and accumulated savings (formally or informally) could, in principle, hold those savings in Bitcoin or USDT on a self-custodial wallet and memorize its seed phrase. Even if their phone is taken, their money survives as long as they possess the seed phrase. When the defector arrives in South Korea or in a safe house in Asia,

they can restore the wallet from the seed phrase and convert it back to fiat. This method of saving is known as self-custody^[56].

Use Case 4: Inside-Country Adoption (Long-Term Outlook)

The Venezuelan, Myanmar, and Russian patterns of ordinary citizens using crypto for daily transactions and savings have, at present, no realistic application inside North Korea. The barriers (no global internet, mandatory surveillance app, sealed national intranet, mandatory state-issued operating system, criminal penalties for possession of foreign media) are too high. Any inside-country crypto activity is likely restricted to a small number of elites with international internet access, and these elites are by definition either complicit in the regime or under close enough watch that crypto adoption is high-risk.

This does not mean inside-country adoption is permanently impossible. The patterns of foreign-media penetration — such as that documented by Flash Drives for Freedom — and defector-led broadcasting suggest that the regime’s information seal is slowly cracking. The same generational shift in which roughly six million North Koreans now have mobile phones, in which *jangmadang* markets have made foreign goods routine, and in which surveys of recent defectors find that the great majority have watched foreign films or TV shows, may eventually create conditions in which cryptocurrency literacy can spread^[57]. But this is a goal that will likely have to be measured in years. In the near term, the inside-country goal should be to lay foundations, such as including Korean-language education software on Flash Drives for Freedom microSD cards that explain basic financial concepts and explanations of cryptocurrency.

VII. Which Cryptocurrencies Are Viable

Not all cryptocurrencies serve the same purposes. Below are categories of digital assets to consider.

Bitcoin (BTC)

Bitcoin remains the strongest candidate for long-term savings, exit options, and ideological alignment with the human rights case. It is the most decentralized, the most liquid globally, and the only crypto asset that the Human Rights Foundation’s Bitcoin Development Fund formally supports^[58]. For defectors in transit who need a value-preserving asset that can be memorized as a seed phrase and carried across borders, Bitcoin’s role is unmatched.

Bitcoin’s weaknesses are also relevant: volatility (a \$500 donation in BTC can become \$250 or \$1000 in a month) and on-chain transaction fees that have at peak times exceeded thirty dollars. These weaknesses are mitigated by the Lightning Network, Bitcoin’s second-layer protocol,

which enables transactions at sub-cent fees and is now used by SoFi and Lightspark for cross-border remittances^{[59], [60]}. It is also important to note that Bitcoin does not operate on an anonymous network, as is often assumed; rather, it relies on pseudonyms. Users' real identities are not directly attached to their transactions, but every transfer is permanently recorded and publicly visible on the blockchain. If a user's real-world identity becomes linked to a pseudonym — for example, through a centralized cryptocurrency exchange that requires Know Your Customer (KYC) verification — all associated transactions can be traced^[61]. For this reason, defectors should be educated on how to use Bitcoin safely and informed of the risks and limitations of cryptocurrency so they can make decisions that are best suited to their individual circumstances.

Tether (USDT) and Other Stablecoins

For the remittance use case, the dominant choice is Tether (USDT) on the Tron network (USDT-TRC20). This recommendation reflects the actual usage patterns of remittance corridors in Latin America, Africa, and Southeast Asia, which have shifted decisively toward USDT-TRC20 because the fee per transfer is roughly \$0.20 to \$5.00 regardless of amount, the network confirms transactions in seconds, and exchange and peer-to-peer (P2P) liquidity is widespread, particularly in Asia^{[4], [62]}. Tether currently has almost \$200 billion of its USDT stablecoin in circulation — dominant on blockchain networks Tron and Ethereum — and processes daily volumes in both macro and micro amounts^[62].

However, USDT carries notable risk: Tether Limited issues and manages the tokens, and a Tether failure or freeze (the company can blacklist addresses) would affect users. Indeed, Tether froze over \$1.26 billion in 2025^[4]. For long-term savings, this risk argues for Bitcoin for liquidity. For day-to-day remittances of modest sums that will be converted to local currency within hours, the risk is more acceptable, and the cost advantage over alternatives is preferable. Meanwhile, the USDT alternative, USDC (Circle's stablecoin), has stronger regulatory standing but less depth in Asian P2P markets and higher fees on the chains where it is most liquid^[63].

Lightning Network

The Lightning Network, while technically not a separate cryptocurrency but a payment protocol layered on Bitcoin, deserves treatment as its own option. Lightning enables Bitcoin transactions at fees of fractions of a cent and supports near-instant confirmation. Average per-transaction fees are around \$0.001^[60]. For NGOs receiving thousands of small donations from sympathizers worldwide, the Lightning Network removes the floor that on-chain Bitcoin imposes on viable transaction size. One analysis of Lightning-based crowdfunding concludes that the network is “beyond the reach of government interference” for campaigns supporting independent journalism, human rights organizations, or opposition political parties^[64], an assertion that is useful for NGOs considering accepting Bitcoin donations. It would also be helpful to consult human rights organizations that currently accept cryptocurrency donations — namely, the Anti

Corruption Foundation, World Liberty Congress, and Human Rights Foundation — about their methods for routing money to their cause.

Privacy Coins (Monero, Zcash)

Monero (XMR) and Zcash (ZEC) offer transaction-level privacy that Bitcoin does not. Monero uses ring signatures, stealth addresses, and RingCT to make transactions mathematically untraceable. Zcash works the same way, but differs from Monero because users can choose whether to make their transactions untraceable on the exchange. For activists facing the most aggressive financial surveillance, Monero and Zcash (enabling shielding transactions) offer complete anonymity.

The constraints, however, are also serious. Major regulated exchanges — including Binance, Kraken, and the five major South Korean exchanges — have delisted Monero and other privacy coins due to strict regulations that require users to disclose their information to avoid money laundering activities^[65]. This means acquiring Monero requires either decentralized (and in some areas, illegal) exchanges like Haveno (which has limited liquidity and a steep learning curve), peer-to-peer markets, or atomic swaps from Bitcoin. For an ordinary user with limited technical skill, the operational complexity may outweigh the marginal privacy benefit, especially since most of the relevant threat model (the South Korean state's ability to subpoena exchange records) is mitigated by self-custody of Bitcoin or stablecoins, not by switching to Monero.

For specific high-risk use cases, privacy coins may be worth the operational complexity. For routine remittances and organizational operations, Bitcoin and Tether are the more practical currencies. Defector organizations may want to include a privacy-coin module in advanced training for staff working on high-sensitivity transfers, but perhaps not push privacy coins as a first-line tool for general defector use.

Why State-Backed Digital Currencies Should Be Treated With Caution

A category of “cryptocurrency” that is sometimes confused with Bitcoin or Tether is the central bank digital currency (CBDC), of which Russia's digital ruble, China's digital yuan (e-CNY), and Nigeria's eNaira are the most prominent examples. These are not the same kind of tool. As the Russian case makes clear, state-issued digital currencies expand state surveillance over transactions. The Russian government has explicitly framed the digital ruble as a tool for circumventing Western sanctions while extending domestic surveillance into every wallet^[66]. By law, all Russian banks must use the CBDC by September 2028.

For North Korean defectors and their supporters, this distinction matters because it is sometimes used in bad faith by parties (including the North Korean regime itself, which has explored its own state-backed cryptocurrency over the years) to suggest that all crypto is the same. It is not. The cryptocurrencies relevant to the financial-freedom case are open, permissionless, decentralized, and resistant to state seizure. State-issued tokens, however technically similar, are the opposite by design.

VIII. Communication Technology Precedents and the Smuggling Pipeline

Even though most of this report focuses on use cases outside North Korea, any discussion of inside-country adoption of cryptocurrency has to grapple with the existing precedent of getting forbidden technology into the country. The cryptocurrency case is, in many ways, a continuation of work that has been ongoing for decades.

Flash Drives for Freedom and the USB-based Information Economy

The pipeline for information distribution created by the Human Rights Foundation and NK Insider's Flash Drives for Freedom program is a key asset for North Koreans looking to learn about and eventually utilize cryptocurrency^[67]. Flash drives could include offline Bitcoin wallet software and basic instructional material on the same microSD cards that currently carry South Korean dramas and other foreign media. A Korean-language tutorial on what Bitcoin is, what a wallet looks like, and how a seed phrase works does not require live internet to consume; it can be played as a video file or read as PDF on any device that already reads the existing payload. Even if only a small percentage of recipients ever use this information, the seeds of crypto-literacy will be planted. The established patterns of citizen knowledge dissemination — in which information received by one person spreads orally through trusted networks — would do the rest.

Foreign Radio Broadcasting

A parallel precedent is foreign radio broadcasting. Radio Free Asia, Voice of America, Free North Korea Radio, and a constellation of defector-run shortwave stations broadcast Korean-language programming into North Korea regularly. Daily NK reported in 2016 that fifty to seventy percent of residents in some northern downtown areas tune in to South Korean radio at least occasionally, despite jamming and the criminalization of possessing receivers tuned outside state frequencies^[68]. However, recent funding cuts by the U.S. and South Korean governments have significantly reduced the amount of radio and television programming being beamed into North Korea^[69].

These broadcasts have, in recent years, included economic content: explanations of the global financial system, news of Chinese yuan exchange rates, and reporting on the Bitcoin price. The infrastructure is in place to begin producing programming specifically on financial freedom topics. Korea Internet Studio, a new defector-led online broadcasting service that launched in November 2025 to fill the gap left by U.S. and ROK radio service closures, is an example of how this ecosystem continues to evolve^[70].

Smuggled Chinese Cell Phones and the Border Communication Network

The third precedent is the network of smuggled Chinese cell phones that already enables remittance, news flow, and contact with defectors. North Koreans living within range of Chinese mobile towers use phones smuggled from China to connect to Chinese cellular networks. This allows them to talk to relatives in northeast China or South Korea and to conduct business with cross-border traders^[71].

The regime fights this through radio direction finders, mandatory device checks, and severe punishments for those caught. North Korean authorities have, in periods of heightened scrutiny, deployed “special inspection teams” to border cities specifically to crack down on illegal phones, particularly around high-profile diplomatic events^[30]. Punishments have escalated under the Reactionary Ideology and Culture Rejection Law, which explicitly criminalizes possessing mobile phones manufactured outside North Korea or installing foreign operating systems^[72].

Despite this, the network persists. Defectors and brokers report that even after waves of arrests, phone brokers return to work because both they and the families on the other end need the income too much to stop. This is the network that any cryptocurrency-enabled remittance system inside North Korea would have to plug into. The cryptocurrency does not need to reach the family member in North Korea directly; it needs to reach the phone broker, in China, in a form that the broker can convert at a Chinese P2P exchange and deliver to the family in cash.

IX. Technical, Legal, and Security Constraints

A complete analysis must account for the constraints that apply to each link in the proposed strategy.

Inside North Korea

The constraints on using cryptocurrency inside North Korea are essentially absolute for the foreseeable future. The country has no public internet access. The Kwangmyong network is sealed off from the global network. The mandatory Kwangmyong app on legal smartphones reports user activity to the Ministry of State Security in real time. Red Star OS, the state-imposed operating system, watermarks files and scans for unauthorized media. Smuggled Chinese phones can connect to Chinese networks within roughly 30 kilometers of the border, but signal-direction-finding systems triangulate illegal signals and search teams arrest offenders. The Reactionary Ideology and Culture Rejection Law provides for sentences of five to ten years of reform through labor for possession of foreign media, with longer sentences and even public execution documented for distribution^[5], ^[72].

Practically, this means any inside-country cryptocurrency activity is restricted to either elite users with international internet access (a category that includes regime hackers, who are using crypto extensively but in a state-sponsored capacity that this report excludes from its scope) or to highly motivated individuals in border regions willing to bear extraordinary risk. The realistic strategy for the inside-country population is to lower the cost of fiat remittances, not to introduce crypto wallets to ordinary North Koreans.

In China and Transit Countries

Chinese authorities are increasingly deploying AI-enhanced surveillance to detect undocumented North Korean residents, with advanced systems now in Yunnan and other southern provinces that defectors must cross to reach Thailand^[19]. Chinese banks are also tightening their cooperation with North Korean banking sanctions, making it harder for brokers in China to handle large dollar or yuan flows through traditional channels. This actually strengthens the case for stablecoin use on the China side, because P2P USDT markets are accessible without the same bank-level scrutiny that traditional remittance routes face.

The principal constraint for individual defectors in China is operational security. A North Korean woman in China can have a smartphone with a Bitcoin wallet, but if her circumstances expose her to police search (a common occurrence), the wallet on her phone is visible. The mitigation is self-custody with a memorized seed phrase, ideally backed up in a form that survives device loss. The Bitcoin Magazine and River guides on seed phrase management apply here directly: write the words on paper, do not store them on internet-connected devices, make multiple copies, hide them in non-obvious places^[56], ^[73].

In South Korea

South Korea has, since 2021, operated one of the world's more developed cryptocurrency regulatory regimes. Only five exchanges (Upbit, Bithumb, Coinone, Korbit, Gopax) have successfully obtained ISMS certification and real-name banking arrangements to operate with KRW deposits and withdrawals^[22]. The Specific Financial Information Act applies the Financial Action Task Force's Travel Rule, requiring exchanges to collect and verify identifying data of the sender and receiver for transactions exceeding certain monetary thresholds. The Virtual Asset User Protection Act adds additional government regulations and investor-protection layers. In late 2025, the Financial Intelligence Unit announced plans for stricter anti-money laundering measures including pre-emptive account freezes for crypto-related crimes, particularly in the wake of a \$36 million Upbit hack attributed to North Korean state hackers^[74].

For defectors, this regulatory environment is mostly compatible with the use cases this report recommends. Buying Bitcoin or USDT on a licensed exchange, withdrawing it to a self-custodial wallet, and sending it to a counterparty in China are — at the time of this report — all legal activities under South Korean law (subject to the same AML and tax reporting that apply to

other Korean citizens). The activities that would attract regulatory scrutiny (large unreported flows, transactions with sanctioned addresses, deliberate evasion of reporting requirements) are not what this report recommends. Defector organizations adopting Bitcoin should plan to operate within South Korean tax and AML rules; the goal is operational sovereignty, not regulatory evasion.

Sanctions Compliance

An important caveat: U.N. and U.S. sanctions on North Korea prohibit a wide range of financial transactions with the regime and with entities controlled by it. The remittance use case described in this report, in which defectors send money to family members inside North Korea via brokers, operates in a longstanding gray area. Defectors have openly argued that humanitarian exceptions should be carved out for these transfers^[3].

The introduction of cryptocurrency does not change the legal status of these transfers; it only changes the technology. Defector organizations adopting stablecoin remittance rails should engage legal counsel familiar with Office of Foreign Assets Control general licenses and humanitarian exceptions, document the family-recipient nature of transfers, and avoid any flow that could plausibly support regime entities. The North Korean state's own cryptocurrency activities (Lazarus Group hacks, IT worker schemes, sanctioned entities like Chinyong Information Technology Cooperation Company) are explicitly outside the scope of this report and have nothing to do with defector financial freedom; they are, in fact, part of why the regulatory environment is tightening in ways that affect legitimate users^[75], ^[76].

X. The Scam Problem and Why Education Comes First

Every advocate of cryptocurrency for human rights eventually confronts a problem that is often glossed over: the same properties that make Bitcoin valuable for activists (decentralization, irreversibility, anonymity at the wallet level) make it ideal for scams. Defectors are vulnerable to these scams for the same reasons they are vulnerable to scams generally: limited prior exposure to capitalist financial systems, isolation from extended trust networks, and the financial precarity that makes get-rich-quick promises especially appealing.

The July 2025 case in which a former North Korean soldier resettled in South Korea allegedly defrauded twenty other defectors and South Korean citizens of nearly one billion won (around \$728,000) through a fake cryptocurrency investment app is not isolated. The scheme followed a classic pattern: a scammer approached the former North Korean soldier, persuaded them to recruit other defectors, and used the existing trust within the defector community to widen the victim pool. Early investors were able to withdraw, building credibility for the scheme. When the app stopped responding in July, later investors lost everything^[23]. Months earlier, Jeju Metropolitan Police had arrested 25 individuals connected to four coordinated fake-crypto investment rings that stole over \$540,000^[77].

Rwandan activists Anaïse Kanimba and others have made the same point about Rwandan citizens: distrust of Bitcoin in Rwanda is exacerbated by genuine scams that prey on early adopters, and the regime amplifies this distrust through state media to deter use of the technology entirely. The same pattern is visible in South Korea. Headlines about North Korean defectors involved in crypto fraud have the dual effect of warning South Korean citizens against legitimate use and giving regulators rhetorical cover for tighter restrictions.

The Anti-Corruption Foundation's response to this problem is the right one: structured education that emphasizes autonomy. In a population trained to defer to the state and to trust authority figures, the discipline of self-custody (you and only you control your money, no one will return it if you make a mistake, no one will rescue you if you click the wrong link) is countercultural in a useful way. It is also the only meaningful defense against scamming.

Any North Korean defector cryptocurrency initiative must therefore center education before any other intervention. The HRF's three-day Bitcoin webinar curriculum, in which participants learn to receive, store, and manage Bitcoin safely, is the closest existing template^[53]. Adaptations for the defector context should add modules on recognizing common scam patterns (fake investment apps, romance scams, pig-butcher schemes, fraudulent Initial Coin Offerings), on distinguishing self-custodial from custodial wallets, on the legal status of crypto in South Korea, and on the specific risks of receiving cryptocurrency from unknown senders. The North Korean defector community already has educational infrastructure through organizations like the Teach North Korean Refugees Global Education Center, the Korea Hana Foundation, and other institutes. A cryptocurrency literacy curriculum could be inserted into existing educational programming without building new institutions from scratch.

XI. Recommendations

The recommendations below are organized in order of the best actors to implement them. They proceed from the most immediately actionable to the most long-horizon.

For Defector-Led NGOs

First, adopt cryptocurrency as operational infrastructure. Following the model of the Human Rights Foundation and Anti-Corruption Foundation, organizations like NK Insider, Daily NK, the North Korea Strategy Center, and others should establish self-custodial Bitcoin wallets, begin accepting Bitcoin and stablecoin donations on their websites, and integrate stablecoin payments into their cross-border operations where legally appropriate. The Human Rights Foundation's three-day webinar curriculum is the recommended starting point^[53].

Second, develop a stablecoin remittance pilot. A small consortium of defector organizations should pilot USDT-TRC20 transfers as the South Korea-to-China leg of family remittances, working with cooperative China-side brokers and tracking the realized savings over several

months. The expected reduction in total fee burdens is large enough that even a small pilot will produce evidence usable for scaling.

Third, integrate cryptocurrency literacy into existing defector education programs. The Hana Centers, the Hanawon resettlement curriculum, and NGO-run financial education programs all have an existing pedagogical relationship with the defector community. Adding a basic Bitcoin and stablecoin module (with heavy emphasis on scam recognition) should be a near-term priority. The Korea Herald reporting on defectors' limited financial literacy and the Korea Hana Foundation's research suggest that basic finance education is already widely recognized as crucial^[17].

For International Supporters (HRF, Bitcoin Policy Institute, Bitcoin Development Fund, Other Donors)

First, fund the defector-led education and remittance pilots described above. The Bitcoin Development Fund of the Human Rights Foundation is already structured to support exactly this kind of work and has expressed specific interest in projects related to North Korean defectors^[58]. A small grants program (in the range of \$50,000 to \$250,000 U.S. dollars per organization for one-year pilots) could fund a meaningful proof of concept across a few organizations.

Second, support the integration of offline cryptocurrency education into the Flash Drives for Freedom program. The marginal cost of adding a Korean-language Bitcoin video, a wallet-software installer, and a basic literacy PDF to existing microSD cards is minimal. The reach (more than 1.3 million North Koreans per existing program estimates) is the same reach that existing media content already has. This investment will not produce inside-country cryptocurrency adoption in the near term, but it will create a slowly-spreading baseline of literacy that pays dividends when conditions eventually allow.

Third, fund production of high-quality cryptocurrency content for defector-led broadcasting (Radio Free Asia Korean, Voice of America Korean, Korea Internet Studio, and the various shortwave stations). The model is the same as the financial-news content that defector-based outlets already produce. The audience and infrastructure already exist; the missing piece is the content.

For the Broader Cryptocurrency Industry

The principal contribution the industry can make is to ensure that Korean-language wallet software, exchange interfaces, and educational resources are first-class citizens, not afterthoughts. The Russian, Burmese, and Latin American experiences all underscore that user-interface quality and language support are decisive in adoption. Investment in Korean-language self-custody wallets (Phoenix Wallet, Muun, BlueWallet, Wallet of Satoshi), in Korean Bitcoin education materials matched to defector contexts, and in low-bandwidth wallet

alternatives would substantially lower the operational barrier for the population this report describes.

On What Not to Do

First, do not promote inside-country adoption by ordinary North Koreans as a near-term strategy. The barriers for implementation (sealed internet, mandatory surveillance app, criminal penalties up to public execution) are too high, and any pilot that risks exposing North Koreans inside the country to charges under the Reactionary Ideology and Culture Rejection Law would be reckless. The cryptocurrency case for inside-country North Koreans is to deliver more value to them through remittance-corridor efficiency, not to put wallets in their hands.

Second, do not conflate the regime's cryptocurrency activities (Lazarus Group hacks, IT worker schemes) with the defector-financial-freedom case. The two have nothing to do with each other. The regime's crypto activities are a separate problem with its own policy response. The defector-financial-freedom case should not be hampered by association.

Third, do not assume that cryptocurrency replaces the existing infrastructure of broker networks, Chinese cell phones, and underground railroad routes. It complements them. The broker network on the North Korean side is irreplaceable for the foreseeable future. The contribution of cryptocurrency is to make the international leg of the chain cheaper, not to eliminate the chain. Strategies that ignore this distinction (for example, attempting to deliver Bitcoin directly to recipients inside North Korea) will fail.

XII. Conclusion

Cryptocurrency will not transform North Korea from within. Its greatest potential lies outside the country, in the hands of the North Korean defectors who continue to support families, expose the regime, and create pathways to freedom for those still trapped inside. The question is not whether cryptocurrency can penetrate one of the world's most closed societies today — it is whether it can strengthen the people already doing the work of undermining that system from the outside.

This distinction matters because North Korea is unlike any other authoritarian state. The regime's surveillance apparatus, restrictions on technology, and severe punishment for unauthorized communication leave little room for the kinds of domestic cryptocurrency adoption seen in authoritarian countries such as Venezuela or Myanmar. For the foreseeable future, the most realistic role for Bitcoin is not as a financial network inside North Korea, but as infrastructure surrounding it: reducing the cost of remittances, strengthening the operational resilience of defector-led organizations, and giving defectors in transit a means of preserving wealth across borders. As information flows gradually expand through broadcasting, USB drives, SD cards, and other outside channels, the conditions for broader financial adoption may eventually follow.

This approach is possible because North Korea possesses something no other authoritarian context does: a highly organized, experienced, and deeply interconnected defector community in South Korea. Over decades, defectors have built organizations that broadcast independent information, document human rights abuses, rescue refugees, and maintain informal financial lifelines to families inside the country. Cryptocurrency should be understood not as a replacement for those efforts, but as infrastructure that allows them to operate more efficiently, more independently, and with greater resilience against financial disruption. Strengthening this ecosystem ultimately strengthens the people it serves.

Cryptocurrency alone will not bring down the Kim regime, nor should it be presented as a technological solution to a profoundly political problem. But technology need not be revolutionary to be transformative. If cryptocurrency can help more of a remittance reach a family in North Korea, allow a defector organization to operate with greater financial autonomy, or enable someone fleeing persecution to carry their savings across a border, then it has already expanded human freedom in ways that matter. In the North Korean context, that is where crypto's promise begins — not with transforming the country from the inside, but with strengthening the people already working to reach it from the outside.

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