

**Bilateral Arrangement of
Temporary Labor Migration**

**Lessons from
Korea's
Employment
Permit System**

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WORLD BANK GROUP
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Foreword

Globalization has rapidly changed the world through the increased trade of goods and services, but labor mobility is still limited by borders. Theory suggests that free labor mobility as well as trade could benefit both importing (labor receiving) and exporting (labor sending) economies. However, whether policies to facilitate labor mobility should be further promoted is as much a political and social question as it is an economic one. The perceived benefits and costs of labor mobility differ significantly depending on where you are and which aspects of labor mobility you focus on.

While the number of labor migrants in the world continues to rise, popular destinations such as North America and Europe are host to renewed debates and discussions on the topic of immigration, sparked by a resurgence in nationalistic rhetoric. Despite a moral argument for the need to embrace refugees and other migrants fleeing dire conditions of war, conflict, violence, oppression, and extreme poverty, large influxes of migrants tend to reinforce alarmists' calls against labor mobility.

In this context, the importance of policies to promote the mutual benefits of both sending and receiving nations (i.e., “co-development”) through labor mobility—facilitated by well-managed and controlled migration systems—is increasingly recognized. Policies that help workers from relatively poor economies gain employment opportunities in richer countries and benefit from the wage differentials between the two, and that are politically acceptable and contribute to the interest of receiving economies, could be further promoted. For example, bilateral arrangements (including labor agreements and memorandums of understanding) that link employers in richer economies with workers from less-developed economies have great potential to promote mutual benefits. These promise to be key policy instruments of the global development agenda.

The report outlined in this policy brief recognizes this wide spectrum of migration-related issues, and sets them in a clear framework focused on three separate policy objectives: control, co-development, and co-existence. Policies that support control (e.g., building walls to prevent illegal entry into a country) should not be mixed with efforts to promote co-existence (e.g., measures to provide new migrants with pathways to becoming active members of

society, with access to key benefits that will further their productivity). Meanwhile, policies that focus on co-development and mutual benefits (e.g., bilateral labor agreements for temporary migrants) merit their own consideration, irrespective of policies that support control and co-existence. The policy brief highlights the opportunity for bilateral arrangements to support co-development, and describes a range of options.

The employment permit system (EPS) of Korea is an exemplary case of a government action facilitating temporary labor migration for co-development. It balances the benefits of temporary migration for both the sending countries and the receiving country (i.e., Korea) and the political economy surrounding the issue. The report presents multiple features of the system that could be applied in other contexts, while underscoring Korea's efforts to strengthen the system and manage the political economy over time. I believe that the report will be extremely useful and informative for policy makers concerned with international labor mobility. It will help Korean policy makers continue to strengthen the system, inform receiving countries seeking to develop and strengthen similar arrangements, and also improve sending countries' understanding of their potential role in maximizing the benefits of labor migration.

Michal Rutkowski

Senior Director

Social Protection and Jobs Global Practice

The World Bank Group



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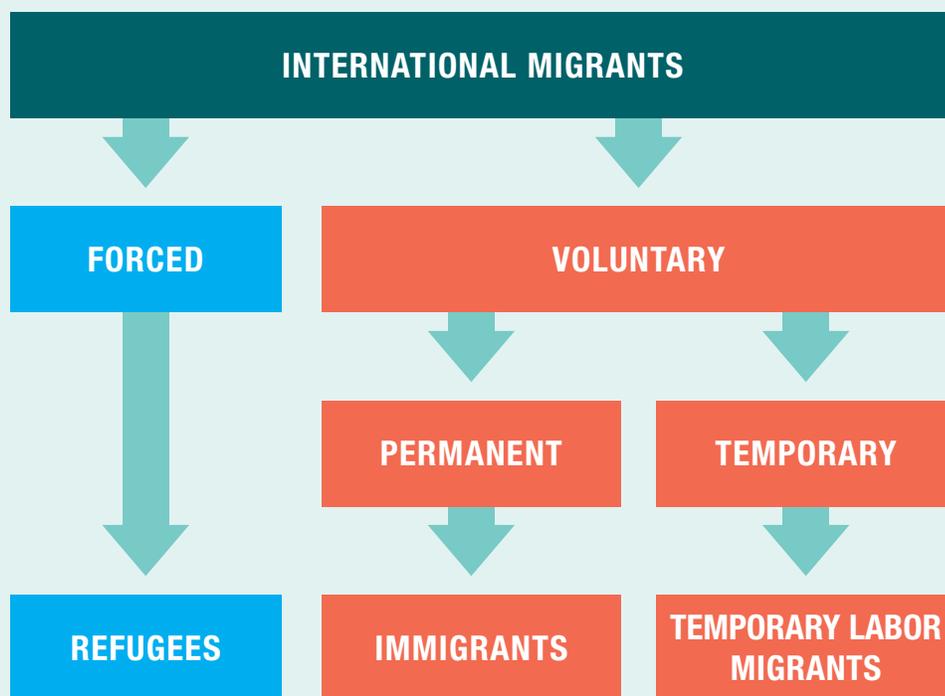
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International migration is a policy issue of growing importance, and to be effective, policy responses are best tailored to the context and the type of migration being managed.

In 2017 it was estimated that 258 million people were living outside their countries of birth—a striking increase from 173 million in 2000. Amid these surges of migrants, especially the recent increases in refugees, the topic of international migration is receiving increased policy attention the world over. It is important that relevant policies recognize and reflect the heterogeneity of migrant flows instead of taking a one-size-fits-all approach.

■ **Figure 1. Typology of migrants**



International migrants can be broadly classified into two groups: *forced* (refugees fleeing persecution, violent conflict, and certain other dire situations) and *voluntary*. Voluntary migrants are of two types: *temporary labor migrants* who migrate mainly for economic reasons for a fixed duration, and *immigrants* who move with the intention of changing their country of residence eventually, for purposes of family reunification or to access better economic opportunities (figure 1).

Policy responses to migratory movement must be tailored to their specific contexts and type while clearly reflecting the government agenda of the receiving country—and, as possible, acknowledging that of the sending country. Three policy objectives underlying the migration policies and management practices commonly observed across receiving countries are (i) control, (ii) co-development, and (iii) co-existence (figure 2).

■ **Figure 2. Key migration policy objectives**



Control is the main objective of those policies designed to ensure security (including of borders), manage or curb migration inflows, and reduce the incidence of illegal activities (including human rights violations such as human trafficking).

Co-development objectives center on maximizing the gains from migration for both sending and receiving countries as well as for workers and employers.¹

Co-existence is concerned with policies designed to promote the integration of migrants and their families in receiving countries, their access to benefits that will help them become productive members of society, and the social cohesion of the communities where they settle.

Control, *co-development*, and *co-existence* have been the dominant objectives that guide policies concerning *refugees*, *temporary labor migrants*, and *immigrants*, respectively. All three objectives must be achieved in balance to effectively manage migration issues, yet each is distinct.



Bilateral labor agreements (BLAs) are important instruments used to promote co-development.

Maximizing migration's benefits for all concerned is an increasingly significant policy goal. Today, a growing number of developing countries are adopting temporary labor migration as part of their employment, poverty reduction, and development strategies. Meanwhile, many receiving countries continue to accept temporary labor migrants to address domestic labor shortages. In this context, BLAs can be viewed as institutionalized efforts to facilitate migratory flows in a way that maximizes mutual gains.

Well-structured BLAs can help countries not only achieve the objective of co-development, but can also lead to significant reductions in illegal migration (a "control" policy objective). BLAs do this by providing legal avenues for migration while imposing quotas and end dates for migrants' stays. BLAs also involve sending countries in actively screening potential workers and stipulate that workers undergo pre-departure orientation and training to educate them about the necessary legal aspects of migration.

BLAs can take the form of either formal treaties, which are legally binding, or nonbinding memorandums of understanding (MOUs). Nonbinding MOUs are more frequently used, because they allow for more flexible arrangements based on circumstances.

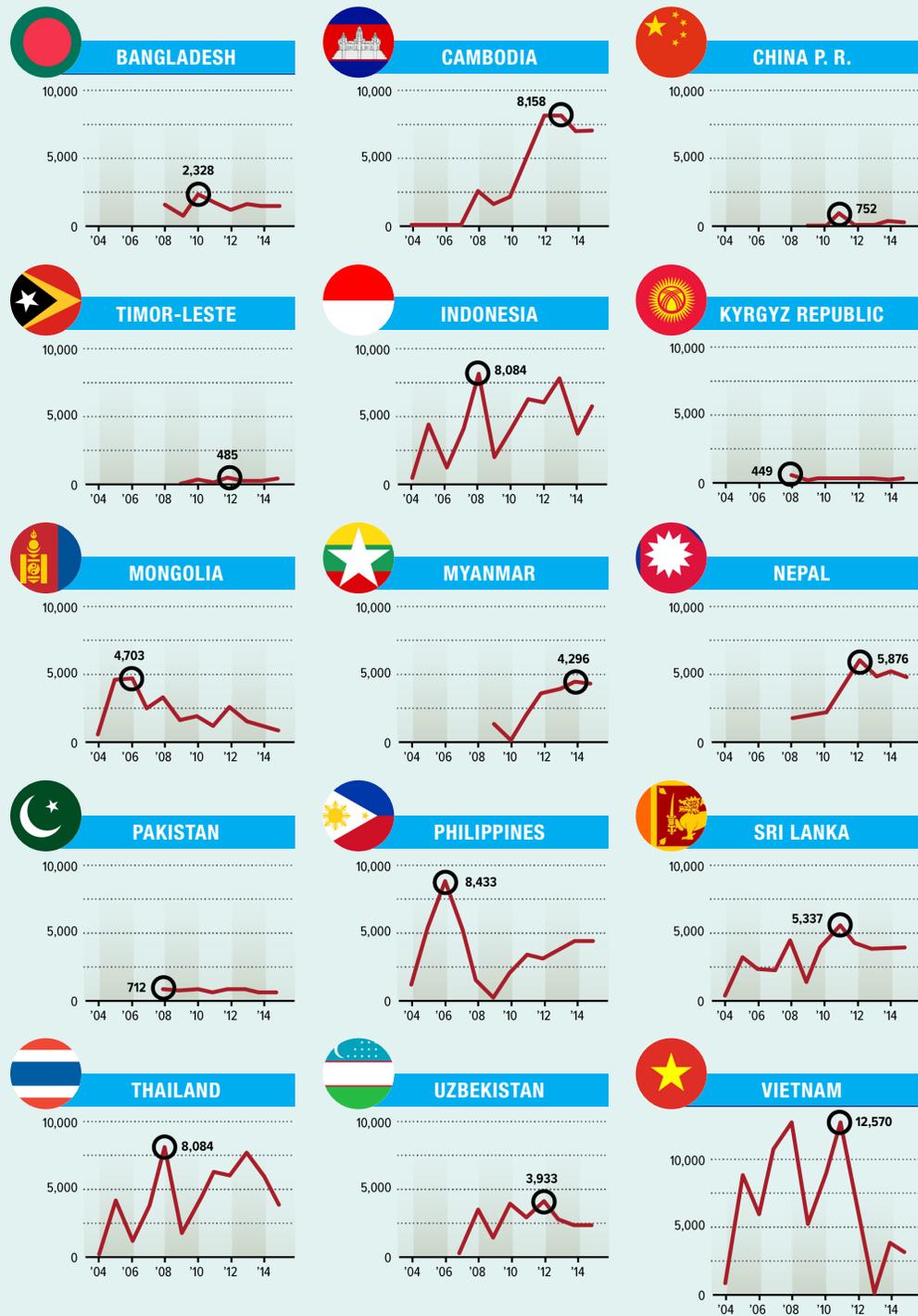
BLAs for temporary migration encompass seasonal and non-seasonal guest worker programs. For example, seasonal worker programs have been utilized in New Zealand and Australia to address labor shortages in horticulture by temporarily hiring Pacific Islanders. Canada has also implemented these programs to address labor shortages in agriculture by hiring seasonal workers from Mexico and several Caribbean countries.

Non-seasonal guest worker programs that operate through BLAs are popular in the Gulf Cooperation Council (GCC) countries that rely on foreign workers for many private sector activities, irrespective of seasonality.

BLAs also vary in the way they are governed. For example, a government may be less or more involved in intermediation, and may or may not include the private sector in the process. The roles of sending and receiving entities along the continuum of the migration process also vary across BLAs.

Most BLAs share several common elements, however. They tend to require worker screening, pre-departure orientation, and training from the sending side; and they may require worker protection and visa support during a predetermined time period from the receiving side.

■ **Figure 3. Volume of EPS workers by sending country, 2004–15**



Source: Planning and Coordination Office, Foreign Workforce Division, MoEL, 2016.

Note: The number labeled is the maximum annual flow of workers from that nation since it joined the EPS. EPS = Employment Permit System.

The Employment Permit System (EPS), Korea's flagship temporary labor migration program, offers a model of global good practices in facilitating the movement of low-skilled workers.

The EPS utilizes a government-to-government (G2G) arrangement and can be classified as a non-seasonal guest worker program for low-skilled labor. Introduced in 2004 in partnership with only 6 countries, the program has since expanded to 16 countries.²

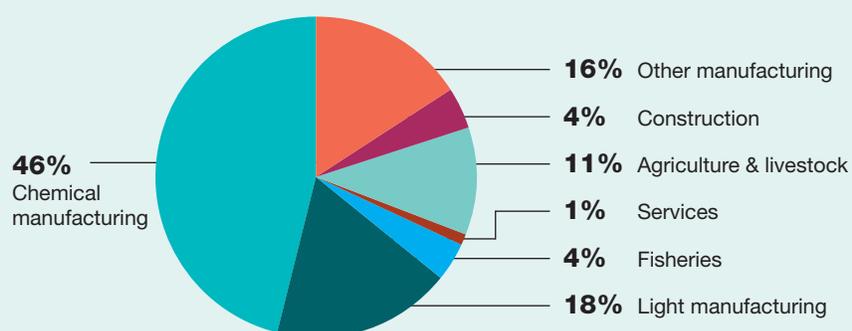
From the onset of the system up until 2015, more than 540,000 individuals worked under the EPS. Four countries (Vietnam, Thailand, Indonesia, and the Philippines) account for more than 55 percent of this workforce. Noteworthy trends include a diversification of sending countries over time with an increase in the number of workers coming from Nepal and Cambodia, and a overall decrease in the share of workers from the Philippines and Vietnam.

Several factors contribute to fluctuations—by year and also by country—in the volume of workers that have been admitted to Korea through the EPS. First, the overall quota is reset each year to reflect domestic labor demand. For instance, when the Korean economy struggled during the global recession between 2008 and 2010, the overall number of migrant workers decreased. Second, the initial quota for each sending country is distinct from the others, as determined not only by employer demand but also diplomatic ties. As the share of sectors such as agriculture, livestock, and fisheries grows in the EPS, workers from primarily agrarian economies are seen to increase. Moreover, the number of workers who overstay their legally allotted time is closely monitored, by nationality, and may be reflected in a penalty that shrinks a particular country's quota in subsequent years.³



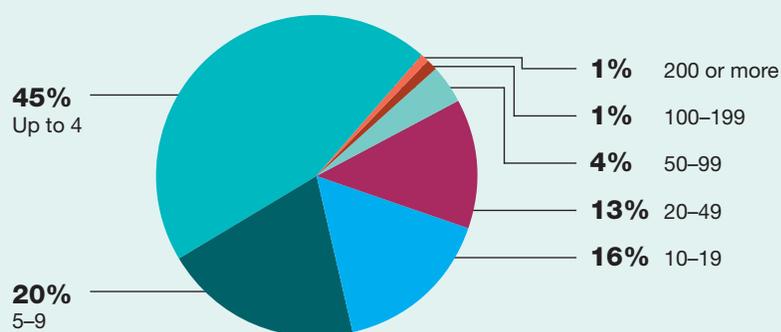
The majority of EPS workers are young males with an average age of 26 years. The share of female workers is less than 10 percent. More than 80 percent of EPS workers are involved in the manufacturing sectors (metallic and non-metallic products, electronics, chemicals, and machinery) (**figure 4**). Albeit small, the share of workers in the agriculture, livestock, and fisheries sectors has been increasing in the past few years. With few exceptions, the EPS is not open to the construction and services sectors.

■ **Figure 4. EPS workers by sector, 2011–15**



Source: EPS database 2011–15.

■ **Figure 5. Number of employees per EPS employer, 2011–15**



Source: EPS database 2011–15.

Only small and medium enterprises (SMEs) with fewer than 300 employees are eligible to participate in the EPS. Close to 45 percent of EPS firms are small enterprises with fewer than four employees and another 20 percent are those with five to nine workers (**figure 5**).

Korea's EPS is implemented through a sophisticated and well-managed governance structure, backed by government support and policies.

Migration involves complex decisions at each of several stages along the migrant's journey. These stages may roughly be divided by time period: before making a decision to migrate, before departure, during migration, and upon return to one's home country. Policy interventions are built into each stage to reduce market failures (e.g., a lack of access to key information) and negative outcomes (e.g., unnecessarily high recruitment costs, worker exploitation).

The receiving country's government must be careful in framing the issue of temporary labor migration. Exercising sensitivity can mitigate potential tensions between domestic and foreign workers that might arise due to domestic workers' fears that foreign workers will replace them in their jobs, and allay general human rights concerns associated with the potential risks of abuse and exploitation of foreign workers. Another possible source of tension relates to social cohesion, especially in a relatively ethnically homogeneous society such as Korea's.

Three key EPS strategies for creating a balanced political economy while addressing various issues that typically arise during the migration process are as follows:

- Recognizing the EPS as a labor strategy as opposed to an immigration policy;
- Implementing the program through a sophisticated and well-managed governance structure led by the Ministry of Employment and Labor (MoEL); and
- Continuing to strengthen the system based on lessons learned from implementation evaluations, experience, and pilot initiatives.

The EPS includes the following elements, taking place at each key stage of the migration process.

Pre-decision and pre-job matching. The rules and procedures for the entire EPS process are clearly prescribed in the EPS operational manual and publicized through the EPS website in local languages. The EPS partner agencies in sending countries facilitate workers' participation in a mandatory language test (Test of Proficiency in Korean, TOPIK) and medical checkups, and disseminate information. These agencies then compile the rosters of workers to be presented to potential employers.

Job matching and pre-departure. Under the MoEL, local job centers provide job-matching services based on EPS employers' broad preferences, such as for age group and nationality. Worker rosters are provided by the Human Resources Development Service of Korea (HRD Korea), which implements the EPS, and translated into the EPS database managed by the Korea Employment Information Service (KEIS).

Workers who are admitted into the program undergo a 45-hour training through the EPS partner agency in their country prior to departing. Training covers the Korean language and culture, EPS rules and regulations, workplace safety, and industry requirements.

During migration. Upon arriving in Korea, workers undergo a 20-hour mandatory training that includes workers' rights and obligations, and information on Korean culture.

If EPS workers have a dispute or misunderstanding with their employer, they can contact workers' counseling centers (known as HUG Korea) and the Korea Support Center for Foreign Workers (under MoEL), which operate in multiple locations and provide counseling and dispute resolution services in 15 languages.⁴ Workers may change employers up to three times within the same industry.

Post-migration. The EPS ensures the timely return of workers by prescribing various measures. For instance, EPS workers are encouraged to participate in vocational and self-employment training tailored to the jobs they might pursue in their home country. Additionally, to ensure the timely and legal departure of EPS workers, HRD Korea checks in with each worker six months prior to his or her departure date to ensure that he or she has all required documents ready and has started working on the necessary arrangements for return. Moreover, workers must wait until their departure to withdraw the funds they have contributed to the EPS's repatriation cost insurance.⁵



The EPS is widely recognized for its effective approaches to common challenges in international labor migration.

Many of the EPS's policy features were introduced or strengthened based on the lessons learned from its predecessor programs.⁶ Prior to the EPS, foreign workers were brought to work in Korean firms as apprentices or trainees. Two major shortcomings emerged: recruitment costs were high because of the inefficient roles played by middlemen (and many workers overstayed in attempts to recoup these costs); and workers lacked adequate protection under labor laws since they were registered as apprentices rather than employees.

The EPS differs significantly from these previous programs in that the government, not the private sector, is responsible for recruiting and managing the EPS workforce. The MoEL leads the implementation of the EPS and utilizes its existing institutional capacity, set up for domestic workers, for the benefit of the new foreign workers whose travel and job placement it facilitates.

The following sections summarize how the EPS approaches some of the key issues common to temporary international labor migration around the world.

Migration costs. In contrast to Korea's earlier systems, the EPS limits the role of private recruiters in the job-matching process, in both the sending countries and in Korea, and introduces standardized prices for all steps of the labor migration process (e.g., application, testing, medical checkup, visa, training, and insurance). The MOUs signed with the sending countries mandate that sending governments monitor and publish migration costs by line item to ensure transparency. As a result, per person migration costs declined significantly from more than US\$3,700 under a previous trainee system to around US\$1,000 under the EPS. The lower costs, coupled with an increase in the legal wages of EPS workers to above the minimum wage, ensured that the ratio of costs relative to monthly earnings dropped from seven months' earnings to around one month's earnings under the EPS.

Worker protection. The measures for worker protection under the EPS include (i) labor regulations, (ii) access to social insurance, and (iii) support services such as counseling.

EPS workers are required to receive Korea's minimum wage, set at Korean won (₩) 6,500 (equivalent to US\$5.70) per hour. This amount was increased by 7.3 percent in 2017.⁷

In terms of insurance, EPS workers have access to universal national health insurance and the same occupational accident insurance as Korean workers. In addition, insurance that addresses EPS workers' specific needs (e.g., of delayed payments or repatriation costs) is also available.

Finally, EPS workers have access to support services through government agencies such as counseling centers for foreign workers (e.g., HUG Korea) that are found nationwide and also civil society organizations (CSOs). Conflict and dispute resolution for EPS workers is subject to domestic labor laws. In addition, unlike typical guest worker programs, the EPS allows workers to change employers up to three times within the same industry if they can provide valid reasons for the change.

Business competitiveness. There are concerns that inflows of low-cost foreign labor may undermine firms' efforts toward innovation and research and development (R&D), substitute for capital investment, and sustain the business of nonviable firms, which can consequently weaken industry competitiveness. In response to these concerns, the EPS aims to include only those firms that are viable but struggling with labor shortages. To that end, the system grants greater points to firms that are part of select subsectors assessed to have competitive potential and that have demonstrated efforts to search for domestic workers. In addition, the system allows experienced EPS workers to change their visa status from a low-skilled (E-9 visa) to semi-skilled worker (E-7 visa), upon passing a skills test, to incentivize migrant workers to invest in skills development and contribute to firms' performance. Finally, the minimum wage provisions and social protection coverage mandated for EPS workers ensure that they are not paid less and do not receive less coverage than Koreans performing comparable work. Thus, they cannot be seen as a cheaper alternative to Korean workers.

Return of workers. The EPS is designed as a temporary labor program and is not a legal route to permanent residency. Thus, an important policy objective is to ensure labor migrants' temporariness. Visa support for the family members of visiting workers is not part of the EPS. Workers' total time in the country is restricted to two separate periods of no longer than 4 years 10 months each.

The EPS adopts a few policy measures to ensure the timely return of workers to their home countries, and to reduce the number of overstayers. First, employers purchase departure guarantee insurance, while EPS workers subscribe to return cost insurance, which is paid back to them upon their return to their home countries. Second, the EPS implements voluntary departure programs to encourage undocumented workers to leave without consequences such as reentry bans, detention, or penalty fees. Lastly, sending countries agree to encourage EPS workers to return in a timely manner as stipulated by their MOU with Korea. The share of workers that complies with the rules is a determining factor in deciding whether country quotas are to be maintained, increased, or cut in subsequent years.

Despite its successes, a few challenges remain to be addressed to bolster the EPS program in meeting the needs of migrants and their employers.

Despite multiple measures, worker protection remains a challenge, particularly in the small but growing sectors of agriculture, livestock, and fisheries. Where workers' labor rights are disrespected—even if such cases are rare—this could pose significant risks to the EPS's sustainability, considering the sensitive political economy.

Another significant challenge is the efficacy of the existing job-matching mechanism. Current EPS job matching appears to be inefficient, as evidenced by a high turnover rate, despite the oversupply of workers and elaborate matching systems. This underscores the need to improve the quality of matching. Existing challenges may be related to inadequate information or choices granted to workers about potential employers and jobs. Additionally, workers and employers may not fully utilize the information they have or may not fully express their preferences. Moreover, some anecdotal evidence suggests that combining other tools with the Korean language test to screen workers can significantly strengthen the job matching, if the majority of employers value other skills and traits (such as diligence).



Photo by Upasana Khadka

The EPS offers important lessons for both receiving and sending countries to implement, either unilaterally or bilaterally.

LESSONS FOR RECEIVING COUNTRIES

Creating a system that is politically acceptable, and economically beneficial, is critical.

Despite the potential gains of having migrant workers fill in labor shortages, domestic perspectives on international migration—including, often, misconceptions—can hinder programs for co-development. Common fears are that foreign workers may displace domestic workers from jobs, lower the market wages, and weaken social cohesion. Cases of migrant workers being underpaid and exploited—even if they do not represent the labor market conditions of most migrants—raise human rights concerns as well.

It is therefore useful to incorporate many stakeholders' perspectives in policy making as well as widely disseminate labor market and social analyses to dispute common myths and ungrounded concerns about migrants. Public perceptions are likely to become more positive as it becomes clear that enforcement measures are in place to ensure that labor migration is temporary.

A multi-stakeholder process for policy making with a single implementing agency can be an effective governance model.

The issue of international migration is complex and requires the integration of many stakeholders' perspectives. The EPS builds on policies determined through an elaborate process and structure. A committee led by the MoEL, with the participation of key ministries,⁸ as well as SME associations, trade unions, CSOs, and academics, formulates balanced policies associated with the temporary labor migration agenda. Meanwhile, HRD Korea, under the MoEL, oversees implementation and provides a single window for various services.

Bilateral labor agreements need to distinguish seasonal and nonseasonal work.

Workers in sectors such as agriculture are exposed to more labor code violations and consequently are more vulnerable. This partly stems from the fact that the EPS was designed primarily for nonseasonal sectors like manufacturing, while the share of workers in agriculture and fisheries has been rising only recently. Thus, the system has not fully thought through potential challenges and mitigation strategies specific to seasonal work. By establishing BLAs that distinguish seasonal and non-seasonal work, governments can more effectively address their different sets of challenges.

Lowering migration costs can reduce the number of overstays. When migration costs are lowered, this benefits not only migrants and their sending countries, but also the receiving countries. The EPS achieved significant reductions in migration costs by limiting the involvement of private intermediaries in the recruitment process. As these costs fell, the number of overstayers significantly decreased as the need to recoup high costs became less pressing.

A receiving country's ability to reduce migration costs, however, may depend on its ability to limit or oversee private sector intermediation. When the size of migrant inflows is large, government-led recruitment does not automatically lead to better outcomes. Furthermore, it might not be practically feasible to curb the involvement of private sector players when they have strong, long-standing networks with employers and agencies in sending countries.⁹ In these circumstances, the role of the government is to oversee private recruitment practices. Through regulations, the government should be able to prevent private recruitment agencies from passing extra costs on to migrant workers and from selling job offers to their counterparts in sending countries. This should be coupled with the regular monitoring of recruitment agencies and collection of feedback from employers (as is done in Singapore, for example).

In addition, the success of the EPS relies on utilization of public labor intermediation services that, in the case of Korea, are well developed. If the public sector in the receiving country is unable to effectively undertake the private sector's functions of mobilizing workers at scale and provide intermediation services, curbing middleman activities will be even more difficult.

Irrespective of who provides intermediation and recruitment services, receiving countries can adopt a few key measures to reduce migration costs. First, widely disseminating clear information on the migration process can help migrants reduce their reliance on middlemen. Information should include the actions prospective migrants need to take and legitimate sources of support for the process. Second, presenting the standardized costs, disaggregated by item, can significantly enhance transparency and lower middlemen's incentives. Third, requiring sending countries to reduce migration costs and worker overstays, and providing these countries with incentives (e.g., quota adjustments) for making efforts to do this, is likely to help keep costs low.

Worker screening measures (e.g., language tests) can potentially improve the experiences of both employers and workers. That applicants must prove they have a required level of proficiency in the Korean language is one of the EPS's hallmark traits. Testing serves multiple purposes. As a screening tool, it helps employers select workers with greater aspirations and intellectual capabilities given the significant time and effort that applicants must invest in preparing for the test. This preparation helps workers learn not only the language, but also the culture and social norms of the receiving country. Ultimately, it will correlate to higher productivity levels, since successful applicants will have proven they can understand and respond to instructions.¹⁰

Screening for traits (beyond language proficiency) that are valued by employers can further improve worker placement outcomes. Anecdotal evidence suggests that employers find EPS workers' language proficiency generally insufficient for understanding tasks and for screening the soft skills and traits employers value, such as diligence. Thus, it is important to design a worker-screening mechanism (e.g., including psychometric measurements) that can assess additional skills and traits that employers often look for.

Worker protection can be provided through a combination of labor regulations, social insurance, and social support. Labor regulations regarding minimum wages, working hours, and workplace conditions should be applicable to all workers. To further help workers manage risks, the private insurance market or contributory funds could be utilized to provide specific health or repatriation insurance to migrant workers. In cases where there is a large volume of workers, this type of insurance can be provided at low cost. Moreover, measures to facilitate sending countries' embassies or diaspora networks to provide counseling and social support could be considered.

These protections can help increase worker productivity and reduce instances of disputes, job separation, or contract violations. In addition, giving foreign workers the ability to switch jobs under specified conditions can reduce the likelihood of temporary migrants becoming irregular, as sometimes happens in cases of job mismatch or employer abuse.



LESSONS FOR SENDING COUNTRIES

Bilateral agreements such as MOUs should be specific and actionable. Existing MOUs between countries tend to be generic, encompassing overall migration flows with multiple objectives and weak enforcement. The EPS is limited to a few sectors in which Korea faces labor shortages. This allows for workers to make more informed choices in terms of the skill development and other investments needed to pursue the opportunities afforded by the EPS. Based on this experience, sending countries might want to push for more manageable, sector-specific bilateral agreements (for example, in elderly care, domestic work, or hospitality) to address labor shortages in receiving countries.¹¹

Even within the same bilateral program, outcomes for migrants can vary widely depending on the proactiveness of the sending country. The EPS has been implementing very consistent MOUs with 16 sending countries, but levels of involvement vary by country. Pakistan, for example, has not succeeded in mobilizing workers to reach its assigned quota, whereas other countries such as Nepal and Cambodia are seeing increases in the number of EPS workers. Some countries use unilateral interventions to facilitate employment under the EPS. For instance, the Philippine government worked out an MOU with Landbank to provide subsidized loans for EPS workers, thus providing individuals from lower-income households more access to EPS opportunities. This in turn increases the developmental impact of temporary international labor migration.

To the extent possible, sending countries should widely disseminate information on migration costs, by destination, unbundled by line item. HRD Korea spends considerable resources to widely disseminate information related to EPS processes and costs via newspapers and websites, translating all information into native languages. Each step of the process is clearly described, and costs of migration are broken down by line item (e.g., health insurance, passport and visa costs, recruitment fees, and so on). Thus, even when the costs of recruitment are high, aspiring EPS workers are aware of them and are assured that the charges will not vary arbitrarily from migrant to migrant. This mitigates the financial exploitation of aspiring migrants and allows them to better plan for their migration.

Similarly, the governments of sending countries could disseminate such information or mandate that recruitment agencies publicly disclose information on service fees and costs, by line item and by the country of destination.

All of these steps can help migrants better plan their finances as well as gain better access to credit. In many countries, international migration is an option utilized not by the poorest but by those slightly better-off. Migration costs are high, but financial institutions have difficulty

in developing loan products customized for migrants due to limited information on costs and risks. Thus, clearly delineated migration costs can facilitate financial institutions' development of loan products tailored to migrants' specific contexts, and extend access to credit to even the more vulnerable segments of their population.

The pre-departure training of migrants should focus on language and soft skills. Many sending countries invest in skills training for migrant workers to increase their earning potential. Such skills training tends to focus on technical skills (typically designed for construction or manufacturing sectors). However, given the changing migration landscape, which is characterized by a rising demand for workers in service sectors and diversifying occupations, language and soft skills are becoming more vital. Unless language proficiency is required, as in the case of the EPS, language skills are often overlooked in skills training. However, as interviews with EPS employers have suggested, better language and soft skills are greatly appreciated, and can be further fostered through worker training. Given the volume of workers going to GCC countries, investment in English and Arabic language skills is especially important.

Pre-departure orientation should be customized to the needs of migrant workers. In the case of the EPS, workers' participation in pre-departure and post-arrival orientations is mandatory. Many sending countries offer pre-departure orientations to promote safe and productive migration. However, these orientations are often too general. Interviews with EPS workers reveal that pre-departure orientation courses are often bypassed because they are not believed to be useful. EPS workers prefer the post-arrival orientation, which covers language, cultural, and legal issues relevant to life and work in Korea.

In addition to relevance, workers expressed the need for the pedagogy to be more accessible. Different ways to impart complex information (including videos and interactive games) could be further experimented with and introduced.



Endnotes

- 1 Co-development aims to achieve mutual gains and benefits, irrespective of the intention for development assistance. Often the parties entering relevant temporary labor migration agreements are concerned with maximizing their own gains, but the outcome of the negotiation is a mutually beneficial agreement that can lead to co-development.
- 2 The Philippines, Thailand, Mongolia, Indonesia, Sri Lanka, and Vietnam were the original six countries. In 2006, Uzbekistan, Pakistan, China, and Cambodia joined, followed by Bangladesh, Kyrgyz Republic, Nepal, and Myanmar in 2007; Timor-Leste in 2008; and the Lao People's Democratic Republic in 2015. Given that this last country was only recently included, the statistics and information provided in this document exclude it, and so cover only 15 countries.
- 3 For instance, overstays of Vietnamese workers increased over time, and in response, Korea suspended the annual quota allocation to Vietnam in 2013.
- 4 The services are also provided via mobile phone in remote areas.
- 5 All EPS workers are mandated to pay into the repatriation cost insurance, also known as the return cost insurance, throughout their employment in Korea.
- 6 These past systems are the Overseas Investment Firm Industrial Technology Trainee System and the Industrial Trainee System.
- 7 The exchange rate of ₩1,128 to US\$1 is applied.
- 8 Participating ministries include but are not limited to the Ministry of Strategy and Finance, Ministry of Foreign Affairs, Ministry of Justice, and Ministry of Small and Medium Enterprises.
- 9 As seen in the implementation of an MOU between Bangladesh and Malaysia attempting to spark G2G recruitment.
- 10 The language test, TOPIK, has been in place since 1997, and HRD Korea implements a modified test for EPS workers, EPS-TOPIK, in parallel. While the regular TOPIK measures an individual's general language proficiency, and is used typically for higher education, the EPS-TOPIK tests an individual's basic command of language for daily living and performing tasks on the job. However, even those workers who can demonstrate proficiency on the EPS-TOPIK find the language to be a major challenge while living and working in Korea.
- 11 A merit of the occupation-specific BLAs is that they offer opportunities for workers to invest in building specific skills for specific destinations. This in turn allows both sending and receiving countries to develop further opportunities for these workers.



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