

Pioneering a system of migration management in Asia

The Republic of Korea's Employment Permit System approach to decent work



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In 2004 the Republic of Korea launched a courageous experiment in decent work that is now recognized as the most important bilateral arrangement for cross-border labour migration in Asia. In what was a paradigm shift the Korean Government turned away from treating foreign migrants as apprentices and accepted them as fully-fledged workers, eventually giving them all the same entitlements as Korean workers.

As part of the process the Republic of Korea signed agreements with 15 other governments that require all parties to provide protective conditions to workers on the move. Through this commitment, the Korean Government remains vigilant in responding to appeals for improvements to further strengthen the system.

Although still a work in progress the Korean Employment Permit System (EPS) creates a positive overseas labour experience, according to many of the 200,000 Asian migrant workers who have participated in the pioneering programme.

Developing the EPS has been challenging on many fronts. But the lessons learned along the way – and the positive responses to those challenges – have brought about a system that works for the benefit of the migrants, the sending countries and the Republic of Korea, which is a major destination and an economy that flourishes, in part, through the labour of migrant workers.

Evolving systems – opening new channels

A fast-growing economy and major changes in Korean demographics had created a gap in the supply of low-skilled workers that was not expected to self-correct for many years. The limited supply of Korean workers was hurting small and medium enterprises – the backbone of the country's export industry. Naturally, industry turned to foreign migrant

workers to fill the gap. A variety of migrant worker systems were tried over the period of a decade, but each proved problematic. The Korean Government decided it needed to develop a smoother way of working with foreign migrants and partnered with the International Labour Organization (ILO) to help it adapt and to ensure conformity with decent work standards.

After intense public debate about a variety of security issues affecting both the country and to native workers, the Government accepted that an EPS predecessor, the Industrial Training System (in which foreign workers were deemed apprentices), was no longer adequate. It conceded that bringing in foreign workers was still necessary, but to protect Korean workers, the foreigners would no longer be treated as trainees receiving inferior pay and benefits. Instead, they would be granted the same labour rights as the domestic workforce.

Reaching out to different Korean agencies and other governments as partners, the Ministry of Employment and Labor moved forward with the EPS, which was designed to help select more appropriate foreign workers (matched to sector needs), better prepare them for living in the Republic of Korea and better support them through their limited employment stay.



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ILO/Korea Partnership Programme

The ILO/Korea Partnership Programme was developed in 2004 as a collaboration that responded to regional priorities with three programme areas:

- i) competitiveness, productivity and jobs;
- ii) labour market governance and social protection; and
- iii) labour migration management.

Enabling close collaboration between the Republic of Korea and the sending countries has become one of the ILO/Korea Partnership Programme's more significant contributions towards improving policies and employment conditions for migrant workers in the region.

The EPS – A comprehensive approach to managing migrant labour

The EPS has five key features in the management of labour migration:

1. Government-to-government cooperation

Over time, the Korean Government signed a memorandum of understanding with each of 15 countries wanting to participate in the EPS – Bangladesh, Cambodia, China, Indonesia, Kyrgyzstan, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Timor-Leste, Uzbekistan and Viet Nam. These agreements committed each government to work with the Korean Government to reduce the cost of overseas migration and improve the employment conditions for workers willing to make the move to the Republic of Korea.

In the sending countries, the MOUs set the responsibility for recruitment with government agencies – taking the process out of the hands of private brokers – and required pre-departure training.

The Korean Government helped sending governments improve their capacity in managing the recruitment system and the EPS through a series of workshops for officials and pre-departure trainers. A curriculum and training materials were produced, in nine languages.

2. Transparency in recruitment and extensive preparation

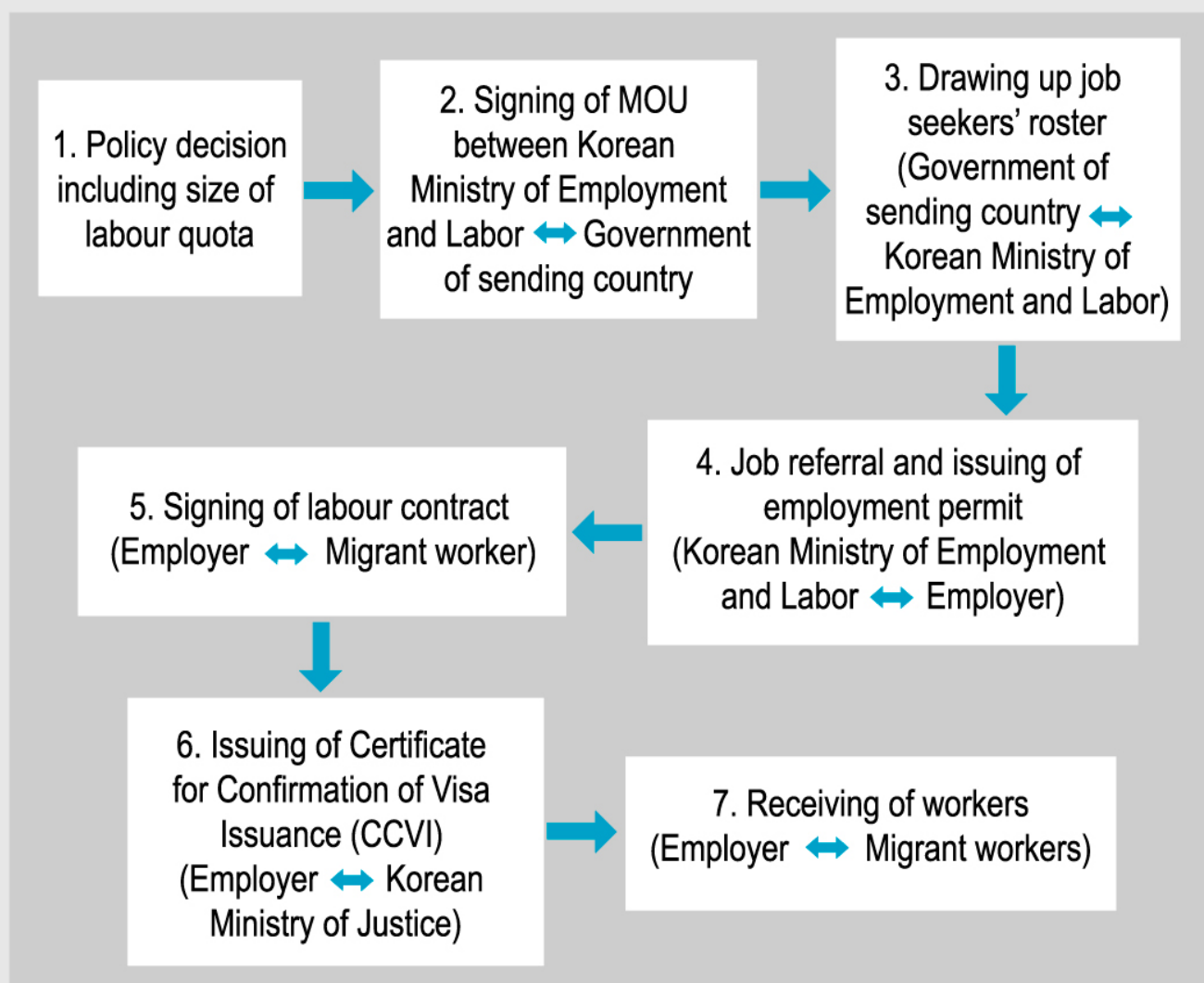
The EPS sets a quota for workers from each country and then operates to match those workers to jobs in small and medium enterprises in specified industries (primarily in manufacturing, agriculture, livestock and construction). Recruitment in each country is open to anyone 18–40 years old who can travel and has no criminal record. To manage the number of people applying, a level of proficiency with the Korean language is required as well as a medical exam. The government in each sending country offers a list of qualified workers to the Korea Job Center and employers select workers from these lists.

If accepted by a Korean employer, the foreign migrant workers then spend 25 hours in classes with a Korean instructor to improve their language abilities and learn about Korean culture, labour and migration laws. They also learn about their labour rights, occupational safety and health protection and insurance issues and receive guidance on how to save or invest earnings. During the first few days after their arrival, they take part in group sessions to review their labour rights and responsibilities.

The workers are issued a standardized employment contract and a visa allowing them to stay and work in the Republic of Korea for up to five years.

To benefit from the remittances, the origin-country governments established financial services that make sending money home easier for the workers.

Overview of receiving process



3. Full protection under the Korean labour law

There are restrictions on changing employers, but generally the Korean labour law covers the employment period, sets working hours and ensures minimum wages (and any additional payments for overtime, holiday work, accident compensation, etc). There are also mechanisms to deal with unpaid wages and retirement pay claims if an employer enters into bankruptcy. Korean law also offers the assurance of labour rights equal to those enjoyed by Korean nationals. Migrant workers can pursue counselling to resolve workplace-related problems, safety and health issues, workplace changes and sojourn-related concerns. Migrant workers are covered by compulsory national health insurance and accident compensation insurance. Other insurance schemes such as

employment insurance can be applied voluntarily by migrant workers while pension schemes are reciprocal – depending on a bilateral agreement between government of the sending countries and the Korean Government. Four compulsory EPS insurance plans cover work-related expenses, such as a worker's return airfare and casualty insurance for injury or death that is not necessarily related to work. The EPS insurance for employers covers severance pay and overdue wages. In addition, an individual can pay an additional premium to a private insurance company for accident insurance to cover those items.

Migrant workers recruited and employed under the EPS are entitled to all basic labour rights – freedom to join trade unions, freedom from forced labour, freedom to bargain collectively – and non-discriminatory treatment. The Government increases the minimum wage every year.



4. Complaints mechanism and support services

Once under an employment contract and during non-working hours, foreign migrants can continue their language studies or other vocational skills through the Foreign Worker Support Center or the Comprehensive Consulting Centers, which are managed by partner organizations and provide assistance for dealing with work-related problems. The Korean Government also provides call centres with interpreters for handling emergency issues. In addition, there are 180 NGOs and support groups offering services to migrant workers. Some governments also periodically send employment officers to the Republic of Korea to monitor the well-being of their national workers.

To foster positive work environments, Korean employers and employees receive basic cross-cultural training to better understand the backgrounds of the workers joining them.



5. Happy Return Programme

In preparation for their return home, migrant workers can participate in the Happy Return programme (introduced in 2009) for vocational training (training and consulting for those who seek to open their own businesses on return), pre-return recruitment services (assistance with applying for jobs in Korean companies located in the worker's home country) and administrative support (guidance and support for insurance benefit claims, such as departure guarantee insurance). The goal is to help workers continue using their newly-acquired skills.

Continuing to improve

Although broadly considered an improvement over previous systems for handling foreign workers, both the Korean Government and origin-country governments believe the EPS can benefit from further adjustments. Since 2006 the ILO/Korea Partnership Programme has funded efforts to improve the EPS through surveys among migrant groups, national workshops and study tours. These activities were designed to identify glitches in the EPS, seek suggestions for improvements, review challenges to the

protection of migrant workers, minimize any skills-to-jobs mismatch and enhance workers' chances of obtaining better-paying jobs. The activities also bring together origin-country officials and Korean officials to talk about good practices.

Monitoring workers and their conditions

The ILO/Korea Partnership Programme has surveyed Indonesian, Filipino, Thai and Vietnamese workers either on their arrival in or before their departure from the Republic of Korea (and later, among returned Sri Lankan migrant workers) to understand their training needs and to capture insights into their living and employment experiences. To date, 600 workers have been surveyed. Their comments indicate there has been few violations of their human rights, not many problems with overdue wages and no wage discrimination.



National dialogues

To learn about difficulties and work towards resolving problems, the ILO/Korea Partnership Programme sponsors two-day workshops involving up to 35 officials and pre-departure trainers. Resource persons from the Korean Ministry of Employment and Labor, the Human Resources Development Service of Korea (HRD Korea) and the Korea Occupation Safety and Health Agency (KOSHA) are included in the discussions. The workers' survey responses are usually used in the workshops and the officials confront the critical issues that have surfaced. The discussions look for ways to improve the managing of the various EPS processes. These range from the advertising of vacancies,

receiving applications and pre-selecting qualified workers, to administering the language test, pre-departure training and monitoring the conditions of employment.

Sharing experiences

To help government officials from origin countries better understand the Korean labour administration system and its migration management, and to learn how other countries manage the EPS, the ILO/Korea Partnership Programme organizes learning exchanges. A four-day fellowship programme brought 16 high-level officials responsible for managing the EPS recruitment in 11 countries to Seoul to learn about such topics as legal norms, employment services, social protection and social dialogue, as they apply to migrant workers. The fellowship also updated the EPS-partner countries on the status of recruitment, revised procedures, new services, and enabled discussion of good practices in origin countries.

High-level officials from six origin countries (Bangladesh, Indonesia, Nepal, Pakistan, Sri Lanka and Timor-Leste) participated in a study tour to the Philippines in March 2010 for an in depth look at its migration management and to stimulate ideas on planning, development and organization of pre-departure training, return and reintegration projects. More such visits will take place between now and 2015.

Significant adjustments from these activities include:

- The Korean labour law was amended to extend a migrant worker's stay from three years to five years.
- Recruitment time is shorter and costs are dramatically lower (the average recruitment cost decreased from US\$3,509 during the 1990s Industrial Training System to US\$1,097 in the current EPS).
- Skill tests are now administered, in addition to the language test, to counter problems of skills mismatch (some origin countries are piloting skills tests to provide employers with information to prevent irregularities in the sending process).

- Employment conditions are more stable because of the improvement of the re-employment process; (there is more flexibility regarding the contract period, from renewing every year to a mutual agreement between worker and employer within the first three-year period).
- Additional reasons for changing workplaces were expanded to include social standards, an employer's unfair treatment or violation of the labour contract terms.
- The job-seeking period (after leaving a workplace) was extended to 90 days from 60 days.
- The Ministry of Employment and Labor expanded its network of foreign migrant-support centres, from five to eight around the country.
- HRD Korea's post-employment services were extended to all workplaces and mechanisms to deal with complaints were set up.
- Two new insurance schemes for employers (wages and severance) and for workers (airfares, accidents and diseases outside the workplace) were introduced to further strengthen the protection mechanisms for workers as well as employers.
- The Korean Government hosts cultural events and created networks of returned workers, through the Korean diplomatic missions.

Next steps

The current five-year ILO/Korea partnership framework (2009-2014) builds on previous achievements and lessons learned. To ensure long-term impact, future implementation plans are being designed to place more emphasis on further strengthening the institutional capacity of sending countries for migration management and greater efforts will be made to share the EPS implementation experiences, including good models and challenges that not be faced by other receiving countries.



DECENT WORK

A better world starts here.

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