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SOUTH KOREA TO SEND HUNDREDS OF ADDITIONAL WORKERS TO KAESONG

The South Korean Ministry of Unification announced on September 14 that the number of ROK workers allowed in the Kaesong Industrial Complex, previously limited to fewer than 600, would be increased by two to three hundred. In response to the sinking of the ROKS Cheonan, the South Korean government limited inter-Korean economic cooperation through the May 24 Measure, sharply cutting the number of South Korean workers in the joint industrial complex from around 1,000 down to 500. However, after companies in the complex voiced complaints over production losses caused by the measure, the government slightly raised the number of workers allowed, to 600, in mid-July. With this latest decision, the number will return to almost as many as were working prior to the May 24 Measure. This is the first sanction among those passed on May 24 to be practically rescinded.

A spokesperson for the Ministry of Unification stated, “Companies in the KIC have been complaining about growing difficulties in maintaining quality and of worker fatigue due to the reduction of employees [allowed in the complex],” and announced that the ministry had decided to increase the number of workers since it sees no physical threat to them. This announcement came as inter-Korean relations, which took a sharp turn for the worse after the sinking of the ROKS Cheonan, appear to be improving, with North Korea returning South Korean fishermen seized last month, the ROK Red Cross decision on September 13 to send disaster relief in response to flooding in the North, and working-level discussions on a reunion for separated families being held. However, the spokesperson also stated that although the number of workers allowed to travel to North Korea was being increased, no new or additional investments were being allowed in the KIC, as originally dictated by the May 24 Measure.



Even before the announcement to increase the number of workers in the KIC, the South Korean government had shown flexibility when it came to the May 24 Measure; contracts made before the measure were honored, and North Korean manufactured and agricultural goods have continued to be imported under agreements reached before the sanctions. The government was flexible on humanitarian aid, as well, continuing to provide assistance to the most destitute in North Korea despite the decision to suspend aid on principle. Medical aid, particularly to prevent the spread of Malaria, has also continued. Recently, the South Korean government decided to allow the ROK Red Cross to send 5,000 tons of rice and 10,000 tons of cement, worth approximately 100 million won, to North Korea in response to massive flooding. This is the first time since the Lee Myung-bak administration came to power that any rice aid has been sent to the North. It is very likely that it will be sent as private-sector aid.

Seoul continues to ban visits to North Korea, but private-sector organizations have been allowed to travel to the Kaesong region. Despite the May 24 Measure, exceptions have been made for South Koreans involved with economic cooperation in the KIC and the Mount Keumgang areas. Among the sanctions passed in May, the ban on North Korean ships operating in South Korean waters and the ban on new investment in the North are still being enforced, but the suspension of inter-Korean exchanges, travel to the North, and provision of humanitarian aid have all been eased.

Among the Ministry of National Defense measures, the only psychological warfare tactic employed has been through radio broadcasts, while the distribution of leaflets and the broadcasting over loudspeakers were canceled after North Korean protests. Joint U.S.-ROK anti-submarine warfare exercises in the West Sea were postponed, while the U.S. put on a show



of force with the deployment of an aircraft carrier to the East Sea in late July. Maritime interdiction drills led by the ROK military are planned for mid-October. The South Korean government insists that the May 24 Measure continues to stand unchanged, yet the enforcement and execution of the details is less than uniform.

The government's position is that the restriction on workers in the KIC was not a sanction aimed at North Korea, but rather, a measure to protect South Korean workers; therefore, easing this restriction cannot be seen as a lifting of the May 24 Measure. Ultimately, it appears that a slight improvement in inter-Korean relations has led to a small amount of flexibility in implementing the May 24 Measure, but that the government will continue to enforce the measure until North Korea takes responsibility for sinking the ROKS Cheonan.