



KAESONG DAY CARE CENTER OPENED, MINIMUM WAGE RAISED

Construction on a day-care center for the children of North Korean workers in the Kaesong Industrial Complex (KIC) has been completed, and the center was opened on September 1. The ROK Ministry of Unification released a statement announcing that “a child-care center has been built with the aim of providing care for the children of North Korean female laborers in the KIC and to improve productivity of the industries in the complex.” With the opening of the new center, more than 300 additional children can be cared for, along with the more than 200 children that are currently attending day-care in the complex.

Ground broke on the new facility, with over 3,100 square meters of floorspace, on September 24, 2009, and it took over a year to complete. The real estate was provided by the North, with the South-North Cooperation Fund providing 900 million won for the build. The Kaesong Industrial District Management Committee has turned over the management of the center to the North, and factories in the complex pay approximately fifteen dollars per child per month to send employees’ children to day-care.

In addition, the Kaesong Industrial District Management Committee and the North Korean Central Special Zone Development Guidance General Bureau agreed on August 5 to raise the minimum wage of North Korean workers in the complex by five percent, from 57.881 USD/month to 60.775 USD/month. The raise took effect on August 1 and will need to be reevaluated before July 31, 2011.



Along with the five percent raise in the minimum wage, South Korean companies will gain more control over the hiring process. North and South Korean authorities agreed to strengthen adherence to existing regulations, both on hiring and assigning workers to various positions. Previously, North Korean labor representatives could control work assignments for North Korean workers, but that will be falling under the authority of managers of each business.

According to the guidelines regulating the KIC, North Korean workers will receive a raise of no more than five percent per year, and they have received a five percent raise each year since 2007. North and South have now agreed to continue raises at a rate palatable to businesses in the complex, and to allow South Korean businesses more control over employees.