

## **Migrant Workers in South Korea: Between Strategic Ambivalence and Systematic Exploitation**

**Vicente Angel S. Ybiernas**  
De La Salle University-Manila

### **ABSTRACT**

Prior to the 1980s, the South Korean workplace was not reliant on migrant workers. However, roughly just before the Seoul Olympics of 1988 were held, there was a noticeable increase in the number of foreign workers in South Korea. From the 1980s onwards, the South Korean government and its export-dependent industries struggled with the rising cost of living in the country and the attendant rise in the wages of Korean workers, creating a need for migrant workers. This essay tackles the challenges faced by South Korea vis-à-vis its growing migrant worker population. Specifically, South Korea had to balance the need of its export-oriented industries to keep labor costs low by maintaining the wages (and other benefits) of migrant workers minimal and the pressures, both internally and externally, to limit exploitation of, and improve the working conditions for, these laborers.

*Keywords:* Migrant workers, dirty, difficult and dangerous (3-D) jobs, labor shortage, trainees

In the 1960s, South Korean nurses and miners were “exported” to Germany as migrant workers (Park, Nasrudin, & Pitch, 2005, p. 1). During the same period, South Korean workers were employed in construction projects in the Middle East. In sum, from the 1960s to the 1980s, more than 2 million Korean workers were deployed overseas as contract workers, making South Korea one of the largest labor-sending countries in Asia at the time.<sup>1</sup>

The situation reversed, however, in the late 1980s when South Korean overseas workers began to come home and gain employment domestically (see Seok, 1986 as cited in Seol, 2005, p. 1). Simultaneously, as a local newspaper article in 1987 pointed out, the presence of “hundreds of Filipina domestic helpers” in Seoul’s posh Gangnam District heralded the transformation of South Korea from being a labor-sending to a labor-receiving nation (Seol, 2000, p. 1; Seol, 2005, p. 1). This

positive reversal of fortunes is the result of an “economic miracle” that saw South Korea recover from the ravages of the Korean War (1950-1953) to become one of the largest national economies in the world.

It shall be contended in this essay – following scholars like Chalmers Johnson (1987), Alice Amsden (1989), Jung-en Woo (1991) and Peter Evans (1995) – that the South Korean “developmental state” was at the center of this economic transformation. In the first place, it was the developmental state which redirected the South Korean economy from an import substitution industrialization (ISI) policy in the 1950s to the intermediate export-oriented industrialization (EOI) of the 1960s and finally to the heavy and chemical industrialization (HCI) phase in the 1970s and onwards.

Subsequently, the South Korean state, through the purposeful implementation of certain policies that will be outlined below, caused the dramatic influx of foreign migrant workers to shores to serve as key resources to be exploited to suit national developmental interests, in line with the state-led EOI and HCI development framework. In the beginning, the migrant workers were brought in to keep the cost of labor low in key labor-intensive, export-oriented domestic industries by serving as a cheap alternative to indigenous workers, who were beginning to demand higher wages on account of improved domestic living standards and higher qualifications (i.e., educational attainment) due to the aforementioned economic miracle. To facilitate the systematic reduction of labor cost, migrant workers were brought in under state-sanctioned programs initially as “trainees” – who were actually “disguised workers” at a huge wage disparity with indigenous workers – in an exploitative form of state support to domestic industries.

The continued reliance of labor-intensive export-oriented domestic industries on migrant workers – either as disguised workers or irregular migrants (after the trainees bolted from their “training programs” in order to gain employment at relatively higher wages), and later, as officially-sanctioned and recognized migrant workers – created for them a niche in the Korean labor market. Thus, even though wages in these industries were eventually adjusted bilaterally (i.e., wages of migrant workers increased *and* wages of indigenous workers decreased) to practically eliminate the differentials in wages between indigenous and migrant workers, indigenous workers continued to shy away from jobs predominantly under the hands of the migrant workers. This finally rationalized the migrant workers’ niche in the Korean labor market and ended the state’s erstwhile ambivalence or tolerance towards irregular migrants – who had, after all, broken the law by becoming irregular migrants. *Deus ex machina!*

To illustrate, in 1987, there were less than 7,000 migrant workers in South Korea, of whom two-thirds were irregular migrants or workers whose migration standing, for one reason or another, did not conform with regular or normal standards set by the host country (Wickramasekera, 2000). Thirteen years later, at the turn of the millennium, the number of migrant workers in the country expanded to almost one-quarter of a million, with the irregular migrants still roughly two-thirds of the population. In 2009, the number of migrant workers surged past half a million, but the number of irregular migrants was drastically reduced to nine percent of the total (Park, 2009).

Be that as it may, the self-imposed obligation of this essay is to explain this curious trajectory of migrant workers in South Korea, juxtaposing the explanation with the crucial role of the developmental state in terms of helping rationalize the domestic and transnational labor market vis-à-vis the domestic and international economy, especially during times of regional and global crises in the 1990s and the 2000s.

## **GLOBALIZATION AND THE NATION-STATE**

The rapid acceleration of global capitalism leading up to the 1980s excited a number of scholars into heralding the arrival of a “borderless world” (Ohmae, 1990) wherein goods and services could freely cross national borders, thus reducing the state to virtual obsolescence. Time has proven this prediction to be premature. In fact, as the phenomenon of the developmental state in East Asia has shown, states have become an even more important force in the wake of freer flow of goods and services across national borders. This could not be more appropriate in the case of South Korea.

In the aftermath of the Korean War (1950-1953), South Korea faced imminent economic and security collapse. South Korea would have fallen to communist North Korea had it not been for the intervention of a United States-led and United Nations-backed coalition forces. Even with U.N. protection, the North Korean threat continued to represent an ominously clear and present danger to South Korean national security.

Economically, less than 25 percent of South Korea’s land was usable for agriculture. The Korean War also flattened majority of its infrastructure and made South Korea financially dependent on American aid. Investments shortly after the Korean War stood at 10 percent of the gross domestic product and were mostly funded by American aid (Noland, 2005, p. 4). The South Korean economy was in shambles.

The dependence of their country on the Americans also troubled the South Koreans, especially after the United States moved to somewhat loosen her strategic, albeit

expensive,<sup>2</sup> commitments in the peninsula. The United States had observed that Seoul's import substitution industrialization (ISI) economic policy was making South Korea more, *rather than less*, dependent on American aid for survival.

The election of John F. Kennedy as president of the United States in 1960 heralded a new American policy towards Seoul as embodied in National Security Council (NSC) Paper No. 6028, which emphasized the need "to stimulate domestic production (in South Korea) for export and domestic use" (Woo, 1991, pp. 76-77). NSC 6028 emphasized export-led growth in order to limit South Korean dependence on the United States by helping the former stand on her own feet.

Shortly after Kennedy's election and the institution of NSC 6028, General Park Chung-Hee led a military *coup d'état* that ousted President Syngman Rhee from power and installed a junta under his leadership. As head of the military junta, General Park aligned his national economic policies with NSC 6028: industries in South Korea were geared towards export.

Another round of major changes in American policy that came during the late 1960s resulted in a new shake-up in South Korean economic policy. U.S. President Richard Nixon, in the so-called Guam Doctrine of 1969, announced a huge cut in military spending abroad, resulting in the withdrawal of American forces in Vietnam and a significant reduction of troops in overseas military bases in Japan, South Korea and the Philippines. The reduction of U.S. troops in South Korea put Seoul in a more tenuous security situation in relation to Pyongyang, which had intensified its threats on the former in the late 1960s, culminating in a commando attack that narrowly missed taking the life of President Park. American withdrawal from Saigon was also a huge blow to Seoul as South Vietnam was the biggest market for South Korean exports. Nixon compounded the loss of the Vietnam market for South Korea with the imposition of an import surcharge and the institution of protectionist policies in the American textile industry to the detriment of Korean textiles, a key export product at the time.

These incidents, rather than deflating Korean resolve regarding the viability of export-oriented industrialization (EOI), actually intensified it. The vulnerability of Korean textile exports in the U.S. market, coupled by the North Korean threat, convinced the Park regime to shift emphasis and promote heavy and chemical industrialization (HCI), i.e., the *Big Push* of the 1970s, as a deepening of the EOI policy. Targeted for promotion under HCI were six key industries: steel, chemical,

metal, machine building, shipbuilding and electronics (Woo, 1991). The development of these industries was expected to spruce up South Korean national defense capability and take advantage of the relative weakness of industrially advanced countries in the areas of ship-building and pollution-causing industries. HCI was similarly expected to push the limits of economic growth in the Korean peninsula (Cheng, 1990, p. 163).

Whether reacting to exogenous shocks or to endogenous impulses, South Korea complied with what Boltho and Weber (2009, p. 267) identified as four common features of the East Asian developmental state model: (1) emphasis on the importance of rapid growth of investment, the manufacturing sector and external competitiveness, translated into interventionist industrial, trade, financial and other policies; (2) concomitant belief in the virtues of a competitive economy in which firms, while often protected from foreign companies and in downturns, are expected to fend for themselves against domestic rivals and on the world market; (3) a set of broadly sensible and appropriate macroeconomic policies, normally aiming at budgetary balance, or even surplus, and trying to prevent high and variable rates of inflation; and (4) a number of favorable pre-conditions of a broader socio-economic and political nature, such as homogenous (and slow growing) populations, high levels of human capital formation, relatively equal patterns of income distribution (thanks partly to prior agricultural reforms), competent bureaucracies and fairly authoritarian governments through much of the periods here considered.

As a result of the Big Push, South Korea became one of the largest and fastest growing economies in the world by the late 1980s. The domestic South Korean labor market rose to near-full employment levels beginning in the mid-1980s, with unemployment at consistently low levels (Seol, 2000, p. 7). Consequently, wages of South Korean workers rapidly increased across the board, thus encouraging Korean migrant workers to come home and seek employment domestically.

Thereafter, the newly affluent South Koreans of the 1980s invested heavily in the education of the youth. According to the country studies website, about one-third of secondary-school graduates in South Korea attended institutions of higher education in 1987, one of the highest rates in the world at the time.<sup>3</sup> A new generation of better-educated South Koreans in the 1980s began more and more to look for higher-paying jobs and veered away from the low-paying manufacturing jobs, creating a great hole in the labor market which the migrant workers would soon fill.

## ENTER THE MIGRANT WORKERS

The aversion of South Koreans to work in the so-called 3-D or “difficult, dirty and dangerous” manufacturing jobs does not stem from the undesirability of the work per se; it was a result of the attendant lower wages in comparison with other jobs in the labor market. The wages for 3-D jobs in the country’s labor-intensive, export-oriented industries necessarily had to be lower than what the domestic market dictated in order for Korean exporters to maintain competitiveness in the international market. The conclusion that South Korean workers shunned 3-D manufacturing jobs not because of the undesirability of the work per se, but rather due to lower wages, is likewise drawn from a survey of business owners in the 1990s whereby 59% of the respondents opined that higher wages for South Korean workers would solve the labor shortage in the 3-D sector (as cited in Seol, 2005, p. 4).

The 3-D manufacturing jobs situation created a dilemma for the national government. On the one hand, rapid economic development and rising standards of living represented by higher wages mirrored domestic political stability, a key ingredient in the South Korean national security framework. On the other hand, it posed a serious problem for the export-oriented, labor-intensive industries, the competitiveness of which in the international market was being undermined by rising domestic wages.

In response to the growing industrial need for cheap labor and, simultaneously, the South Korean workers’ growing aversion to 3-D jobs, President Roh Tae Woo (1988-1993) turned to migrant workers who could eventually be integrated into the peninsula politically and culturally. President Roh broached the idea of opening Seoul’s door to ethnic Koreans either living in China (the *Joseonjok*<sup>4</sup>) or in Russia, Uzbekistan and Kazakhstan (the *Goyeoin*) to enter South Korea as regular migrant workers (Seol, 2005, p. 1). The South Korean government was poised to grant permanent residence and citizenship to the *Joseonjok* but was forced to reverse its position after China protested against what she viewed as an affront to her sovereignty. Thus, the *Joseonjok* were effectively categorized as *foreign* migrant workers after 1990 (Seol & Skrentny, 2009, p. 153).

President Roh’s effort to lure the *Joseonjok* and the *Goyeoin* back into the South Korean fold (to be employed at relatively lower wages) in the late 1980s highlighted the government’s propensity to allow migrant workers to come in and counteract the inevitable wage increases among indigenous workers in the 3-D manufacturing sector which could hamper the country’s export competitiveness. Moreover, when the number of *Joseonjok* and the *Goyeoin* proved inadequate to fill the demand for

low-paid workers, the South Korean government began to manifest its strategic ambivalence towards the burgeoning irregular migrants.

The number of irregular migrants as a percentage of foreign workers in South Korea hovered around two-thirds, the same levels in 1987 and 2000, albeit the total in 2000 was manifold higher than that in 1987. Strategic ambivalence in this case must be viewed as the inability or unwillingness of the South Korean government to put in place a regulatory framework to legitimize the stay of the multitude of migrant workers coming into the peninsula. The South Korean government's ambivalence is clearly seen in the fact that the state knew that the number of irregular migrants was growing but did nothing to curtail it (ambivalence) simply because the country's export-oriented economy benefitted from the presence of these workers (strategic). In fact, it may be argued that the inaction by the state was seen by irregular migrants as an encouragement for them to come into South Korea in even greater numbers.

The Industrial Technical Training Program (ITTP) for foreigners of the early 1990s was the South Korean government's initial attempt to regulate and legitimize the flow of migrant workers into the peninsula. Under the ITTP formula, "trainees" were brought in instead of "workers" to appease the domestic trade unions who originally opposed the program for fear that it will displace South Korean workers. Under the initial implementation of the ITTP in late 1991, South Korean firms with an overseas foreign affiliate could bring in no more than 50 trainees, the total of which should not exceed 10 percent of the company's native work force. The "training period" was set for six months and could be extended by another six months with the approval of the Ministry of Justice (Seol, 2000, p. 7).

The first batch of ITTP trainees by the end of 1991 was no more than 600. By 1992, the total had grown to almost 5,000 and then 8,000 by 1993. In conjunction with the implementation of the ITTP, the South Korean government announced an amnesty program for overstaying migrant workers set for July 1992. The rationale for the amnesty program was to convert the irregular migrants into ITTP trainees. The amnesty attracted more than 60,000 irregular migrants, including those of Chinese nationality (more than one-third), Filipinos (slightly less than 30 percent), Bangladeshis (slightly less than 15 percent), Nepalese (8 percent) and other nationalities. The remaining 9,000 irregular migrants were given four extension periods until June 1994 to surrender themselves.<sup>5</sup>

Despite the great number of surrenderees in 1992, the total number of irregular migrants (i.e., 54,508 in 1993 and 48,231 in 1994) remained substantial. The explanation lies in the onerous nature of the ITTP. The firms that participated in

the ITTP brought in “trainees” not to be trained but to work in their factories; as such these foreigners could be considered “disguised workers”. This setup was advantageous to the firms and injurious to the trainees; the trainees as disguised workers were only paid allowances worth roughly 50 percent of the usual wages that irregular migrants earned and an even lower fraction of what any ordinary South Korean worker received (Esteban, 2001; Lim, 2002, p. 17). This disadvantageous situation pushed 60 percent of the ITTP trainees to desert their positions and find employment as irregular migrants receiving substantially higher wages (Lim, 2002, p. 17).

At every turn, the South Korean government was ambivalent about whether the trainees served as disguised workers or turned into irregular migrants in the labor market; the government was more interested in the fact that domestic industries had access to relatively cheap labor. Of greater importance to the state was providing support for its export-oriented, labor-intensive industries, not in safeguarding the rights of foreign workers in its shores against exploitation and abuse.

## **ESCALATION**

Through the continuous supply of ITTP trainees and later, ITTP trainees-turned irregular migrants, the South Korean government effectively ensured that 3-D jobs remained low-paying, thus unattractive to native workers. While the ITTP was supposed to address labor shortages in several industries, it actually created a greater need for foreign workers who were lined up for exploitation under the program and who were indirectly encouraged by government ambivalence to become irregular migrants. Thus, the enlargement of the ITTP under the supervision of the Korea International Training Cooperation Corps (KITCO) in November 1993 meant a deepening of what was originally a simple problem.

KITCO is a private entity under the auspices of the Korea Federation of Small Businesses (KFSB) that was given the authority by the national government to recruit more trainees into South Korea. Other similar organizations such as the Korea Fisheries Federation in 1996 and the Korea Construction Federation in 1997 were given permission to recruit their own trainees. Thus, the Kim Young Sam administration (1993-1998) made the decision to flood the South Korean labor market with trainees-as-disguised-workers, who later on became irregular migrants in the labor force. While this solution seemed optimal for South Korean industries seeking to lower their labor-related costs, it created very serious problems for the migrant workers.

The migrant workers were being exploited from all sides. At the point of recruitment, in their home countries, it was alleged that brokerage fees amounting to as high as US\$ 8,000 were being charged for the right to be included in the expanded ITTP (Seol, 2000, p. 9). KITCO itself was accused of certain irregularities in connection with the recruitment process. KITCO was vested the right to choose which agencies in the sending countries to tap in the recruitment of trainees for the ITTP and it was alleged that bribes were given by these agencies to KITCO staff members to be chosen as the appointed broker in that particular sending country. Consequently, these agencies sought to recoup the cost of wining and dining the KITCO staff by collecting astronomical brokerage fees.

Once the prospective trainee has coughed up the exorbitant brokerage fee, usually through the “help” of loan sharks, he was then saddled with the burden of repaying the debt during the period of “training”. Finding out that his wages during the short training period is often insufficient to repay the loan, the trainee was presented with an additional impetus to join the ranks of the irregular migrants. Thus, the number of migrant workers on record surpassed the 100,000 mark in 1995, a little over a year after the ITTP was expanded. A year later, the number of irregular migrants also breached the 100,000 mark (Seol, 2000, p. 8). At every turn, the South Korean government was ambivalent at best, choosing to ignore claims of systematic exploitation of the migrant workers.

The increased number of migrant workers was expected to have a drastic effect on the South Korean labor market and on society in general. Bringing in “trainees” at a fraction of the ordinary South Korean’s wages meant that firms employing the former, instead of the latter, saved a lot on their labor costs. Moreover, the entrenchment of trainees-turned-irregular-migrants in factories, and their helplessness in the face of the specter of arrest once exposed, opened these workers to grave abuse. In particular, firms that employed irregular migrants neglected the improvement of working conditions in the workplace. Subsequently, as the factories gained notoriety for poor working conditions, South Korean workers developed an even greater disdain for these so-called 3-D jobs.

By the mid-1990s the recommendation resulting from the survey conducted by Abella and Park (see above) for wages to be increased in the factories to attract more South Korean workers had been rendered moot by the government’s decision to enlarge the scope of ITTP and the repercussions of the said action. The enlarged ITTP with respect to the implementation of its policies on “training” vis-à-vis “employment,” and “allowances” vis-à-vis “wages” in effect created a grim niche market for irregular migrants. As regards “poor working conditions,” it might be

asked why there was no incentive or pressure exerted on firms to improve these to begin with. It can be surmised that there was no incentive or pressure exerted because the national government had already made a decision to rely on disguised migrant workers as a strategic move to improve the cost-competitiveness of selected domestic industries. This decision was arrived at around 1990-1991 and had been well-entrenched by the time the national government made known its intentions of enlarging the scope of the ITTP, initially with the garment and footwear sectors in 1993-1994, and later on in the area of fisheries and construction in 1996-1997 (Seol, 2000, p. 9). This was government-business partnership at its worst, a systematic and collaborative exploitation of migrant workers in the name of national economic development.

Park Hyun-Ok (2005, pp. 7-9) adds another layer into the analysis of the situation. She claims that a high unemployment rate existed in South Korea during the 1990s. She further argues that the supposed labor shortages that justified the need for foreign workers came about as a result of a transformation in the mindset of South Korean workers, especially after neo-liberal reforms were accelerated during the presidency of Kim Young-Sam that culminated in the International Monetary Fund's rescue package for South Korea in the aftermath of the 1997 financial crisis. These South Korean workers, according to Park, have abandoned the old "moral values of honest manual labor and saving" and have been consumed by "the fetishistic dream of acquiring instantaneous wealth" through speculation in the liberalized financial markets.

Nevertheless, it must be reiterated that the labor market in the 3-D jobs left South Korean workers with virtually no choice; the wages being offered in this sector of the labor market were too low for comfort and working conditions were far from ideal, pushing most South Koreans to prefer being unemployed rather than work in 3-D jobs.

### **CORRECTING THE FLAWED ITTP FORMULA**

Beginning the early to mid-1990s, migrant workers in South Korea started to make their displeasure known at the situation in which they found themselves and were demanding that some changes be made by the government. These complaints were back-stopped by similar appeals from the International Labor Organization (ILO) as manifested by the large number of studies and reports published by the said organization in the 1990s especially taking the Seoul government to task for tolerating the terrible conditions of migrant workers in South Korea.

Aside from the disparity in wages/allowances between the ITTP trainees, irregular migrants and South Korean workers, 70 percent of the trainees were working from 50 to 60 hours a week as opposed to 40 to 44 hours for the latter. Poor working conditions likewise caused the trainees' health to deteriorate (Lee, 2003, p. 19). Similar work hours and conditions also afflicted the irregular migrants. Moreover, they were saddled by the additional burden of unpaid salaries and lack of health and accident insurance coverage (Park, Nasrudin, & Pitch, 2005, p. 7). According to Timothy Lim (1999, p. 7; 2002, p. 19), violence in the workplace had also been an important factor, with foreign workers being beaten up by their employers and, in some cases, the former causing the death of the latter in retaliation.

The main culprit for this unfortunate situation was the flawed system in place. As mentioned, trainees were being forced to pay huge brokerage fees to qualify for work opportunities in South Korea. Thereafter, once the trainees arrive, the employers, dropping all pretenses of instituting a training program and seeking to take full advantage of the low allowances to be paid these foreigners for their labor, and the latter, heavily in debt from paying the brokerage fees, offer and agree to work long hours on the job (mentioned above) for more money. Upon coming into contact with friends, acquaintances and compatriots, the trainees realize that they can make more money doing the same job as irregular migrants, thus a large number of them abandon their positions. Once these trainees become irregular migrants in exchange for higher wages, they surrender many of their rights to the employers, who now feel justified in excluding accident and health insurance and other benefits, as well as occasionally delaying the payment of the workers' salaries. Some employers would also beat up the migrant workers to correct a mistake or pose the threat of such to ensure compliance and safeguard against future mistakes.

The government, on the other hand, in an effort to provide some form of assistance – albeit morbid – to the small- and medium-sized export-oriented enterprises, looked the other way as human rights abuses were committed against the migrant workers. Furthermore, the government, in the mid-1990s as mentioned above, encouraged the expansion of this fundamentally flawed causal chain by endorsing the onerous ITTP framework, which denied the disguised workers their due rights under the law as a matter of status and encouraged them to break the law to alleviate their situation.

Protests by concerned non-governmental organizations and militant migrant workers in the early to mid 1990s – the most prominent of which were the sit-ins at the Myeongdong Catholic Cathedral in 1995 – were responsible for pressuring the Ministry of Labor to announce the formulation of “A Measure Pertaining to the

Protection and Control of Foreign Industrial and Technical Trainees” in the same year (Seol, 2000, p. 10). Similar moves were introduced in the National Assembly to pass the *Employment of Foreign Workers Act* (EFWA) in 1997 to no avail, as the preoccupation with recovery from the 1997 financial crisis took precedence. The national government of South Korea again showed its ambivalence to the plight of the migrant workers, placing higher value on stabilizing the domestic economy, particularly the country’s export-oriented industries. Appeals from the irregular migrants and the ILO fell on deaf ears.

Under the post-1997 financial crisis IMF bailout pre-conditions, the national government instituted several reform measures that further liberalized the South Korean economy. Consequently, many highly paid South Koreans lost their jobs as firms were forced to restructure their operations. Moreover, the gap in the wages of South Korean and migrant workers narrowed (Park Hyun-Ok, 2005). It is in this context that the *Working after Training Program for Foreigners* (WATP), introduced in 1998, is understood. Under the WATP, trainees who pass certain requirements could graduate into full-fledged workers and enjoy the same rights – and, to a certain extent, wages – of native workers (Seol, 2000, p. 10).

The wage readjustment among South Korean workers vis-à-vis the graduated trainees under the WATP had two visible effects: (1) it made the services of the graduated trainees relatively more expensive for the employers to retain; and (2) the narrowed the gap between the salaries of graduated trainees with the South Korean workers served as an incentive to the employers to think about improving their compensation packages and work conditions to better attract Korean workers, whom the employers *still* considered to be more productive. On the second point, Seol’s essay (2005) bears quoting at length:

Yoo & Lee (2002, pp. 92-93) indicates only 4 percent of employers answered that “migrant workers are more productive than indigenous workers in performing the same tasks,” and the majority answered that productivity of migrant workers is lower than indigenous workers. It is noticeable that 14 percent responded that migrant workers’ productivity is less than 50 percent of indigenous workers’ – it implies that the productivity of migrant workers is seriously low. Generally speaking, productivity of migrant workers is seen as 76 percent of indigenous workers’ productivity. (Seol, 2005, pp. 10-11)

The total number of migrant workers in 1998 went down to about 60 percent of the 1997 level and the number of irregular migrants fell by almost one-third over

the same period. Up to that point, the national government was not really sure how much the economy needed the migrant workers. The chief justification – in the eyes of the employers – for securing the services of disguised migrant workers had been the relatively cheap cost of their labor vis-à-vis their productivity. Employers wanted indigenous workers but could not afford their wages and demands for better working conditions, and had to settle for the migrants.

In effect, the 1997 financial crisis and the unemployment it brought to South Korea made clear how much the national economy actually needed migrant labor, at which point the government continued to be a distracted and ambivalent bystander. As mentioned above, Park (2005, pp. 7-9) maintains that in spite of the massive unemployment that had engulfed their country during the 1997 financial crisis, the South Korean workers still refused to accept 3-D jobs. Thus, by 1999, when the employment of migrant workers rose back to near pre-financial crisis levels despite the wage readjustments, a signal had been sent to the national government: the migrant workers had truly become an integral part of the labor market.

By the time the South Korean economy had survived the attacks of the 1997 financial crisis, it became clear that a point-of-no-return had been reached. The labor market had shown that the migrant workers were definitely needed. Firms have shown a willingness to pay migrant workers, whether regular (i.e., under the WATP) or irregular, wages that were nearly comparable to that of ordinary South Koreans. Thus, the government's continued weathering of criticisms of its unfair treatment of migrant workers under the ITTP, which had grown tremendously since the early to mid-1990s, was no longer viewed as necessary in the new millennium. Thus, President Kim Dae-Jung promised to rectify the migrant workers' situation in South Korea (as cited in Lee, 2004, p. 7).

The truth is that the labor market had reached a point of equilibrium and the national government of South Korea, an ambivalent bystander for many years, sprang into action. Moves were initiated to implement a comprehensive program that would finally provide a framework of official recognition to the foreign workers; there was no benefit to ignoring them anymore, since wage differentials between native and foreign workers had narrowed. However, residual opposition in the National Assembly blocked the passage of the EFWA in 2001, Lee Yong-Wook (2004, p. 7) explains that the EFWA was not passed at the time because of "economic downturns." It was not until August 2003, under the presidency of Roh Moo-Hyun, that the measure became law.

## POSTSCRIPT

In ratifying the EFWA, the South Korean government had accepted the country's position as a market for migrant workers. It resolved the inaction of the pre-ITTP era and ambiguities of the ITTP/WATP period. However, while the EFWA framework created a legitimate process for migrant workers to enter South Korea after 2003, the problems surrounding the existing irregular migrants had been unsatisfactorily resolved, at least from the point of view of the migrants. The South Korean government's position on the matter has been to purge the ranks of the irregular migrants, which has resulted in immigration raids in the workplace, in public areas such as streets, transportation terminals, markets, as well as in the homes of migrant workers. On October 23, 2009, Minod Moktan, a famous activist of migrant worker rights in South Korea and himself an irregular migrant, was deported to his native Nepal after more than 17 years of staying – and working – in South Korea. The deportation constitutes the South Korean authorities' proof of how serious they are of wiping the irregular migrants' slate clean.

The South Korean government's position on the matter is clear: at a time when immigration rules were either non-existent or ambiguous, and the labor market – and by extension, the economy – needed the irregular migrants, their presence was tolerated. However, having enacted a measure that sets a framework for legalized migration of workers, and with a labor market that has already integrated regular migrant workers, the South Korean authorities have no incentive to harbor the irregular workers on their shores.

Irregular and regular migrants have been lobbying for South Korean authorities to broaden the government's immigration policies to allow them (migrants) to stay in the country as permanent migrants. Consistently low fertility rates in South Korea, a niche market for migrant workers, and some degree of social integration have been identified as causes of the country's emergence as a "Land of Immigration" (Lim, 2002). Since the 1980s, South Korea has viewed migrant workers as vital to the national economy. Yet, for South Korea, the question of national integration through permanent immigration is a separate matter altogether.

Many issues pose a stumbling block to the complete opening of immigration in South Korea. Cultural integration of the migrants into the South Korean fold, a key requirement for permanent immigration, is a very complex matter. It not only includes foreigners learning the language, customs, and traditions – which many of the long-time foreign migrants have acquired a knowledge and practice of – but more importantly, imbibing the ordinary South Korean's understanding of his/her

Confucian role towards society and vice versa. South Koreans are expected to sacrifice their personal interests for the sake of the country, as has been seen in the many crises that have engulfed the peninsula.<sup>6</sup> It is fair to say that South Koreans have been skeptical of the migrants' willingness to make the same sacrifice for their adopted country and are doubtful that the migrants' *greater* loyalties lie with their adopted country and not their home country. To be sure, adult migrants have not been bred to see the world as their South Korean fellows do and it is not easy to erase their attachment for their home country.

After a long odyssey typified by government ambivalence at least, and systematic exploitation at most, migrant workers have been given their due recognition, status, protection and benefits under the law, which are at par with international labor standards. The South Korean government has also provided, albeit a very narrow, path for foreigners to become immigrants in the country. Among the salient requirements for immigration are (as mentioned earlier) a test of cultural integration – usually, a working knowledge of the national language – and five years of continuous authorized stay in the country. As it is, under the EFWA, most foreign workers are not provided the legal framework to reach the target five-year requirement for immigration; they accuse the South Korean authorities of granting access to foreign workers but not immigrants.

It must be remembered that under the existing *international* framework, permanent immigration to another country is a *privilege* granted by the host state; it is not a fundamental right accorded to all peoples of the world. As this essay has shown, economic factors alone have moved the South Korean government to action; it will act to protect and assist domestic industries and will not give in to external pressures if these are not harmonious to the state's interests. This was true for the migrant labor situation from the 1980s to 2003 and it will surely be the case for the question of immigration.

Nevertheless, South Korea has recently shown some responsiveness to internal – not external – forces such as chronically low fertility rates among the natives and some political pressure due to an ongoing “baby boom” of a rural-centered multi-cultural base.<sup>7</sup> In fact, a major South Korean political party recently included in its slate for the parliamentary elections a Filipina migrant (widowed from her South Korean husband) by the name of Jasmine Lee. Ms Lee has been vocal about the need to promote migrant rights in the peninsula, and her inclusion in the successful slate of a major South Korean political party is symbolic of changing attitudes there. Whether this eventually results in a drastic shift in South Korean immigration policies in the near future remains to be seen.

In the end, this episode has proven two related points: (1) the state continues to be a relevant and potent force in spite of economic globalization; and (2) the state remains relevant and potent because of its ability to assist, protect and promote (at varying degrees) the interests of constituents such as industry and indigenous workers, in the face of powerful threats, whether domestically or internationally. States will weather criticism from outside of their identified constituency in order to provide what they think is valuable service to their constituents; it is rather unfortunate that the Seoul government has shown a tendency not to view migrant workers in South Korea as part of its constituency. Yet, that is what its constituents expect of their state and in that respect – in the narrowest of terms – the Seoul government has done its job.

Economic globalization, in this case, has not ultimately redounded to the common good. In fact, it has created a layering of benefits, which in the domestic context, is mediated by the coercive powers of the state. Will this condition ever change? This essay doubts it. Exogenous factors – economic factors such as market-dictated wages – may force the hand of the state, but is this equilibrium indefinite or temporary? Ironically, it is economic globalization itself, with its highly volatile nature, which disrupts equilibrium and creates a vast opening for intervention by the developmental state. This opening may or may not result in positive changes for specific stakeholders within state boundaries; these stakeholders and their supporters within and without the nation-state may apply pressure to ensure that these changes benefit them. Yet, in the end, the state as main provider of public goods remains the final arbiter and decision maker. Economic globalization has not changed that. Not at all.

## ENDNOTES

<sup>1</sup> See <http://www.unesco.org/most/apmrnw12.htm>, accessed on September 11, 2012.

<sup>2</sup> Seoul in 1960 was the single largest recipient of American aid. See Woo, 1991, p. 75.

<sup>3</sup> See <http://countrystudies.us/south-korea/42.htm>, accessed on September 11, 2012.

<sup>4</sup> The *Joseonyeok* trace their roots to Korean nationalist activists during the Japanese colonial era.

<sup>5</sup> See <http://www.unesco.org/most/apmrnw12.htm>. Accessed June 7, 2010. Also, see Seol, 2000, p. 9.

<sup>6</sup> See <http://news.bbc.co.uk/2/hi/world/analysis/47496.stm>, accessed September 12, 2012.

<sup>7</sup> See <http://www.nytimes.com/2009/11/29/world/asia/29/babies.html?pagewanted=2&intemail=1&y&-r=1&emc=tnt>. Accessed June 17, 2010.

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**Vicente Angel S. Ybiernas** <[vicente.ybiernas@dlsu.edu.ph](mailto:vicente.ybiernas@dlsu.edu.ph)> is Assistant Professor at the Department of History, De La Salle University-Manila.