



Policy Development of Labor Migration and Characteristics of  
Migrant Workers' Labor Market in the Republic of Korea

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## I. Introduction

Korea was one of the manpower-exporting nations in the 1960's and 1970's, but from the late 1980's the country turned into a labor force-importing nation that had to address the problem of domestic manpower shortages with imported migrant workers. This reversal in the flow of labor was caused by higher income, and elevated education level and lowered birth rate among Korean nationals. So far Korea has imported skilled foreign laborers in their capacity as "workers," but introduced low-skilled foreigners not as workers but as "trainees." Realizing, however, that there are a lot of problems in employing migrant workers under the cloak of trainees to tackle the chronic labor shortages, Korea plans to introduce the Guest Worker System in 2004 under which foreign workers may be imported as "workers."

As of the end of December 2003, there were 389,000 migrant workers residing in Korea, accounting for 2.7% of the total waged workers or 1.8% of the nation's working population. Given the fact that the society is aging at the fastest speed in the world and that with their increased income and elevated education level, people are increasingly unwilling to take on low-skilled jobs, the shortages of low-skilled labor are expected to worsen in Korea in the future. In fact, migrant workers already occupy a significant portion of the Korean labor market, and their share is expected to grow further still.

Based on this premise, this study aims to analyze Korea's labor market for low-skilled migrant workers and identify its characteristics. To begin with, Section II describes the history of Korea's policy on low-skilled migrant workers to help the readers better understand the flow of the analysis, while Section III examines the trend in migrant workers in Korea. Section IV analyzes the characteristics of the migrant workers' labor market in Korea using the data collected through a survey. Finally, Section V summarizes this study and puts forward some policy recommendations.

## II . Policy Development of Labor Migration

### 1. Introduction of the Industrial Skill Trainee Program for Overseas-invested Firms (1991)

From the late 1980's when the so-called 3-D (dirty, dangerous and difficult) industries including the small and medium-sized manufacturing and construction businesses began to suffer a shortage of low-skilled manpower, the Korean government introduced in November 1991 the Industrial Skill Trainee Program for overseas-invested enterprises under which these firms could import foreign trainees through their overseas subsidiaries and use their offered labor. The industrial skill trainees were to be given, in principle, a six-month residence permit for training in Korea, but the period could be extended for another six months.

### 2. Introduction of the Industrial Trainee Program (1993)

While the main beneficiaries of the Industrial Skill Trainee Program were the large overseas-invested enterprises, the small and medium-sized businesses still could not find a legitimate means of using foreign labor. Therefore, the Korean government introduced the Industrial Trainee Program for foreigners in November 1993 to help small businesses solve their problem of manpower shortages. The Industrial Trainee Program is a system under which foreigners are introduced as trainees for small and medium-sized manufacturing firms with 300 or less employees for a period of one year, and where necessary, the training period may be extended for another year. A total of 20,000 industrial trainees were introduced for the initial year of the Program for small and medium-sized manufacturing businesses. But the number increased steadily as shown in <Table 1> below because the manpower shortages in the small and medium enterprises were so serious that the Program beneficiaries had to be extended to include the coastal fisheries in 1996 and the construction industry in 1997. Thus, the Program became the core of Korea's foreign labor policy by 2003.

<Table 1> Trend in the number of industrial trainees introduced

(Unit: Thousand persons)						
1993	1994	1995	1996	1997	2000	2002
20	30	50	80	82.8	84.5	145.5

Source: Ministry of Labor

Legally, the foreign industrial trainees were treated as trainees, not as workers, in the initial stages so that they were not protected by the labor-related laws. From March 1, 1995, however, they came to be covered by the Industrial Accident Compensation Insurance and the National Health Insurance, and were protected by some provisions of the Labor Standards Act such as the provisions concerning the prohibition of forced labor and the prohibition of violence. The industrial trainees were protected by the Minimum Wage Act from July 1, 1995<sup>2)</sup>.

<sup>2)</sup> For details concerning protective devices for migrant trainees under labor-related laws, refer to Yoo and Lee

### **3. Introduction of the Post-training Employment Program (2000)**

Many industrial trainees, however, departed from their workplaces, as they did not enjoy full legal protection under labor-related laws because of their status as “trainees,” not as “workers,” even though they were actually offering labor. Moreover, the limited number of trainees introduced under this program could not meet the demand of the manpower-hungry small and medium businesses for foreign workers<sup>3)</sup>. To mend this situation, the Post-training Employment Program was introduced in April 2000. Under this program, an industrial trainee who worked at a firm for two years without interruption should be qualified to reside and work in Korea for another year in his capacity as “worker,” not as “trainee.” In 2002, however, the training period of two years was shortened to one year, while the post-training working period was extended from one year to two years.

### **4. Introduction of the Employment Management System (2002)**

The industrial trainees were placed only in the small and medium-sized manufacturing businesses, the construction industry and the agro-livestock industry, and were prohibited from engaging in the service industry. Nonetheless, many Korean ethnic migrants were working illegally in the service industry. To accommodate the reality, the Korean government introduced in November 2001 the Employment Management System. Under the System, a Korean ethnic migrant of at least 40 years of age who has a third cousin or closer relative in Korea, who has a cousin-in-law or closer relative in Korea, who is listed in the family register of the Republic of Korea, or who is a direct ancestor or descendent of a Korean citizen included in the Korean family register, may find a job in Korea in six areas of the service industry: the restaurant business, business support services, social welfare services, cleaning, nursing, and housekeeping, for a period of up to three years in his capacity as “worker.”

### **5. Introduction of the Guest Worker System (2004)**

The foreign labor policies have so far experienced a series of revisions and changes, but none of them has provided a decisive solution to the migrant worker problems. For example, the Industrial Trainee Program, a strong pillar of the low-skilled foreign labor policy, has been criticized for employing migrant workers under the disguise of trainees, thus failing to provide adequate protection for their human and labor rights. Because of these defects, the Program could not increase the number of trainees despite the sharp rise in the demand for foreign workers, ultimately resulting in an increased number of illegal workers. While the government was resorting to stopgap measures without providing a final solution to the foreign labor question, the number of undocumented migrants reached a whopping 80% of the total migrants at the end of 2002, posing a serious social problem to be immediately dealt with. Under these circumstances, the country needed a new institutional device to ease the labor shortages of business firms and solve the illegal migrant worker problem.

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(2002).

<sup>3)</sup> For details about the problems of the Industrial Trainee Program, refer to Yoo and Lee (2002), Im Hyon-jin and Seol Dong-hoon (2000), and Park Young-beom (2000).

The Korea government has tried to convert the Industrial Trainee Program into the Guest Worker System since 1995, but failed to do so because of the opposition of the business circle. **[This warrants a little more discussion]** However, a public consensus has grown that it is inevitable to have the Guest Worker System for migrant workers in order to alleviate the manpower shortages, cope with the problem of rapidly increasing undocumented migrants, and protect the human rights of migrant workers. As a result, the “Act Concerning the Employment Permit for Migrant Workers” was enacted in 2003 to institute, among others, the Guest Worker System for migrant workers, which will enter into effect on August 17, 2004.

Under the Guest Worker System, anyone who wishes to employ a foreign worker may do so upon obtaining a permit from the Minister of Labor if he is unable to find a Korean worker. The period of an employment contract for a migrant worker shall, in principle, be one year, but may be extended to a maximum of three years<sup>4)</sup>.

Even after the Guest Worker System is introduced, the existing Industrial Trainee Program shall remain in force for the time being. The Industrial Trainee Program is being maintained not only in consideration of the difficult position of the small and medium-sized business firms that have actually benefited from the Program, but also because it is practically not possible to apply the Guest Worker System to these smaller businesses in spite of their opposition. In the future when the Guest Worker System takes root, the Industrial Trainee Program is expected to convert into a pure skill training program for workers from developing countries. **[section needs to updated]**

### III . Trend in Migrant Workers

As of the end of December 2003, there were 388,816 migrant workers residing in Korea, 35.5% of whom or 138,056 persons were presumed to be undocumented migrants. Of the total foreign workers in Korea, only 5.2% or 20,089 persons were skilled workers, while the rest were low-skilled labor (See <Table 2>.). At the end of December 2003, the number of industrial trainees stood at 38,895, accounting for 10.0% of the total migrant workforce, while the industrial skill trainees for overseas-invested firms numbered 11,826, accounting for 3.0% of the total migrant workers. When put together, the total number of migrant trainees reached 50,721, or 13.0% of the total migrant workers.

One thing noticeable about the trend in migrant workers should be that the number of undocumented migrants increased sharply until August 2003. There were 48,231 undocumented migrants in 1994, but the number went up to 289,239 in December 2002, accounting for 79.8% of the total migrant workers in Korea<sup>5)</sup>.

<Table 2> Trend in migrant workers in Korea by residence status

<sup>4)</sup> For details concerning the Korean Work Permit System, refer to Yoo et al. (2003).

<sup>5)</sup> The reasons for the increase in the number of undocumented migrants in Korea are given in Yoo and Lee (2002).

(Unit: Persons, %)

	Total	Working visa	Trainee visa		Undocumented
			Trainees for overseas-invested firms	Industrial trainees	
Dec. 1994	81,824 (100.0)	5,265 ( 6.4)	9,512 (11.6)	18,816 (23.0)	48,231 (58.9)
Dec. 1995	128,906 (100.0)	8,228 (6.4)	15,238 (11.8)	23,574 (18.3)	81,866 (63.5)
Dec. 1996	210,494 (100.0)	13,420 (6.4)	29,724 (14.1)	38,296 (18.2)	129,054 (61.3)
Dec. 1997	245,399 (100.0)	15,900 ( 6.5)	32,656 (13.3)	48,795 (19.9)	148,048 (60.3)
Dec. 1998	157,689 (100.0)	11,143 ( 7.1)	15,936 (10.1)	31,073 (19.7)	99,537 (63.1)
Dec. 1999	217,384 (100.0)	12,592 (5.8)	20,017 (9.2)	49,437 (22.7)	135,338 (62.3)
Dec. 2000	285,506 (100.0)	19,063 (6.7)	18,504 (6.5)	58,944 (20.6)	188,995 (66.2)
Dec. 2001	329,555 (100.0)	27,614 ( 8.4)	13,505 ( 4.1)	33,230 (10.1)	255,206 (77.4)
Dec. 2002	362,597 (100.0)	33,697 ( 9.2)	14,035 ( 3.9)	25,626 ( 7.1)	289,239 (79.8)
Aug. 2003	391,424 (100.0)	32,671 (8.4)	12,288 (3.1)	40,083 (10.2)	306,382 (78.3)
Dec. 2003	388,816 (100.0)	200,039 (51.5)	11,826 (3.0)	38,895 (10.0)	138,056 (35.5)

Note: The figure in the ( ) represents the component ratio.

Source: Ministry of Justice

The steady increase in the number of undocumented migrants signifies that the Korean policy on low-skilled migrant workers has failed. Realizing this belatedly, Korea enacted and promulgated the “Act concerning the Employment Permit for Migrant Workers” in August 2003, under which low-skilled foreign workers may be employed as “workers,” not as “trainees.” Article 2 of the Addendum to the Act stipulates that measures shall be taken to legalize the undocumented migrants before the Guest Worker System comes into operation. In accordance with this provision, a series of legalization measures were taken before November 2003<sup>6)</sup>. Consequently, the number of undocumented migrants dropped suddenly from October 2003.

<Table 3> shows the trend in the trainees for overseas-invested firms and the industrial trainees. At the end of December 2003, the total number of trainees was 103,056. Of them, 52,335 trainees (or 50.8%) deserted their designated workplaces, making the number of legal trainees 50,721.

<sup>6)</sup> Under the legalization program for undocumented migrants, any illegal foreigner who had resided in Korea for less than three years as of March 31, 2003, should be permitted to work in the industry designated by the Minister of Labor for a maximum period of two years, if he voluntarily reported to the relevant authorities and went through a specified procedure. Anyone who had lived in Korea for three years or longer but less than four years as of March 31, 2003, and departed from the country after voluntarily reporting to the competent authorities and going through a specified procedure, should be allowed to reenter Korea to work for up to a total of five years including the length of his previous residence in Korea before departure. However, an illegal migrant who had stayed in Korea for four years or longer as of March 31, 2003, should be urged to voluntarily depart from Korea before November 15, 2003, after which crackdowns should continue on undocumented migrants for forced departure.

<Table 3> Trend in industrial trainees (As of end of 2003)

(Unit: Persons)

	Total	Trainees for overseas-invested firms	Industrial trainees			
			Recommended by the Korean Federation of Small and Medium Businesses	Recommended by the National Federation of Fisheries Cooperatives	Recommended by the Construction Association of Korea	Others
Total	103,056	24,229	70,9678	1,241	5,618	1,001
Deserters	52,335	12,403	38,547	583	422	380
Faithful trainees	50,721	11,826	32,420	658	5,196	621

Source: Ministry of Justice

As of the end of December 2003, the number of undocumented migrants was 138,056. By nationality, the largest group was Chinese citizens, numbering 62,058 (or accounting for 45.0%), 54.1% of whom or 33,546 persons were Korean-Chinese. Second came Vietnamese (7.4%), followed by Bangladeshis (6.9%), Filipinos (6.5%) and Indonesians (6.1%) (See <Table 4>.).

<Table 4> Number of undocumented migrants by nationalities (As of end of 2003)

(Unit: Persons, %)

Total	Chinese	Korean-Chinese	Vietnamese	Bangladeshis	Filipinos	Indonesians	Others
138,056	62,058	33,546	10,175	9,603	9,015	8,465	38,740
(100.0)	(45.0)	(24.3)	(7.4)	(6.9)	(6.5)	(6.1)	(28.1)

Note: The figure in the ( ) represents the component ratio.

Source: Ministry of Justice

## IV. Characteristics of Migrant Workers' Labor Market

### 1. Data used

The data used in this section for the analysis of Korea's labor market for migrant workers are from "A Survey of the Employment and Management of Migrant Workers" that was conducted by the Korea Labor Institute in July-October 2003 through interviews with the business firms employing migrant workers. A total of 846 firms were surveyed from among those in the manufacturing, restaurant and lodging, and construction industries that employed a relatively large number of migrant workers. The figure comprised 600 firms employing foreigners legitimately and 246 employing foreigners illegally. If categorized in respect of the number of employees, 360 firms (42.6%) surveyed were with 30-99 employees each, 168 (19.9%) with 10-29 employees each, 130 (15.4%) with 100-299 employees each, and 15 (1.8%) with 300 employees or more each.

## 2. Reasons for Employing Migrant Workers

Asked why they employed migrant workers, the employers of the greatest portion, or 85.9%, of the firms surveyed answered, “Because it is hard to find domestic workers” (See <Table 5>.). When the reasons for employing migrant workers were given a mean value calculated with a 4-point scale, the reason “Because it is hard to find domestic workers” (3.19 points) topped the list, meaning this was the principal reason for employing migrant workers, followed by “Because the migrant workers are cheaper than domestic ones” (2.69 points), “Because they are more diligent and faithful than domestic workers” (2.52 points), and “Because they leave their jobs less frequently than domestic workers” (2.47 points), in that order.

<Table 5> Reasons for employing migrant workers

(Unit: %, number of firms)

	Very much so	Relatively so	Relatively not so	Absolutely not so	Total	Mean value		
						Total	Form of employment	
							Firms employing migrants legitimately	Firms employing migrants illegally
Because it is hard to find domestic workers	36.3	49.6	11.0	3.1	100.0	3.19	3.07	3.48
Because the wages are lower	13.4	51.7	25.9	9.0	100.0	2.69	2.83	2.37
Because they can work longer hours	8.2	36.3	39.4	16.2	100.0	2.36	2.37	2.35
Because there is no worry about a labor dispute	5.4	26.6	44.3	23.6	100.0	2.14	2.18	2.03
Because they are obedient	4.6	41.9	38.3	15.1	100.0	2.36	2.36	2.37
Because they are diligent and faithful	5.1	49.6	37.6	7.7	100.0	2.52	2.57	2.40
Because they do not leave jobs frequently	9.6	40.1	38.0	12.3	100.0	2.47	2.62	2.11
Because they work hard and their productivity is high	3.1	38.3	48.3	10.2	100.0	2.34	2.37	2.27
Because they may stimulate domestic workers' spirit of competition	1.2	13.8	56.6	28.4	100.0	1.88	1.89	1.83
Because a short-term employment is possible	2.8	37.0	42.6	17.6	100.0	2.25	2.31	2.11
Number of respondents	-	-	-	-	845	845	599	246

Note: The mean value is the average figure obtained by giving 1 point to “Absolutely not so,” 2 to “Relatively not so,” 3 to “Relatively so,” and 4 to “Very much so.”

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

Interestingly, of those respondents who answered that they employed migrant workers “because it is hard to find domestic workers,” the firms employing migrants illegally got more points (3.48 points) than the firms employing foreigners legitimately (3.07 points). Meanwhile, among those firms who responded that they employed migrant workers “because they are cheaper” or “because they leave their jobs less frequently,” the firms

employing foreign workers illegally got far less points (2.37 and 2.11 points, respectively) than the firms employing migrants legitimately (2.83 and 2.62 points, respectively). This seems to imply that the firms employing foreigners illegally had more difficulty in finding domestic workers, while they were getting less benefit in respect of the migrants' wages and job quits than the firms employing foreigners legitimately.

### 3. Recruitment Channels and Employment Criteria for Migrant Workers

#### a. Recruitment Channels

As shown in <Table 6>, to recruit migrant workers, Korean employers used “domestic private employment agencies” the most with 63.8% of the recruitment cases, followed by “consulting centers for migrant workers” with 22.6%. Cases of recruitment through “migrant workers' personal visits to firms” also accounted for as much as 14.8%.

<Table 6> Channels of recruitment of migrant workers (multiple responses allowed)

(Unit: %)

	Total	Industry						Size of firm			
		Light industry	Heavy industry	Restaurant & lodging businesses	Construction industry	Less than 5 employees	5-9 employees	10-29 employees	30-99 employees	100-299 employees	300 or more employees
Migrants' personal visit to firms	14.8	37.8	64.7	3.4	66.7	5.6	-	31.7	50.0	37.5	-
Recommendation by unofficial brokers	1.2	2.2	-	1.1	-	1.9	-	-	3.6	-	-
Recommendation by domestic private employment agencies	63.8	-	-	87.1	-	86.9	93.1	19.5	-	-	-
Recommendation by fellow migrant workers	22.6	77.8	64.7	3.4	100.0	2.8	3.4	48.8	78.6	87.5	100.0
Recommendation by job centers for migrant workers	0.8	2.2	5.9	-	-	-	-	2.4	-	12.5	-
Want ads	6.2	6.7	-	6.7	-	4.7	6.9	12.2	3.6	-	-
Others	0.4	-	-	0.6	-	-	-	2.4	-	-	-
No response	1.2	4.4	5.9	-	-	-	-	7.3	-	-	-
Total (N=846)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

By industries, firms of the manufacturing and construction industries recruited migrant workers mostly through “a recommendation by their fellow migrants” or “the migrants' personal visit to the firms.” Meanwhile, in the case of restaurant and lodging businesses, many cases of recruitment were made through “domestic private employment agencies.” By size of firms, businesses with less than 10 employees recruited foreign workers mostly through “domestic private employment agencies,” whereas firms with 10 or more employees recruited migrants, in many cases, through “a recommendation by their fellow migrants” or “the migrants' personal visit to the firms.”

## b. Employment Criteria

<Table 7> shows that when recruiting a migrant worker, Korean employers first considered the worker's country of origin (31.0%), and then his personality (26.2%), skill (20.1%), etc. Meanwhile, the education level was least considered (0.4%) since most of the migrant workers were supposed to be low-skilled.

<Table 7> Factors to consider when recruiting migrant workers

	(Unit: %)				
	Total	Light industry	Heavy industry	Restaurant & lodging businesses	Construction industry
Country of origin	31.0	38.9	37.7	9.1	20.4
Length of residence in Korea	10.2	11.5	10.5	8.0	6.1
Education	0.4	-	1.0	0.5	-
Skill	20.1	12.6	10.5	37.4	55.1
Physical conditions	8.4	11.2	6.3	4.8	6.1
Personality	26.2	21.7	28.3	38.5	10.2
Others	2.1	2.9	2.1	1.1	-
None	1.7	1.2	3.7	0.5	2.0
Total (N=846)	100.0	100.0	100.0	100.0	100.0

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

## c. Future Prospects for Recruitment of Migrant Workers

Asked about the size of foreign labor they intended to recruit in the future, those who responded that they “will recruit a smaller number of migrants than now” accounted for 8.9% of the firms surveyed, while 59.5% of those surveyed answered that they “will maintain the current level of recruitment,” and 31.7% said they “will recruit more migrants than now” (See <Table 8>.). This implies that the demand for migrant workers will be greater in the future than it is now. A closer look at the respondents who answered they “will recruit more migrants than now,” reveals that the firms employing migrants legitimately (37.7%) outnumbered the firms employing foreigners illegally (17.1%), and that the manufacturing industries (36.3% in the case of the light industry, and 38.2% in the case of the heavy and chemical industry) or the construction industry (55.1%) were greater in number than the restaurant and lodging businesses (8.6%).

<Table 8> Future prospects for recruitment of migrant workers

(Unit: %)

	Total	Legitimate or illegal		Industry			
		Firms employing migrants legitimately	Firms employing migrants illegally	Light industry	Heavy industry	Restaurant & lodging businesses	Construction industry
Will recruit less than now	8.9	8.8	8.9	9.3	12.0	5.3	6.1
Will recruit migrants at the current level	59.5	53.5	74.0	54.4	49.7	86.1	38.8
Will recruit more than now	31.7	37.7	17.1	36.3	38.2	8.6	55.1
Total (N=846)	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

#### 4. Wages, Hours of Work and Labor Productivity

##### a. Wages and Hours of Work

<Table 9> shows the findings of a survey about the wages and hours of work of the migrant workers in the Korean labor market. The average monthly wage of the migrant workers was ₩ 1,012,000, accounting for 76.7% of that of the domestic workers engaged in the same jobs. By forms of employment, migrants employed illegally received the highest average wage per month, followed by post-training employees, industrial trainees, and trainees for overseas-invested firms, in that order. The fact that the average wage of the illegally employed migrants was higher than that of the legitimate migrant workers, especially of the industrial trainees, indicates that one of the reasons for industrial trainees' deserting of their designated workplaces was for a high wage to be earned by illegal employment elsewhere<sup>7)</sup>.

The survey of the migrant workers' hours of work shows that the trainees for overseas-invested firms worked the shortest hours, even shorter than those of domestic workers, followed by the post-training employees and industrial trainees both of whom worked almost the same number of hours. The illegally employed migrants worked the longest hours. The Table further shows that the average monthly hours of work of all the migrant workers were about 17 hours longer than those of the domestic workers engaged in the same jobs of the same workplaces.

<sup>7)</sup> When compared with the wage of industrial trainees on an average hourly basis, the wage of illegally employed migrants was about 24% higher than that of industrial trainees. However, to draw a more reliable conclusion about this, it would be desirable to make a regression analysis taking into account the individual attributes of the migrants and the characteristics of the firms.

<Table 9> Comparison between migrant and domestic workers in respect of wages and hours of work

		Average monthly wage (in thousand won)	Average monthly hours of work (in hours)	Hourly wage (in thousand won)	
Domestic workers engaged in the same jobs	Male	1,385.1	243.07	5.9	
	Female	1,104.2	244.99	4.7	
	Subtotal	1,318.3	243.52	5.6	
Industrial trainees	Male	971.1 (70.1)	259.86 (106.9)	3.9 (66.1)	
	Female	920.9 (83.4)	254.20 (103.8)	3.7 (78.7)	
	Subtotal	963.4 (73.1)	258.98 (106.3)	3.8 (67.9)	
Post-training employees	Male	1,048.6 (75.7)	256.96 (105.7)	4.2 (71.2)	
	Female	1,040.5 (94.2)	261.05 (106.6)	4.1 (87.2)	
	Subtotal	1,047.3 (79.4)	257.58 (105.8)	4.2 (75.0)	
Trainees for overseas-invested firms	Male	748.5 (54.0)	240.31 (98.9)	3.3 (55.9)	
	Female	654.5 (59.3)	226.20 (92.3)	3.1 (66.0)	
	Subtotal	726.7 (55.1)	237.18 (97.4)	3.2 (57.1)	
Illegally employed	Male	1,262.0 (91.1)	248.87 (102.4)	5.3 (89.8)	
	Female	1,133.4 (102.6)	305.35 (124.6)	3.8 (80.9)	
	Subtotal	1,208.0 (91.6)	272.59 (111.9)	4.7 (83.9)	
Total	Domestic workers		1,318.3	243.52	5.6
	Migrants	Legitimately employed	963.0 (73.0)	257.60 (105.8)	3.9 (69.6)
		Illegally employed	1,208.0 (91.6)	272.59 (111.9)	4.7 (83.9)
		Subtotal	1,011.7 (76.7)	260.55 (107.0)	4.0 (71.4)

Note: The figure in ( ) represents the percentage in relation to the domestic workers doing the same jobs.  
Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

The average hourly wage of migrant workers, with the hours of work reflected, was 71.4% of that of domestic workers. By forms of employment, the hourly wage of illegally employed migrants was the highest, followed by that of post-training employees, industrial trainees, and trainees for overseas-invested firms, in that order.

#### **b. Comparison with Domestic Workers in Respect of Labor Costs and Productivity**

Considering that in many cases the employers paid their migrant workers' lodging expenses, the migrants' labor costs per hour, with their lodging expenses added, accounted for 86.1% of those of domestic workers (See <Table 10>.).

Meanwhile, asked about their subjective assessment of the level of their migrant workers' labor productivity, the Korean employers answered that on the average the migrants' labor productivity accounted for 87.4% of that of the domestic workers doing the same jobs.

When excluding the lodging expenses, the comparative wage level of the migrant workers (71.4%) as against domestic workers was lower than their comparative labor productivity level (87.4%). This means that the employment of an migrant was cheaper in terms of labor costs, but that when the lodging expenses were added, the migrants' labor costs accounted for 86.1% of those of domestic workers, a figure similar to the migrant workers' labor productivity level (87.4%). This implies that there was almost no low-wage

incentive for Korean employers to employ migrant workers. This analysis also means that the wage level of migrant workers already came close to the labor market wage level when the labor productivity was reflected. In other words, with labor productivity taken into account, there was almost no wage difference between domestic and migrant workers

<Table 10> Comparison between migrant workers and domestic workers doing the same jobs in respect of labor costs and labor productivity

	Hourly wage of domestic workers (in won) (A)	Hourly wage of migrant workers (in won) (B)	Percentage (%) (B)/(A)	Hourly labor costs of migrant workers including lodging expenses (in won) (B')	Percentage (%) (B')/(A)	Labor costs of migrant workers in relation to domestic workers (%)
Total	5,600	4,000	71.4	4,819.92	86.1 (85.1)	87.41

Note: 1) The wage of migrant workers represents the mean value of the wages of the legitimately employed migrants and the illegally employed ones.

2) The Survey found that the average monthly lodging expenses per migrant worker was ₩ 214,000 (When considering the average monthly hours of work of 261 hours, the hourly lodging expenses were supposed to be ₩ 819.92.).

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

## 5. Types of Jobs Taken by Migrant Workers and Their Level of Skill

<Table 11> below contains statistics on migrant workers' jobs designed to show whether these jobs are in fact simple ones requiring no special skill. The data were collected by means of a questionnaire requiring qualitative assessment based on a 5-point scale. The statistics show that migrant workers were generally engaged in simple jobs that did not require high skill. The overall average of the job complexity was 2.1, while the overall average of the skill required to perform the jobs was 2.3, which implies that their jobs were simple and did not require high skill. There was a tendency that the smaller the business, the simpler the migrants' jobs.

<Table 11> Nature of migrant workers' jobs

	Job complexity		Jobs requiring high skill	
	No. of firms that responded	Average (standard deviation)	No. of firms that responded	Average (standard deviation)
Total	846	2.172 (0.622)	846	2.316 (0.916)
Firm with less than 5 employees	107	1.869 (0.515)	107	2.093 (0.783)
Firm with 5-9 employees	67	1.940 (0.519)	67	2.343 (0.897)
Firm with 10-29 employees	168	2.232 (0.599)	168	2.363 (0.944)
Firm with 30-99 employees	360	2.239 (0.628)	360	2.358 (0.963)
Firm with 100 or more employees	144	2.269 (0.659)	144	2.306 (0.847)

Note: To analyze the job complexity and job skill required, 1 point was given to the response "Absolutely not so," 2 points to "Not so," 3 points to "So-so," 4 points to "Relatively so," and 5 points to "Very much so."

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

<Table 12> shows that it took the migrant workers in Korea about 3.6 months on average to acquire the skills they needed to perform their jobs. The respondents confirmed that it took a little over a month for migrant workers of businesses with less than 10 employees, but about 4 months for migrants working at firms with 10 or more employees. One of the reasons that the bigger the company was, the longer it took for the migrant workers to acquire skills required to carry out their jobs, seems to be because large companies tend to place the migrant workers in technical production positions.

<Table 12> Time taken for migrant workers to acquire skills required to perform jobs

Company size	No. of firms that responded	Time taken to acquire job skills needed (in months)
Total	826	3.596 (3.394)
Firm with less than 5 employees	104	1.163 (0.670)
Firm with 5-9 employees	62	1.435 (1.182)
Firm with 10-29 employees	163	4.589 (4.702)
Firm with 30-99 employees	354	4.093 (3.053)
Firm with 100 or more employees	143	3.937 (3.061)

Note: The figure in ( ) is the standard deviation.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

As shown in <Table 13>, the majority of migrant workers in Korea were engaged in simple jobs that required no special skill, even until after they had worked for a considerable period of time. But in 28.0% of the firms surveyed, the migrant workers were doing higher-skilled jobs as their working period got longer. The bigger the firms were, the higher was the percentage of their migrant workers who assumed higher-skilled jobs as they worked longer.

<Table 13> Migrant workers performing higher-skilled jobs as their working period gets longer

(Unit: No. of firms that responded, %)

	Total	Firm Size				
		less than 5 employees	5-9 employees	10-29 employees	30-99 employees	100 or more employees
Absolutely not so	76(8.98)	6(5.61)	5(7.46)	16(9.52)	38(10.56)	11(7.64)
Not so	370(43.74)	74(69.16)	45(67.16)	63(37.50)	134(37.22)	54(37.50)
So-so	162(19.15)	15(14.02)	9(13.43)	30(17.86)	77(21.39)	31(21.53)
Relatively so	229(27.07)	12(11.21)	8(11.94)	58(34.52)	106(29.44)	45(31.25)
Very much so	9(1.06)	0(0.00)	0(0.00)	1(0.60)	5(1.39)	3(2.08)

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

Then, how much vocational training do the firms provide to their migrant workers? According to <Table 14> below, the firms that gave job training to their foreign employees accounted for 47.1% of the total number of firms surveyed. This shows that a fairly high percentage of firms were giving job training to their migrant workers. The reason for this appears to be that the employers felt their migrant workers generally needed training to adapt themselves to the Korean corporate culture and working environment. As means of job training, the in-house collective training was most widely used, followed by the on-the-job training (OJT).

<Table 14> Job training provided to migrant workers

Job training		Percentage (%)
Percentage of firms providing job training to migrant workers (No. of firms that responded = 846)		47.1
Form of job training (N=399)	On-the-job training (OJT)	20.8
	In-house collective training	77.2
	External collective training	2.0

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

As examined above, migrant workers' level of job skills did not matter very much. What would matter, then, to the migrant workers in their performing of duties? According to <Table 15>, a high percentage of firms cited the language barrier (66.1%) and cultural differences (24.0%) as the biggest obstacles to their migrant workers' performance of duties, while the firms that named the migrants' low skills as the gravest hurdle were relatively small in number (9.4%). The language barrier posed the greatest obstacle (60.4%) to the migrants' acquisition of job skills, leading with wide gaps the insufficient job experience (22.6%) in their home country, and meager educational background (3.2%).

<Table 15> Obstacles to migrant workers' performance of duties and acquisition of job skills

Obstacles		Percentage (%)
Obstacles to migrants' performance of duties	Language barrier	66.1
	Low skills	9.4
	Cultural differences	24.0
	Others	0.5
Obstacles to migrants' acquisition of skills	Country of origin	8.2
	Insufficient job experience at home	27.5
	Meager educational background	3.9
	Language barrier	60.4

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

Language barriers and cultural differences will understandably cause problems in communication and damage to teamwork. However, <Table 16> and <Table 17> tell us that the communication or teamwork problems were not so serious. Asked if there were problems in communication arising from migrant workers' language barriers, 30% of the respondents answered that the problems were not serious, leading narrowly the answers that they were serious (17.7%). About the problems with teamwork, 62.6% of the firms surveyed said they had no such problems, overpowering the respondents who answered they had such problems (9.7%). It should be noted that the smaller their size was, the more likely were the firms to answer that the teamwork problems were not serious. The reason why the language barriers and cultural differences did not pose serious problems seems to be that, on the one hand, the migrant workers were somehow adapting themselves to the environment while working or through the language and cultural adaptation training programs given by the company, and on the other, the migrants were placed in positions where the language or cultural differences did not matter much. For example, the migrant workers were given jobs that were independent of others, especially with no much relationship with the jobs of their fellow domestic workers.

<Table 16> Gravity of communication problems caused by migrant workers' language barriers

(Unit: No. of occurrences, %)

Response	Occurrence (%)
Absolutely not serious	65(7.68)
Not so serious	195(23.05)
Intermediate	436(51.54)
A little serious	129(15.25)
Very serious	21(2.48)

Note: The figure in the ( ) represents the component ratio.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

<Table 17> Whether there are teamwork problems involving migrant workers

(Unit: No. of firms, %)

Response/ Size of company	Total (N=846)	Firm with 1-4 employees (N=107)	Firm with 5-9 employees (N=67)	Firm with 10-29 employees (N=168)	Firm with 30-99 employees (N=360)	Firm with 100 or more employees (N=144)
Absolutely not so	72(8.50)	17(15.89)	11(16.42)	17(10.12)	16(4.44)	11(7.59)
Not so	459(54.19)	69(64.49)	43(64.18)	80(47.62)	187(51.94)	80(55.17)
So-so	241(28.57)	17(15.89)	10(14.93)	53(31.55)	118(32.78)	43(30.34)
So	70(8.26)	4(3.74)	3(4.48)	18(10.71)	35(9.72)	10(6.90)
Very much so	4(0.47)	0(0.00)	0(0.00)	0(0.00)	4(1.11)	0(0.00)

Note: The figure in the ( ) represents the component ratio.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

Then, how much training did the Korean employers give their migrant workers for their language and cultural adaptation? According to <Table 18>, most of the firms surveyed were providing language and cultural adaptation training to their migrant workers periodically or when necessary even after their formal placement. Meanwhile, the number of companies that did not give training at all or gave training only once at the time of the migrants' joining with the company, was very small, accounting for only 14.7% and 11.9%, respectively, of the total firms surveyed.

<Table 18> Training opportunities given to migrant workers for their language and cultural adaptation

(Unit: No. of occurrences, %)

Response	Occurrence (%)
Give no training	125(14.78)
Give training only at time of migrants' joining company	101(11.94)
Give training whenever necessary	581(68.68)
Give training periodically	39(4.61)

Note: The figure in the ( ) represents the component ratio.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

How do the employers think of their migrant workers' working attitudes, which along with the job skills, are very important qualities affecting the workers' job performance? <Table 19> shows that the job attitudes of migrant workers were better than those of the domestic workers. To the question about the migrant workers' job attitudes, the positive answers of "relatively good" and "very good" accounted for 54.7% and 2.6%, respectively, far exceeding the negative answers of "bad" (3.7%) and "very bad" (0.2%).

<Table 19> Job attitudes of migrant workers vs. domestic workers

(Unit: No. of occurrences, %)	
Response	Occurrence (%)
Very bad	2(0.24)
Bad	31(3.66)
Intermediate	328(38.77)
Relatively good	463(54.73)
Very good	22(2.60)

Note: The figure in the ( ) represents the component ratio.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

## 6. Factors Determining the Wages of Migrant Workers

Considering that compensation management is an important element in personnel management along with the management of jobs and skills, it would be important in understanding the personnel management of migrant workers to examine how different the compensation management is between migrant workers and domestic workers. <Table 2> shows the factors that Korean employers considered the most important in determining the wages of their migrant workers. 46.6% of the firms that responded considered the minimum wage as the most important element. The larger the size of the firms was, the more likely were they to take this position. This fact seems to imply that the large companies' position was related to the Industrial Trainee Program. Considering that the larger the size of the firms was, the stronger was the possibility that they would not suppress the wages of their domestic employees to the minimum wage level, the fact that larger companies were more likely to take the minimum wage as the basis for determining the wages of their migrant workers, implies the high possibility that there was a difference between the method of determining the wages of the migrant workers and that of the domestic employees. The firms that considered the wage level of the businesses in the same industry first when determining the wages of their migrant workers, accounted for 26.7% of the total firms surveyed, while 17.1% of the firms surveyed considered the wage level of their domestic employees first when determining the migrants' wages. These percentages were higher in smaller firms, suggesting that undocumented migrants with some job experience in Korea, along with domestic workers, constituted the labor market of small businesses.

<Table 20> Factors considered as the most important in determining the wages of migrant workers

(Unit: Number of firms, %)						
Factor	Total	Firm with less than 5 employees	Firm with 5-9 employees	Firm with 10-29 employees	Firm with 30-99 employees	Firm with 100 or more employees
Minimum wage	394(46.64)	37(34.58)	21(31.34)	59(35.12)	188(52.22)	90(62.07)
Wage level of the same industry	226(26.68)	46(42.99)	32(47.76)	51(30.36)	73(20.28)	24(16.55)
Wage level of domestic employees	145(17.12)	14(13.08)	11(16.42)	38(22.62)	62(17.22)	20(13.79)
Wage level of migrants in the region	81(9.56)	10(9.35)	3(4.48)	20(11.90)	37(10.28)	11(7.59)

Note: The figure in the ( ) represents the component ratio.

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

<Table 21> shows the estimated value of wage determinants for migrant workers by industries, obtained by using the logarithmic sum total of wages as the dependent variable. As the wage levels of the migrant workers were different depending upon the types of industries, it was more meaningful to estimate by industries than by using integrated data. Used as variables were not only the general wage determinants such as sex, age, education and the length of service, but also the dummy variables on migrants' forms of employment, types of jobs, skills, and percentage in relation to the total number of employees, and the size of the staff.

The OLS was used to arrive at the estimation, and as the estimation coefficient the common beta value and standardized estimation coefficient were used, the latter to examine which variable had the greatest effect on the determination of wages. The estimation results show that the determinants of wages for migrant workers were a little different depending upon the types of industry.

First of all, in the case of the manufacturing industry, the wage level of the trainees for overseas-invested firms was lower than that of the industrial trainees, while the wage levels of post-training employees and illegally employed workers were higher than that of the industrial trainees. In particular, the wage gap between the industrial trainees and the post-training workers was only about 4%, but the wage level of the illegally employed workers was about 17% higher than that of the industrial trainees. These results seem to reflect the situation that the demand for illegal migrant workers increased in the firms that were suffering labor shortages amid the restricted supply of legitimate migrants. Therefore, if the supply of legitimate migrants is increased, the wage premiums on illegal migrant workers are expected to dwindle considerably. The fact that the dummy coefficient in education showed that both the middle and high school graduates drew no attention, implies that in the case of low-skilled foreign labor, there was no wage premium on the education level. The fact that the estimation coefficient in the length of service showed positive (+) attention, tells us that the longer the migrant workers' length of service, the higher their wages, although their wages were basically set on the basis of the minimum wage. Meanwhile, the proportion of the migrant workers shows negative (-) attention, indicating that the higher the proportion of the migrant workers was, the lower was their wage level. The value of the standardized estimation coefficient shows that the total hours of work had the greatest effect on the determination of the wage level of the migrant workers, followed by the illegality of their residence status and the length of their service, which had relatively much effect on the determination of their wages.

<Table 21> Analysis of wage determinants for migrant workers

	Manufacturing industry (N=3,499)			Construction industry (N=817)			Restaurant and lodging service industry (N=352)		
	Estimation coefficient	Standardized estimation coefficient	Standard deviation	Estimation coefficient	Standardized estimation coefficient	Standard deviation	Estimation coefficient	Standardized estimation coefficient	Standard deviation
Constant	4.090	-	(.029)***	4.249		(.123)***	4.723	-	(0.100)***
Trainee for overseas- invested firm	-0.394	-0.327	(.018)***				-	-	-
Post-training worker	0.039	0.047	(.013)***	0.030	0.029	(0.028)	-	-	-
Illegally employed worker	0.161	0.192	(.013)***	0.520	0.554	(0.029)***	-	-	-
Dummy for sex (Male=1)	0.091	0.126	(.010)***	0.132	0.025	(0.119)	0.090	0.182	(0.028)***
Age	0.001	0.039	(.000)***	-0.001	-0.067	(0.001)**	0.004	0.163	(0.001)***
High school graduate	-0.008	-0.014	(.009)	-0.035	-0.066	(0.012)***	-0.022	-0.055	(0.022)
College graduate	0.009	0.007	(.019)	-0.062	-0.030	(0.045)	0.079	0.060	(0.069)
Length of service	0.051	0.164	(.010)***	0.172	0.659	(0.011)***	-0.030	-0.113	(0.032)
Length of service square	-0.001	-0.016	(.002)	-0.012	-0.324	(0.002)***	0.003	0.040	(0.008)
Technician	-0.018	-0.022	(.012)	0.050	0.069	(0.018)***			
Machine operator or machine assembly worker	-0.029	-0.042	(0.01)***	0.095	0.092	(0.030)***			
Worker in service industry							0.098	0.237	(0.023)***
Total hours of work	0.001	0.237	(0.00)***	0.000	0.081	(0.000)***	0.000	-0.041	(0.000)
Dummy for skill (Skilled=1)	0.051	0.088	(0.01)***	0.057	0.093	(0.019)***	0.024	0.044	(0.030)
Proportion of migrant workers	-0.329	-0.122	(0.05)***	-0.044	-0.027	(0.039)	-0.177	-0.216	(0.042)***
Size of staff	0.000	-0.016	(0.00)	0.000	-0.013	(0.000)	0.000	0.004	(0.000)
Adjusted R square value	0.301			0.624			0.144		

Note: 1) \* p<0.10, \*\* p<0.05, \*\*\* p<0.01

2) The dummy variable for employment form of migrant workers is based on industrial trainees, the dummy for education on migrants with middle school education or lower, and the dummy for job type on low-skilled workers

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

The wage determining formula for the workers of the construction industry had characteristics similar to that for the workers of the manufacturing industry. But it should be noted that the wages of the industrial trainees and post-training workers showed no difference in attention, while the wage level of the undocumented migrants was 50% higher than that of the industrial trainees.

In the case of the restaurant and lodging service industry, there was no dummy variable for employment form of the migrant workers because all the migrants surveyed were

illegally employed workers. It is interesting to note that compared with the construction and manufacturing industries, the variables for the length of service and the hours of work of the restaurant and lodging industry did not have meaningful effect on the determination of the wage level.

<Table 22> shows the estimated wage determining formula based on the information obtained from the wage ledgers of the sampled domestic workers who were engaged in the same jobs as those of the migrant workers. The variables used in this estimation were similar to those used in <Table 21>. Let's now compare these data with those on the migrant workers.

<Table 22> Wage determinants for domestic workers

	Manufacturing industry (N=2,517)			Construction industry (N=214)				Restaurant and lodging service industry (N=249)	
	Estimation coefficient	Standardized estimation coefficient	Standard deviation	Estimation coefficient	Standardized estimation coefficient	Standard deviation	Estimation coefficient	Standardized estimation coefficient	Standard deviation
Constant	4.061		(.036)***	3.598		(.254)***	4.034		(.126)***
Dummy for sex (Male=1)	0.217	0.334	(.012)***	0.186	0.050	(.203)	0.084	0.184	(.027)***
Age	0.003	0.118	(.000)***	0.006	0.192	(.002)***	0.005	0.235	(.001)***
High school graduate	0.106	0.163	(.013)***	-0.042	-0.050	(.048)	0.075	0.155	(.030)**
College graduate	0.139	0.102	(.026)***	-0.107	-0.020	(.317)	0.166	0.232	(.049)***
Length of service	0.043	0.465	(.004)***	0.085	0.461	(.029)***	-0.003	-0.027	(.016)
Length of service square	-0.001	-0.207	(.000)***	-0.009	-0.422	(.003)***	0.004	0.418	(.001)***
Technician	.010	.013	(.013)	-0.048	-0.054	(.050)			
Machine operator or machine assembly worker	.018	.029	(.011)	-0.001	0.000	(.082)			
Worker in service industry							.179	.395	(.026)***
Total hours of work	0.001	0.168	(.000)***	0.003	0.468	(.000)***	0.001	0.225	(.000)***
Dummy for skill (Skilled=1)	0.046	0.066	(.013)***	0.270	0.331	(.052)***	0.021	0.028	(.039)
Proportion of migrant workers	0.107	0.037	(.054)**	-0.025	-0.011	(.128)	0.054	0.045	(.067)
Size of staff	0.000	0.043	(.000)**	0.000	0.080	(.000)	0.000	-0.154	(.000)***
Adjusted R square value	.283			.384				.398	

Note : 1) \* p<0.10, \*\* p<0.05, \*\*\* p<0.01

2) The dummy for education is based on migrants with middle school education or lower, and the dummy for job type on low-skilled workers

Source: Korea Labor Institute, *A Survey of the Employment Situation of Migrant Workers*, 2003.

Generally speaking, in the case of the domestic workers, unlike in the case of the migrant workers, most of the variables with human characteristics drew attention. In the case of the domestic workers, all the education variables that did not draw attention in the wage determining formula of the migrant workers, showed positive (+) attention, implying that

the wage level of the high school or college graduates was higher than that of those with middle school education or lower. These results indicate that even in the low-skilled labor market of the same jobs, the domestic workers were enjoying wage premiums placed on high education. In the wage formula of migrant workers, the staff size variable as the variable representing the scale of the firm did not draw attention, but in the estimation of the wages of domestic workers, the staff size variable showed positive (+) attention in the manufacturing and service industries. This implies that the larger the size of the firm was, the higher was the wage level. On the other hand, the wage premiums on skill existed for both migrant and domestic workers. In the case of the manufacturing and service industries, the wage premiums of the two groups were almost the same, while in the case of the construction industry the wage premium on skill was relatively higher in the migrants' labor market than in the domestic workers' labor market.

## **V. Policy Implications**

According to this study, one of the most important reasons why Korean employers employed migrant workers was that it was hard to find domestic workers. The study also reveals that the employers recruited migrant workers mainly through local private employment bureaus. The demand for migrant workers in the Korean labor market is expected to increase further in the future, as the firms planning to hire more migrant workers in the future accounted for 31.7%, while a mere 8.9% of the firms intended to recruit less foreigners in the future.

The wages of the migrant workers employed in Korea were only 76.7% of the wages of the domestic workers engaged in the same jobs; but the foreigners' monthly hours of work were about 17 hours longer on average than those of their domestic colleagues. Meanwhile, the average hourly wage of migrant workers, with the hours of work reflected, was 71.4% of that of domestic workers. Considering, however, that most of the employers paid their migrant workers' lodging expenses, the migrants' labor costs per hour, when their lodging expenses were added, accounted for 86.1% of those of domestic workers. In the meantime, the labor productivity of migrant workers was 87.4% of that of domestic workers. Therefore, in light of the labor productivity, there was no substantial difference between the labor costs of domestic workers and those of migrants. This is interpreted as meaning that the wage level of the migrant workers was close to the general wage level of the Korean labor market.

The study shows that the jobs the migrant workers were engaged in were simple ones requiring no special skill, and that it would take about 3.6 months on average for the migrants to acquire necessary job skills. According to the survey, the language and cultural differences posed an obstacle to the migrant workers' performance of their duties, but were not seriously hindering their teamwork with domestic colleagues.

Among the factors determining the wages of migrant workers, the education level, unlike in the case of domestic workers, did not influence the determination of migrants' wages, whereas the hours of work and the length of service had a big impact on it. The study also reveals that the wages of the illegally employed migrants were higher than those of the

legitimately employed. In the case of domestic workers, the larger the size of the firm, the higher were their wages; but in the case of migrant workers, their wages did not have anything to do with the size of the firm.

Since the late 1980's, Korea's demand for low-skilled foreign labor has steadily increased, so that the number of migrant workers has now reached 2.7% of the total wageworkers, and is expected to rise further in the future. As a result, one can now easily come across foreign workers anywhere in this traditionally homogeneous nation. Therefore, it should become more important to create an accommodating environment in which people can work together with their migrant colleagues in harmony and good spirit.

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