BILATERAL ARRANGEMENT OF TEMPORARY LABOR MIGRATION:

LESSONS FROM KOREA’S EMPLOYMENT PERMIT SYSTEM

World Bank Labor and migration core course 2018

Yoonyoung Cho
Anastasiya Denisova
Soonhwa Yi
Upasana Khadka

Yoonyoung Cho
(Senior Economist)
What is Korea’s EPS?

• Non-seasonal guest worker program

• G2G involving multiple countries for temporary labor migration for un-and semi-skilled occupations
  – Between the Republic of Korea and 15 Asian countries
  – Very strong leadership from the Korean government in managing the entire process (without involving intermediaries);

• Evolved from an “Industry Training System (ITS)” to an EPS in 2004
  – With recognition of issues such as worker protection;
  – Migration costs due to middlemen
  – Overstay of workers

• Temporary worker program (without immigration/settlement)
  – Without mixing with immigration / settlement issues

• Currently addressing labor shortages in SMEs for a few select sectors (e.g., manufacturing, agriculture, fishery)
Unique features of EPS

• Strong & elaborate institutional arrangement to manage the program and balance domestic political economy
  – No private middlemen
  – MoEL leadership / HRD implementation
  – Utilizing existing infrastructure for both domestic and foreign workers

• Robust administrative system
  – Records of foreign workers linked to immigration (visa, airport entry & exit)
  – Records of foreign workers and employers information
  – Centralized job matching

• Strong worker protection & support
  – Labor regulation: The same minimum wage applicable for both domestic & foreign workers
  – Social insurance: Mandatory insurance programs (health, social security, workers compensation, etc)
  – Social services: Counseling services, job search assistance in case of separation
Ministry of Employment and Labor (MoEL)

Human Resource Development Services (HRD – Korea)
- Skills development
- Skills certification
- Integrated HR

EPS team and centers in 15 countries
HUG Korea (Counseling centers for foreign workers)

Korea Employment Information System (KEIS)
Regional Job Centers
Korea support center for foreign workers

Policy

Ministry of Justice (MoJ)
Ministry of Foreign Affairs (MoFA)
Ministry of Strategy and Finance (MoSF)
Ministry of Trade, Industry, and Energy (MoTIE)
Ministry of SMEs and Startups (MoSS)

Foreign Workforce Policy Committee
SME association
Labor Union

Implementation
EPS Process

1. LANGUAGE TEST
2. SKILL TEST
3. JOB APPLICATION
4. CONTRACT
5. PRE-DEPARTURE TRAINING
6. VISA
7. ORIENTATION
8. COUNSELING
9. TRAINING FOR RETURN
10. RETURN SUPPORT
Hallmark: Test of Proficiency in Korean (TOPIK)
Common concerns re. migration ➔ EPS strategy

- Migration costs ➔ Limiting private recruitment agencies’ activities
- Worker protection ➔ Labor regulation, social insurance, social services
- Business competitiveness ➔ SMEs in viable sectors
- Matching quality between employers / workers ➔ Worker screening (e.g., Korean test) & PES matching
- Timely return ➔ Repatriation insurance + return support
Human Development Week 2017 - SPJ GP

Achievements: migration costs (over time + cross country comparison)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>Korean Language Test</th>
<th>Health Check up</th>
<th>Job Application</th>
<th>Passport</th>
<th>Visa</th>
<th>Pre Departure Orientation</th>
<th>Airfare(Tax)</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>907.70</td>
<td>24.00</td>
<td>29.95</td>
<td>0.00</td>
<td>36.68</td>
<td>50.00</td>
<td>14.00</td>
<td>546.58</td>
<td>206.46</td>
</tr>
<tr>
<td>Cambodia</td>
<td>991.00</td>
<td>24.00</td>
<td>67.00</td>
<td>5.00</td>
<td>30.00</td>
<td>50.00</td>
<td>120.00</td>
<td>477.00</td>
<td>218.00</td>
</tr>
<tr>
<td>China</td>
<td>787.80</td>
<td>24.00</td>
<td>55.12</td>
<td>0.00</td>
<td>31.49</td>
<td>63.00</td>
<td>315.00</td>
<td>236.23</td>
<td>62.98</td>
</tr>
<tr>
<td>Indonesia</td>
<td>932.00</td>
<td>24.00</td>
<td>52.00</td>
<td>0.00</td>
<td>13.00</td>
<td>51.00</td>
<td>129.00</td>
<td>551.00</td>
<td>112.00</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>730.00</td>
<td>24.00</td>
<td>14.00</td>
<td>0.00</td>
<td>20.00</td>
<td>70.00</td>
<td>32.00</td>
<td>530.00</td>
<td>40.00</td>
</tr>
<tr>
<td>Mongolia**</td>
<td>674.00</td>
<td>24.00</td>
<td>35.00</td>
<td>10.00</td>
<td>17.00</td>
<td>50.00</td>
<td>49.00</td>
<td>366.00</td>
<td>239.00</td>
</tr>
<tr>
<td>Myanmar</td>
<td>889.00</td>
<td>24.00</td>
<td>50.00</td>
<td>5.00</td>
<td>0.00</td>
<td>50.00</td>
<td>60.00</td>
<td>470.00</td>
<td>230.00</td>
</tr>
<tr>
<td>Nepal</td>
<td>930.70</td>
<td>24.00</td>
<td>55.64</td>
<td>5.00</td>
<td>79.49</td>
<td>63.59</td>
<td>63.00</td>
<td>541.00</td>
<td>98.95</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1,739.70</td>
<td>24.00</td>
<td>27.30</td>
<td>10.92</td>
<td>27.30</td>
<td>54.60</td>
<td>70.98</td>
<td>941.03</td>
<td>683.61</td>
</tr>
<tr>
<td>Philippines</td>
<td>551.80</td>
<td>24.00</td>
<td>35.70</td>
<td>0.00</td>
<td>28.60</td>
<td>59.30</td>
<td>17.30</td>
<td>285.70</td>
<td>101.20</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1,108.00</td>
<td>24.00</td>
<td>25.80</td>
<td>0.00</td>
<td>19.10</td>
<td>42.10</td>
<td>114.80</td>
<td>370.20</td>
<td>512.00</td>
</tr>
<tr>
<td>Thailand</td>
<td>685.00</td>
<td>24.00</td>
<td>50.00</td>
<td>0.00</td>
<td>37.00</td>
<td>0.00</td>
<td>150.00</td>
<td>407.00</td>
<td>17.00</td>
</tr>
<tr>
<td>Timor Leste</td>
<td>810.00</td>
<td>24.00</td>
<td>35.00</td>
<td>10.00</td>
<td>17.00</td>
<td>50.00</td>
<td>49.00</td>
<td>366.00</td>
<td>259.00</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>904.00</td>
<td>24.00</td>
<td>30.00</td>
<td>0.00</td>
<td>0.00</td>
<td>70.00</td>
<td>167.00</td>
<td>430.00</td>
<td>183.00</td>
</tr>
<tr>
<td>Vietnam</td>
<td>788.40</td>
<td>24.00</td>
<td>45.00</td>
<td>1.67</td>
<td>9.58</td>
<td>50.00</td>
<td>40.00</td>
<td>350.00</td>
<td>268.19</td>
</tr>
</tbody>
</table>

- Improves transparency
- Reduces costs
- Reduces # of overstays
Achievements

• Reduction in illegal migrants
  • Costs of migration
  • Quota adjustments (Vietnam/Philippines)
• Worker protection
  • Labor rights (legalized union activities)
Remaining challenges

- Worker protection: esp. agriculture/fisheries
- Domestic political economy
- Matching quality
Lessons Learned

• For sending countries
  • Limiting/regulating middlemen + cost transparency $\rightarrow$ lowering migration costs $\rightarrow$ reducing overstays
  • Active dissemination of information
  • Specific and actionable BLAs
  • Practical pre-departure training (language/culture) with efficiency pedagogy

• For other receiving countries
  • Creating a system that is politically acceptable, and economically beneficial, is critical.
  • Multi-stakeholder process for policy making with a single implementing agency
  • Seasonal vs. non-seasonal
  • Limiting/regulating middlemen + cost transparency $\rightarrow$ lowering migration costs $\rightarrow$ reducing overstays
  • Worker protection measures
  • Worker screening
Nahuli ako!
Pasensya na! Hindi ako makatulog nang maayos kaya tangleli na ako nagising...

Ayos lang~~ Pero bakit hindi ka makatulog nang maayos?
Mayroong programa para sa mga kagaya natin na nakatakda nang bumanak sa ating bansa na nagbibigay preperesnya sa atin para sa muling paghahanap ng trabaho.

Ah! May ganyan ba?
Kumpanyang Koreano

Para sa mga may kasaranaan sa pagtatrabaho sa Korea

Pagbalik sa bansa

Matatag na hanapbuhay matapos na makabalik sa bansa

Makipag-usap ng ibinibigay para sa mga may
Thank you!