

Foreign Workers in Korea 1987-2000: Issues and Discussions*

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The Korean economic miracle of the 1980s drastically altered the regional labor landscape. Once a major labor exporter, Korea has become a prime destination for migrant workers from developing countries due to a severe shortage of unskilled production workers in small- and medium-size industries. Also, Korean workers had developed the so-called "3-D syndrome," an aversion to difficult, dangerous and dirty jobs in factories and sought relatively higher-paying employment in the construction sector. Of the three types of migrant workers – the legal employee, the industrial and technical trainee and the undocumented migrant worker, the latter two, in general, are made to endure long working hours, low wages and poor working conditions. In some cases, the trainees receive the least in terms of wages, even less than the undocumented worker because of the Industrial and Technical Training Program for Foreigners (ITTP). The ITTP prevents them from acquiring proper working status and benefits. However, undocumented workers have the least protection from abuse since employers routinely threaten them with deportation. Protests in the mid-1990s forced the implementation of a measure ordering employers to pay at least the minimum wage directly to the workers, reducing the chances of exploitation by agencies handling remittances. In 1998, the Working After Training Program for Foreigners (WATP), which allowed trainees who pass certain skills tests after a two-year period to enjoy workers' rights under the Standard Labor Act and the Minimum Wages Act, was introduced amid protest that it was flawed as the ITTP. Government likewise announced its intention to strengthen the monitoring of undocumented migrant workers and freeze the total quota of trainees. Pro-migrant workers activists are seeking the implementation of the Employment of Foreign Workers Act as an alternative scheme to maximize the economic benefits from the inflow of unskilled migrant workers without discriminating against them economically and socially. But the future of this proposed legislation is uncertain.

Korea, once a major labor-exporting country, opened its labor market to foreign migrant workers after the mid-1980s. Beginning around 1987 Korea has become a magnet for foreign migrant workers from late-developing or undeveloped countries, whereas nearly two million Korean workers transversed overseas in the three decades of 1960-1980s. The *Dong-A Ilbo*, one of the major daily newspapers in Korea, reported in 1987 that there were hundreds of Filipina domestic helpers in Kangnam, the southern part of Seoul. Although this was the first time that the presence of migrant workers was publicly reported in Korea, the number of foreign workers in Korea has increased drastically since then. As Table 1 shows, the number of migrant workers in Korea has increased quite noticeably: 6,409 in 1987, 14,610 in 1989, 21,235 in 1990, and

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45,449 in 1991. During these years, almost all of the migrant workers were undocumented having no proper visa.

Since government was not prepared to deal with such sudden increase in the number of migrant workers, its measures had not been able to keep pace with reality. The number of undocumented migrant workers being repatriated to their home country increased through arbitrary enforcements, and a number of employers were subjected to penalties following investigations by authorities that they employ undocumented migrant workers. Yet at the same time it was clear that the expanding business firms needed some kind of governmental assistance in the form of laws on migrant workers in order to keep up with the economic boom in the 1980s. Hence, employers in small- to medium-size companies suffering from a severe manpower shortage pressured the government to legalize the employment of foreigners. Business organizations like the Korea Federation of Small Business (KFSB) constantly petitioned the government to allow the importing of foreign labor in the late 1980s. But the workers of the Federation of Korean Trade Unions (FKTU) and the Korean Trade Unions Congress (KTUC) strongly opposed the petition fearing that it would jeopardize their job securities.

Industrial and Technical Training Program for Foreigners, 1991-1997

Korea insists on defining itself as a non-immigrant country. Hence, no immigration law exists. The basic pattern of Korean political discourse is strongly based on *jus sanguinis*. The contradiction between the demands of economic rationality and the ideological position remained the characteristic feature of Korean non-immigration policies.

In 1991, political regulations and administrative institutions were introduced to recruit labor from foreign countries. The Korean government found a solution in the Japanese model, the Industrial and Technical Training Program for Foreigners (ITTP).¹ Launched on October 26, 1991, the program was based on the Guidelines on Issuing Foreign Industrial and Technical Trainee Visa and was promulgated by the Ministry of Justice. According to the program, foreign workers would enter Korea as trainees not workers. Although their visa status is "trainee," they actually work in factories without training. These migrants are denied the workers' three basic rights of unionizing, collective bargaining and collective

action. So they are regarded as “disguised workers.” This strategy was so effective that no trade union objected to the launching of the program.

Korean firms with foreign affiliates have been allowed to bring trainees into Korea. The number of foreign trainees can neither exceed 50 nor surpass 10% of the native work force in the same company. The training period is set for six months with possible extended period of additional six months upon explicit consent from the Ministry of Justice. In 1992-1993, though the number of foreign trainee entrants annually was about 8,000 to 9,000, their presence in Korea did not draw much attention from the general public.

About the same time, the number of undocumented migrant workers dramatically increased, when many of them entered the country through tourist or short-term visiting visas, and occupied positions in a variety of small- to medium-size companies in Seoul and its satellite cities. On July 31, 1992, the number of undocumented migrant workers was 65,528, about 88.7% of the 73,868 total migrant workers. (See Table 1.)

The government set a period from June 10 to the end of July in 1992 in which employers were obliged to report undocumented migrant workers. In August 1992, the government allowed the companies to import foreign trainees if they were chosen by the Minister of Commerce and Industry. The companies were allowed to import a total of 10,000, which is equivalent to the number of undocumented migrant workers repatriated to their home country. Since 1992, small- and medium-size enterprises without an overseas presence have been permitted to bring in foreign trainees. They typically do so through private recruiting agencies.

There was an insufficient number of “trainees” to supply manpower to small- and medium-size businesses in Korea. So, the attempt to crack down on undocumented migrant workers met strong resistance from the employers. By extending the repatriation date to the end of the same year, companies that reported to the authorities their undocumented migrant workers were in fact tacitly given “permission” to employ the latter. But of course this was not an attempt at legalizing hiring of undocumented migrant workers. In reality, this measure was a desperate attempt at alleviating labor shortage in small- to mid-size industries by implementing “temporary legalization” or “legalizing in times of crisis.” In

this way, the government repeatedly extended the repatriation period, culminating in the fourth extension at the end of June in 1994.

In November 1993, the government decided to enlarge the scale of importing foreign trainees,² allowing the recruitment of trainees from 27 agencies in 11 Asian countries under the supervision of the Korea International Training Cooperation Corps (KITKO) and under the auspices of the KFSB, a copy version of the Japan International Training Cooperation Organization (JITCO). Trainees under this category were expected to return to their home countries after a maximum of three years.

The Korean government bestowed the KITKO the right to exclusively conduct the process of importing and distributing the trainees.³ While JITCO was composed of three different sectors – labor, business, and government, KITCO was a subsidiary organization of employers associations and thus functioned to meet the interests of the employers. Because KITCO was working on behalf of the employers, it was inevitable that the ITTP would not be so successful. It came to be a hotbed for many brokers. Trainees were often exploited by recruitment brokers who charged US\$2,000-3,000 and even US\$8,000 for a placement in Korea. Eventhough brokers subtracted their fees from the trainees' monthly salaries, it was extremely difficult to pay them back because the fees were so high. Hence, a significant number of trainees escaped from their designated companies to become undocumented migrant workers, earning wages that closely resembled labor market level.

However, because of their illegal visa status, undocumented migrant workers suffer from more severe human rights violations than trainees. As a result of Korea's repressive Labor Acts and amidst the worsening conditions of human rights violations, two rallies by migrant workers (which are illustrated below) resulted in the drawing of the public's attention to their plight.

First, undocumented migrant workers suffering from industrial accidents staged a sit-in at the office of Citizens' Coalition for Economic Justice in January 1994 for a period of one month, demanding medical treatment and compensation. As their rallies drew the attention of the public, the government decided to acknowledge the basic rights of undocumented migrant workers, and to allow them to be covered by the industrial accident compensation insurance.⁴

Second, trainees from Nepal staged a sit-in at Myongdong Catholic Cathedral from January 9 to 17, 1995, protesting unjust treatment from their employers and exploitation at the hands of their intermediary brokerage agencies. Over 38 human rights organizations in Korea joined the rallies, and formed the "Association for the Human Rights Protection of Foreign Industrial and Technical Trainees." It was reorganized and extended as Joint Committee of Migrant Workers in Korea (JCMK) on July 1, 1995.

As a response to the rallies, the Ministry of Labor announced the implementation of "A Measure Pertaining to the Protection and Control of Foreign Industrial and Technical Trainees" on February 14, 1995. This promulgated that foreign trainees should be paid at least the minimum wage set by the government, receive wages directly from the employers, and need not surrender their passports to employers or to any other party. This reduced the chances of exploitation by agencies handling remittances.

The migrants and their supporting NGOs including the JCMK had been stepping up their campaign for the Employment of Foreign Workers Act. They insisted, "There are many foreigners who supply labor forces in Korea, but they are not considered as workers, and no legal source to define them, either. Let's set a legal system for them." With a high level of public support, many felt that this was the time the Act could be enacted. Unfortunately, their effort was not enough. During the summer of 1997, employers of KFSB staged a couple of rallies in front of the government complex buildings in Kwachon, a city south of Seoul. They argued that there was no need for the Employment of Foreign Workers Act, citing that not even Japan has it yet. Clearly, their position had drastically changed since 1991 when they pressured the government to import foreign labor.

Working After Training Program for Foreigners, Beyond 1998

After a long discussion, the Working After Training Program for Foreigners (WATP), an extension of the ITP, was introduced in April 1998 under the supervision of the KITCO and under the auspices of KFSB. The government revised a part of the Departures and Arrivals Control Act (DACA)⁵ to implement the WATP. Within the framework of WATP, trainees, who pass certain skill tests after a two-year-training program, can work for one year as "workers" thereby changing their visa status to fall under

the “working after training” (E-8) category.⁶ The workers after training become entitled to the same rights enjoyed by their Korean colleagues according to the Labor Standards Act, the Minimum Wages Act, and other labor-related acts. In addition to possessing good working skills, they are to play an important role in supervising and assisting the regular trainees.

However, WATP has been blamed for keeping the basis of the ITP. There is growing doubt about KFSB’s ability to administer more than 70,000 trainees, especially those who are part of the labor force. Problems have appeared before, such as corruption with regard to the sending of trainees agencies, the high handed supervisory agencies, and the forced savings system.⁷

The number of migrant workers had dramatically increased in 1994-1997: 77,546 in 1994, 142,405 in 1995, 210,494 in 1996, and 245,399 in 1997. But the situation changed abruptly after the collapse of Korea’s economy at the end of 1997. The worst in its post-war history, the crisis prompted a US\$57 billion International Monetary Fund (IMF) rescue package. The slump worsened in 1998 and labor unrest escalated. Amid the economic crisis and massive layoffs in 1998, a number of migrant workers left Korea. It had become increasingly difficult for migrant workers to find jobs and the rapid devaluation of the Korean won reduced the wages of migrant workers in terms of the US dollar. Many migrant workers, therefore, had no choice but to move to other countries or to return home.

The government announced its intention to strengthen the monitoring of undocumented migrant workers and to freeze the total quota of trainees. In 1998, the quota was not filled for the first time as a result of lack of demand. During the same year, the government set a “penalty exemption period” four times in which undocumented migrant workers would be allowed to go back home without paying penalties. To encourage more companies to dump undocumented migrants, the government also offered an incentive scheme by providing subsidy to companies who hire native workers instead of undocumented migrant workers. From December 27, 1997 to the end of August 1998, a total of 61,689 undocumented migrants left Korea; 92,686 undocumented migrant workers remained as of August 31, 1998. In any case, the number of total migrant workers had sharply decreased to 157,689 as of December 31, 1998.

Meanwhile, migrant workers were falling victim to nonpayment or delayed payment of wages. Sometimes the factory owner had indeed gone bankrupt and could not pay, but in many cases, employers were withholding wages in anticipation that the migrants would flee Korea.

Since October 15, 1998, all the migrant workers have been covered by the Labor Standards Act. This is a product of the continuous advocacy by migrants and supporting NGOs. However, while these labor acts and the Industrial Accidents Compensation Insurance had been made applicable even to undocumented migrant workers, they were still not applicable to “trainees” simply because they were not legally considered as workers. Undocumented migrants are also still excluded from medical insurance benefits.⁸

Beginning in 1999 the worst seemed to be over and the economy began to recover. As soon as the news of the recovery of the Korean economy spread, the entrance of migrant workers increased again. The number of migrant workers has rapidly increased to 217,384 at the end of 1999, and to current estimates of 243,363. According to the statistics released by the Ministry of Justice of Korea, the current number of migrant workers represent over 30 countries as of May 31, 2000. It accounted for around 1.2% of the number of country's total workforce of 20,600,000.

Background of Influx

The structural background of migrant workers' influx to Korea lies in the changing characteristics of the world system and the upward mobility of Korea in the system.

In the late 1980s, international labor migration had been activated worldwide, and this is generally attributed to three factors. Firstly, the microelectronics and telecommunication technology facilitated international capital mobility, therefore increasing the globalization of economic activities. Secondly, after 1989 the socialist bloc disappeared on the stage of history and joined the capitalist world economy. Lastly, the Gulf War which broke out in August 1990 changed the directions of international labor migration in Asia, and new labor-receiving countries such as Japan, Korea, Taiwan, Brunei, and Malaysia began to appear.

Though these countries did not import migrant workers officially, they became destinations of massive wandering workers.

Moreover, Korean government eased DACA to allow easier access to a tourist visa to Korea in preparation for the 1986 Asian Games and the 1988 Olympics. At the same time, Korea has grown into “Asia’s next giant”⁹ or one of the “four little dragons”¹⁰ with abundant business opportunities and flourishing economy. The Korean economy was ranked 12th in 1995.¹¹ It is certainly one of the most bustling economies with a gross national product (GNP) already exceeding 9%. And its per capita income reached the US\$10,000 mark. In short, there are many job opportunities in Korea when its economic activities are thriving.

Korea has grown into a developed economy with relatively high wages and good working conditions. The emergence of a strong labor movement since 1987 is responsible to a significant extent for both the rapid rise in wages and the improved working conditions. However, the gap in wages and working conditions between big companies and small-to mid-size enterprises increased. In other words, small and medium-size companies became less popular among the general labor force.

Before the financial crisis in 1997, the Korean labor market has been experiencing nearly full employment since the mid-1980s, with unemployment rates around 2.5%. Nevertheless, the Korean economy has suffered from a severe shortage of unskilled production workers in the small and medium-size companies across the industries. These jobs include working in dyeing, plating, heat-treating, casting and tempering, machinery, footwear, glass, leather, electric, and electronics factories as well as in construction sites. The so-called “three-D syndrome,” or the aversion to difficult, dangerous, or dirty jobs, started to be felt in Korea in the late 1980s. The labor movement has influenced the labor values as well as the wages and working conditions. To make matters worse, in the early 1990s, a boom in the housing construction industry drew throngs of Korean workers out of low-paying factory jobs in manufacturing into the relatively higher-paying construction industry, leaving those factories empty or undermanned.

The turnabout came at the time when the shortage of labor in three-D jobs was worsening in domestic industry, especially in small businesses. Migrant workers have increasingly trickled into Korea, and they have

taken these jobs without hesitation. They worked in sweatshops and other three-D jobs. As a consequence, Korea had become an increasingly attractive destination for foreign workers, as these migrant workers were filling up the “big hole” in the domestic labor market.¹²

This situation abruptly changed at the end of 1997. In November 1997, a financial crisis hit the Korean economy. The government announced a strong industrial restructuring plan, including financial market reforms, to promote foreign investments in Korea. Economic growth was therefore expected to slow down to -5% in 1998. The collapse of the Korean economy had a devastating influence on the labor market. Unemployment ballooned from 658,000 as of December 31, 1997 to 1,665,000 as of December 31, 1998. The unemployment rate increased to around 7%, which more than doubled the rate of the previous year.

Increased unemployment was the biggest problem faced not only by native workers, but also by migrant workers in Korea. For example, thousands of foreign trainees under the WATP were retrenched in 1998. From 1994 until August 1998, an estimated 13,061 trainees have been dismissed. Of these, 8,286 (63.4%) were dismissed in 1998 alone. This figure represents only the number of trainees who had completely lost their jobs, and excludes those with part-time jobs. Undocumented migrant workers were even more vulnerable to unemployment, as most of them were working in the vulnerable small and medium-size companies which have been going bankrupt at an average of about 150 a day in 1998. So, about 100,000 migrant workers left Korea at the end of 1997 alone amid the economic crisis and the IMF bailout package.

Even in such hard times, the three-D jobs in Korea were not filled in by native workers. Many companies had difficulty in hiring native workers for jobs that were vacated by migrant workers. Korean workers could not tolerate the poor working conditions, so the government’s incentive scheme of “replacing foreign trainees by native workers” ultimately failed. The three-D jobs were exclusively for migrant workers. This indicates that migrant workers in Korea are not taking jobs away from native workers. On the contrary, they are helping the Korean economy by accepting jobs that Korean workers would not consider.

With the recovery of the Korean economy in 1999, the demand for migrant workers also increased. The government did not increase the

quota of trainees, hence the number of undocumented migrant workers likewise dramatically increased.

Basic Characteristics of Migrant Workers in Korea

Visa status

The employment of migrant workers in Korea has been very limited to date. According to the DACA of Korea, there are three categories of visa status for migrant workers: the legally employed, the industrial and technical trainees, and the undocumented migrant workers.

In general, DACA does not allow unskilled foreign labor to enter Korea as additional work force; unskilled migrant workers are allowed to enter only as an industrial and technical trainee. Nevertheless, it is believed that a large number of unskilled migrant workers have entered Korea to seek employment in the last 10 years. The number of foreign migrant workers who came to Korea as of the end of April 1997 totaled 231,383. Among them, there were 16,438 foreign professionals, 80,915 industrial and technical trainees, and 134,030 undocumented migrant workers.

The first category of legal migrant workers is professional and technical workers, such as professors, researchers or entertainers who cannot be substituted by native workers. Therefore they can easily obtain a valid visa for employment in Korea. Most of them are from advanced countries such as US, Canada, Japan, UK, Germany, or France, and are working as professionals. This category is mainly composed of professionals and experts such as university professors (E-1), language teachers (E-2), researchers (E-3), technology instructors (E-4), professionals (E-5), entertainers (E-6), and those under specific activities (E-7), with an exception of “production workers after training” (E-8). According to Table 1, as of the end of May 2000, there are 14,000 professional workers in Korea. Language teachers make up more than half. It is expected that the number of foreign professionals will increase very rapidly as the Korean government has recently deregulated the immigration policy for this category of workers.¹³

The second category involves the industrial and technical trainees who are not legal “workers” but “trainees.” Korean government prohibits unskilled “workers” immigration, and only unskilled industrial technical

“trainees” having been issued D-3 visa are admitted. In 1991 the Korean government launched the ITTP, apparently modeled after the Japanese concept, to solve the labor supply shortage in the manufacturing industry, and the purpose of this program was to supply migrant workers to the small to mid-size firms suffering from severe labor shortage. In fact, they receive no industrial technical training but merely work as simple laborers or fishermen in small manufacturing firms, construction sites, or inshore fishing grounds. In other words, they are disguised workers whose status as “worker” was never acknowledged by the Labor Standards Act. Thus ITTP can be regarded as an expedient policy far from rational.

With the globalization of many large companies since the late 1980s, managers from overseas branches were sent to factories in Korea for a period of training. The Korean government permitted this kind of training on a one-year basis, marking the beginning of the ITTP in 1991. The program was later extended to medium and small size companies in the manufacturing sector after 1992. Employers who suffered from labor shortage welcomed the foreign trainees.

In this way, the ITTP became the migrant workers recruiting program in Korea after 1994. Fourteen countries were selected to send their nationals as industrial and technical trainees. The countries are: China, the Philippines, Indonesia, Vietnam, Thailand, Myanmar, Nepal, Bangladesh, Pakistan, Sri Lanka, Uzbekistan, Kazakhstan, Iran, and Mongolia. Foreign industrial and technical trainees should be between 18 and 35 years old without criminal record.

The third category of undocumented migrant workers include those having neither valid employment visa nor valid industrial and technical trainees visa. Undocumented migrant workers came to Korea seeking employment opportunities, as wages increased and the labor shortage became much more severe since the late 1980s. Their figures jumped from around 4,000 in 1987 to 153,879 in 2000. They are “illegal” in the sense that they violated the DACA. Most undocumented migrant workers are those who stay to work longer than the permitted period. Some of them also have improper visa status, namely by violating their purpose of stay. Others, to a lesser degree, have entered Korea without any legal permission. All these workers can be classified as undocumented migrant workers. No exact statistics on undocumented migrant workers exist, but

their numbers can be estimated from the figure for undocumented foreigners.

About 20% of undocumented migrant workers (or undocumented foreigners) are former trainees. Many trainees became undocumented migrant workers after the expiration of their visa, and some were even found to have moved to other factories, without permission, immediately after entry. Most of them come from late developing countries such as China, the Philippines, Bangladesh, Thailand, Pakistan, Mongolia, India, Nepal, Myanmar, Iran, Peru, Vietnam, Sri Lanka, Nigeria, Indonesia, Ghana, Uzbekistan, and so forth. Hereafter, the paper will focus on unskilled manual workers, excluding professionals. (See Table 2.)

Ethnicity

About a third of foreign migrant workers are ethnic Koreans. They are descendants of those who crossed national boundary and established settlements in the northeastern provinces of China in the area formerly called Manchuria, Siberia, Sakhalin island, and Central Asia in the late Chosun dynasty from the 1860s to 1900s and during the Japanese colonial rule in 1910-1945.

The ethnic Korean migrant workers group is made up of three categories of residents. Of the ethnic Korean migration flowing back into Korea, most are from China, but there are also ethnic Koreans coming from Russia, Uzbekistan, or Kazakhstan. As of December 31, 1996, there were 40,286 Korean Chinese and 51 citizens of the Commonwealth of Independent States (CIS).

Migration channels

Migrant workers have migrated to Korea through both material and cultural-ideological linkages. The number of migrant workers is determined neither by the income gap nor the size of surplus labor force but by the amount of export from Korea and the size of ethnic Koreans. In other words, foreign workers immigrate much more from those countries having strong social linkages than from poor countries having abundant surplus labor force. This fact is reaffirmed by the investigation of the major reasons for migrant workers to choose Korea as their destination. In short, social networks play an important role in international labor migration.

The influx channels of migrant workers vary by visa status. About one-third of the industrial and technical trainees are recruited by Korean companies under the "investment abroad program," while the other industrial and technical trainees arrive in Korea through the invitation by the KITCO under the KFSB and international manpower recruiting agencies. Undocumented migrant workers having tourist or visiting visas flow into Korea through illegal immigration agency or by the help of informal and individual ties.

Wages

Two key variables, the visa status and the ethnicity of migrant workers, were found to have effects on workers' wage differentials. Undocumented migrant workers earn more than industrial and technical trainees. Overseas or ethnic Koreans receive more than non-Koreans.

The low wages of industrial and technical trainees are institutionalized as ITTP and WATP by the KITCO under the auspices of KFSB, which regulates the wage level based on only GNP per capita of labor sending countries irrespective of domestic wage levels.

The fact that the wages of industrial and technical trainees are much lower than those of undocumented migrant workers results in the disengagement of trainees from the arranged companies. Moreover, as ethnic Korean undocumented migrant workers are fluent in Korean, they can find work in non-manufacturing sectors, such as construction and catering where wages are relatively higher. That is, they are capable of taking jobs different from those of the other migrant workers. (See Table 3.)

As migrant workers are engaged in unskilled labor, where the ability of workers does not matter much, most of them get much lower wages than native workers. Not to speak of industrial and technical trainees, undocumented migrant workers receive similar treatment. However, the wage level of undocumented migrant workers is approaching the market wage reflecting their skills. In other words, in the case of undocumented migrant workers, no wage discrimination exists within a firm, although there are some wage differentials among industries such as manufacturing, construction, and service sectors, or due to work experience.

The discrimination against migrant workers in the workplace manifests itself in the work allocation process. As an “everlasting novice,” migrant workers find themselves in undesired jobs. As members of underclass, most migrant workers conceive that discrimination is prevalent in Korea. Their feeling of discrimination does not originate from the specific experiences of individuals, but from work life in general. Although overseas ethnic Korean workers get higher wages than other migrant workers, they feel more discriminated against because their reference group is not the migrant workers but indigenous Korean workers.

At the initial stage of the ITTP, trainee wages were about half that of native workers. After 1995 minimum wages were guaranteed to trainees who were covered by the industrial accidents and sickness insurance. But market forces soon raised the migrants’ wages to the level of their productivity, estimated at about 80% of native workers. (See Table 4.)

Problems and Responses

Migrant workers face many problems in their work life: long working hours, low wages, physical abuse, overdue wages, and poor working conditions. In addition, they are often exposed to extremely hazardous situations in the workplace.

Industrial and technical trainees

Though it is clear that these industrial and technical trainees are offering valuable labor power in much needed industries in Korea, the government treat them merely as “trainees,” taking away all the rights and privileges of being “workers.” Because of this labeling and subsequent inapplicability of labor acts to worker-cum-trainees, this program is in need of major reform. As a result, numerous trainees attempted to escape from their assigned jobs. It made sense economically to many industrial and technical trainees to find illegal employment that pays significantly more. According to data released by the Ministry of Justice, 37.5% (50,980) of all the industrial and technical trainees in 1994-2000 (135,769) escaped from companies where they contracted work and the number is expected to increase year after year. (See Table 5.)

In some way, industrial and technical trainees are worse off than undocumented migrant workers. This contradiction can be easily seen in

the existing ITTP and WATP. One of the serious flaws in the recruitment strategies employed by these mediating agencies concern false and/or exaggerated advertisements. In many cases, these agencies advertise that migrant workers are able to make between \$210-260 per month. As such, the labor recruitment and management agencies' manipulative tactics and their threats to detain workers have become additional problems. If trainees happen to retaliate in some form, a number of agencies would send people to physically abuse and forcibly take away part of their wages. Many of the counseling centers dealing with such cases have euphemistically termed this situation as the "modern form of slave labor."

At present, trainees still suffer from basic human rights violation such as discriminatory low wages, compulsory working overtime and on holidays, frequent occurrence of industrial accidents, intermediary exploitation by agencies, passport seizure, prohibition of leaving the premises of the company, violence, abusive language, and so forth.¹⁴ Trainees specifically under overseas joint venture are, more often than not, in quite poor situation. They receive extremely low wages of 80,000-120,000 won a month and even if they encounter industrial accidents, they are not entitled to industrial accidents compensation insurance.

Undocumented Migrant Workers

Though the problems related to industrial accidents were quite initially unacceptable, the seriousness of most cases subsided as a result of government measures to provide industrial accident insurance to illegal migrant workers beginning March 1993. Yet, other problems such as concealing industrial accidents still loom large. It is quite fortunate that the government decided to compensate those who returned to their countries with injuries. But as long as the primary concern for illegal migrant workers is the danger of being repatriated to their countries after reporting injuries to authorities, many employers use this weakness to conceal industrial accident cases.

In some cases workers must surrender their passports and work overtime against their will. In worst cases, employers indiscriminately beat foreign employees or sexually abuse foreign women workers. Fundamentally, the overcrowded living conditions and unsafe working arrangements induce serious health problems.

One problem I cannot leave out is the clandestine recruitment activities of migrant workers. People come to Korea through such network, apply for a loan and spend about \$1,700-\$2,500 for travel and broker fees; usually they are able to save money in Korea and pay their debt upon returning to the country of origin.

Once they decide to return to their home country, the illegal workers must pay heavy fines. According to the DACA, undocumented migrant workers are subject to a \$135,000 fine and up to three years in jail. On the average, they pay about a million won for each year they stayed illegally. In the process of repatriating illegal workers, problems related to detaining and processing then emerge. In Seoul, where one of the detention center is located, its small facility is much too unfit for humans. In addition, physical abuses are regularly committed against the detainees, making this detention center the “last hell” in Korea.

Responses

The major responses of migrant workers to the problems they encounter include “appeal to manager,” “transfer to another company,” or “simply endurance” according to my survey research.¹⁵ While industrial and technical trainees usually appeal to managers, undocumented migrant workers choose to transfer to other companies.

The expansion of the migrants’ social networks reduces the risks of one’s failure in Korea. Social networks among migrant workers are based on their origins. They meet one another regularly at local concentration centers, and manage some associations for mutual assistance. These associations provide programs for adaptation. The development of social networks among migrant workers may be an important reason for their continued stay in Korea in 1998-1999. Hence the migrants tend to stay despite relative decrease in their earnings.

Discussion

The influx of migrant workers presents a new challenge for the Koreans, given the fact that they have lived in a homogeneous culture for many centuries. Cultural pluralism is a new idea to them, and mixed marriages are very unpopular in Korea. They do not easily open up to foreigners, and their attitudes are characterized by discrimination and

prejudice. The near-sighted policy of the Korean government in dealing with migrant workers fostered this false consciousness. The government issues a trainee visa not an employment visa to foreign unskilled workers, resulting in very low wages and easy manipulation. As such, the government denies them the privileges and rights as workers. Many policy makers still believe that by not legalizing the status of migrant workers and by accepting them as trainees, Korea will be able to reduce the possible negative economic and social costs of the presence of migrant workers in the country but still enjoy the benefits of their services.

However, a lot of academics, civil movement activists, and policy makers had raised the question as to whether there was a better scheme to maximize the economic benefits from the inflow of unskilled migrant workers without discriminating against them economically and socially. In Spring 2000, they again suggested that government enact the Employment of Foreign Workers Act as an alternative way to solve these issues. The key concept of the Act is the introduction of the Employment Permission Program for Foreigners (EPP). Germany, Singapore and Taiwan had already introduced EPP, and seemed to be successful in dealing with the short-term importation of unskilled migrant workers. If an employer who wants to hire foreigners submit an application to the local labor office, the latter will issue a permission certificate after considering the situation of labor market in the area. EPP allows the employment of foreign migrant workers for a designated term after receiving permission from the government.

EPP will change the basic status of migrant workers as the employment relationship between migrant workers and Korean employers is reorganized officially. Migrant workers' labor rights will also improve as the three labor primary rights, which have not been given to trainees, are given to foreign migrant workers, so they can organize their trade unions to protect their own rights.¹⁶

It is difficult for pro-migrant activists to enact the EPP without the backing of global norms of human rights, partly because there have not been powerful domestic actors pushing for migrant rights. Although business has taken the cause of migrant workers at various times (i.e., allowing them to work in the country), their advocacy is not for the recognition of the foreign workers' rights and integration. But as globalization

continues, the Koreans should learn how to live together with people with different cultures, languages and religions. ❁

Endnotes

- 1 The specific criteria to become a “foreign industrial and technical trainee” in Korea is being employed in companies with the following qualifications: those companies, in accordance with Foreign Exchange Act, investing in foreign countries jointly with a foreign company; those companies providing technical support to foreign countries based on the Foreign Technological Development Act; those companies exporting industrial supplies to foreign countries based on the Import-Export Act; and those companies that get a recognition from the Ministries which decide the legitimacy of hiring foreign trainees.
- 2 During the latter half of 1993, up to 10,000 trainees were authorized to work for one year in small manufacturing establishments in selected industries. By December 1993, their number increased to over 20,000 and their period of stay was extended to two years. In August 1994, the government decided to bring in another 10,000 trainees in the garment and footwear sectors, which were experiencing serious labor shortages. In the footwear sector, large enterprises also became eligible to import foreign labor, and in 1995 the government decided that another 20,000 trainees for manufacturing be brought into the country. In January 1996, the President of Korea also promised to allow 1,000 trainees for the fishing industry that was also experiencing labor shortages. The Korea Fishery Federation runs the trainee program for this sector. Moreover, in 1996, another 30,000 trainees were authorized for the manufacturing sector. The training period was also extended to three years for selected jobs. In 1997, the Korean Construction Federation was allowed to import trainees (Park 1998b).
- 3 After 1994 there are two kinds of trainees in Korea. One are those who entered Korea as a trainee through their countries under the control of KITCO under KFSB. The other are those who came to Korea for the purpose of training as employees of overseas Korean companies.
- 4 The government not only decided to compensate those who suffered from industrial accidents and have left the country, but also ordered the Ministry of Labor to take charge in monitoring violations of labor acts, including unpaid wages.
- 5 DACA is a functional equivalent of Immigration Act of USA.
- 6 Refer to the DACA. A person who wants to receive the alternation allowance of stay qualification should (a) pass the technique qualification examination due to the National Technique Qualification Act or the Technique Qualification Examination corresponding with this, (b) have trained for two years as an industrial and technical trainee at the designated company, and (c) have the qualification for training employment according to the chief of the related administrative institutions. The person, who receives the alternation allowance of stay qualification of training employment, should work for the company where he/she originally worked as a trainee. He/she can move to another company, if the chief of the company agrees to it or KITCO decides the turnover is necessary.
- 7 JCMK , 2000.
- 8 Worker-cum-trainees are protected by the selected 8 articles of the Labor Standards Act, the Industrial Safety Act and the Minimum Wages Act. They are also covered by the medical and the industrial accidents insurance. Because their length of stay is a maximum of three years and there is little risk of job loss, unemployment benefits and public pensions are not applied to trainees. They do not want to pay into such an

insurance scheme where there is little probability of receiving defined benefits. Undocumented migrant workers are protected by all the articles of the Labor Standards Act. They are also covered by the industrial accidents insurance, which includes bottom-line protection of human rights, though employers do not pay insurance fees for them. However, they are excluded from other social protection benefits because they do not contribute to the system and because they do not have proper visa status.

- 9 Amsden , 1989.
- 10 Vogel, 1991.
- 11 World Bank , 1995.
- 12 As the labor shortage of blue-collar workers become more severe, there is increasing demand for unskilled migrant workers whose reservation wages are reported to be much lower than those of native workers. There are two competing arguments on the issue (Uh 1999). The argument favoring migrant workers is that they do not compete with, but rather complement the native workforce. Furthermore, the small- and medium size firms cannot afford to move their production site overseas to find low-paid workers. So the employment of unskilled migrant workers is necessary for both firms and their native workers to stay in business and in employment. The contrary argument is that the above can be true only within a certain limit. More importantly, it points out that the immigration of unskilled workers would delay the industrial restructuring required to keep the Korean economy competitive. After long debates, a compromise policy called the ITTP was introduced in 1991, and revised in 1994.
- 13 Accompanying the globalization of the Korean economy, demand for foreign professionals who could transfer their knowledge, skills and technologies to the Korean people has increased. Furthermore, allowing the mobility of highly skilled workers provides a foundation to promote foreign investment. To encourage this, the government abolished the maximum period of stay so as to permit almost unlimited residence in Korea. Administrative regulations on the entry and stay of professionals were relaxed and formalities were simplified to speed up the visa process. The open-door policy for professionals is to be strengthened in the near future. A one-stop service will be provided and the acquisition of citizenship will be eased. In 1997, the government also deregulated most of the policies on foreign investment into Korea, just after the financial crisis. It is expected that more professionals associated with foreign direct investment and portfolio investment will work in Korea.
- 14 JCMK published a white paper named The Report on Oppressed Human Rights of the Migrant Trainee Workers in March 2000. It reminded the public that the human rights violations of migrant workers are prevalent in Korea. The overall situation has not changed since the launching of WATP in April 1998.
- 15 Seol, 1999.
- 16 Seol, 2000.

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Table 1. Number of Migrant Workers in Korea, 1987-2000

Year	Total migrant workers	Skilled workers		Unskilled workers	
		Professionals	Industrial/technical trainees	Undocumented migrant workers	
1987	6,409	2,192	0	4,217	
1988	7,410	2,403	0	5,007	
1989	14,610	2,474	0	12,136	
1990	21,235	2,833	0	18,402	
1991	45,449	2,973	599	41,877	
1992	73,868	3,395	4,945	65,528	
1993	66,323	3,767	8,048	54,508	
1994	77,546	5,265	24,050	48,231	
1995	142,405	8,228	52,311	81,866	
1996	210,494	13,420	68,020	129,054	
1997	245,399	15,900	81,451	148,048	
1998	157,689	11,143	47,009	99,537	
1999	217,384	12,592	69,454	135,338	
2000	243,363	14,697	74,787	153,879	

Note: As of December 31, each year, except July 31, 1992 and May 31, 2000.

Sources: Ministry of Justice; Seol (2000a: 190).

Table 2. Number of Migrant Workers by Their Countries of Origin, 2000

Countries	Total unskilled workers	Industrial and technical trainees	Undocumented migrant workers
China	119,964	43,592	76,372
Ethnic Koreans	(68,583)	(21,392)	(47,191)
Bangladesh	21,014	7,921	13,093
Philippines	20,324	9,807	10,517
Viet Nam	19,943	13,728	6,215
Indonesia	19,595	17,621	1,974
Thailand	12,285	2,543	9,742
Mongolia	11,361	n.a.	11,361
Pakistan	7,300	2,121	5,179
Uzbekistan	6,987	3,054	3,933
Sri Lanka	2,411	2,411	n.a.
Nepal	1,529	1,529	n.a.
Myanmar	759	759	n.a.
The others	17,371	1,878	15,493
Total*	260,843	106,964	153,879

*Less Ethnic Koreans

Note: As of May 31, 2000.

Source: Ministry of Justice (2000).

Table 3. Comparison of wages (in won), 1999

Wages composition	Korean workers	Foreign trainees
Average wages	901,913	621,000
Basic wages	585,580	361,600
Other allowance, bonus, and fringe benefits	316,333	259,400

Source: Small and Medium Business Administration (1999).

Table 4. Problems Faced by Migrant Workers (in percent), 1995

Problems	Unskilled Workers (N=331)	Industrial/technical trainees		Undocumented migrant workers	
		Ethnic Koreans (N=17)	Ethnic Non-Koreans (N=100)	Ethnic Koreans (N=50)	Ethnic Non-Koreans (N=164)
Long working hours	61.0	57.1	53.6	39.2	72.4
Low wages	46.7	42.9	76.8	19.6	36.9
Physical abuse	22.8	9.5	28.6	7.8	25.1
Overdue wages	20.6		12.5	29.4	25.1
Poor working conditions	20.1	4.8	19.6	7.8	25.6
Discrimination from Koreans	18.9	38.1	12.5	47.1	12.3
Curses or insulting language	17.9	14.3	12.5	17.6	21.7
Industrial accidents and injury at workplace	15.3		21.4	11.8	14.3
Conflicts with Korean workers	14.9	23.8	12.5	13.7	15.8
Conflicts with Korean supervisor	7.8	4.8	5.4	3.9	10.8
Conflicts with boss	6.1		8.9	7.8	4.4
Inability to join a trade union	3.2		1.8	7.8	3.0
Various wage deductions	2.9	23.8		5.9	1.5
Others	6.1	4.8	5.4	3.9	7.4

Note: Each respondent gave three answers.

Source: Seol (1999:270).

Table 5. Runaway Trainees, 1994-2000

Year	Number of runaway trainees	Ratio (%) to industrial/technical trainees	Share (%) of undocumented migrant workers
1994	1,989	8.3	4.1
1995	6,342	12.1	7.7
1996	11,143	16.4	8.6
1997	18,698	23.0	12.6
1998	21,349	45.4	21.4
1999	26,978	38.8	19.9
2000	29,910	42.3	20.2

Note: As of December 31, each year, except March 31, 2000.

Source: Ministry of Justice (2000).