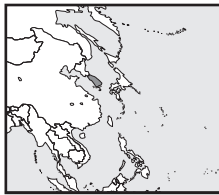


REPUBLIC OF KOREA

The non-regular workers' wasteland



Neoliberal government policies, the collapse of self-employed entrepreneurs and the malfunctioning of the social welfare system have led to expanding low-income and a rising incidence of extreme poverty. While the informal work has a woman's face – two thirds of female workers are non-regular workers – and there are abuses to the human rights of illegal-immigrant workers, the de-regularization of labour is depriving workers of any protection. For informal workers in South Korea being fired is comparable to receiving the death penalty.

Citizens' Coalition for Economic Justice,
Policy Research Department

Recent trends in South Korea's income distribution have shown that low-income groups are becoming larger and the incidence of extreme poverty has risen. Ten years after the 1997 financial crisis, the middle class has steadily dwindled, falling closer to the poverty line, and there is also a decline in wages for low-income groups.

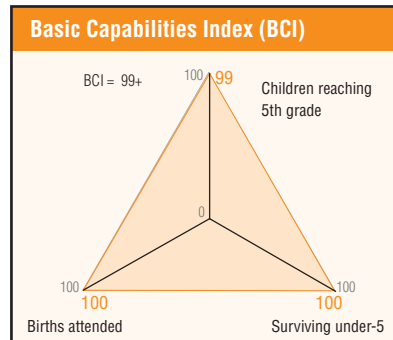
According to a Korea Development Institute statement issued in June of 2008, middle-income household¹ earnings accounted for 54.5% of total earnings in 2006, 10% down from 68.5% in 1996. During the same period, 3% of middle-income households climbed the economic ladder to join the high-income group while 7% fell into poverty. The low-income group accounted for 17.9% of Korea's total households in 2006, up from 11.3% in 1996. Wages earned by low-income households accounted for 5.7%, down from 7.9% of the nation's total household income.

Aside from the influence of the business sector, the current situation has also been driven by a sharp increase in non-regular workers resulting from neoliberal government policies, the collapse of self-employed entrepreneurs, and a malfunctioning of the social welfare system.

Human rights and the non-regular worker²

According to the Korea Labour & Society Institute, there are 8.58 million non-regular workers in the country, accounting for 54% of the nation's entire workforce. While the number of contract workers decreased by 170,000 from August 2006 to March 2007, non-regular workers like temporary/daily workers (200,000), part-time workers (170,000), dispatched workers – employees "shipped" to another workplace since the employment broker cannot hire them for more than two years³ (40,000),

- 1 The middle class refers to those who earn between 50% and 150% of the nation's median income.
- 2 Non-regular workers include part-time, contract, daily, temporary, and dispatched workers. This designation is due to the flexibility of employment. On 30 November 2006, the National Assembly approved three labour bills aimed at protecting the rights of non-regular workers, and it took effect in July 2007.
- 3 If the employer used the same dispatched employee again

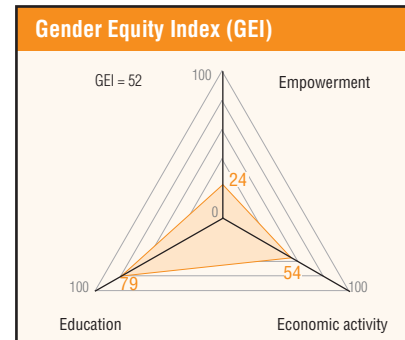


etc., increased. This shift has resulted from the Non-Regular Workers Protection Act, which took effect in July 2007. Under the new law, non-regular workers are eligible to become regular workers in case they have been employed at one workplace for two years. In response to this law, businesses have begun to dismiss contract workers before they reach the two-year tenure requirement and employ new non-regular workers.

If a regular worker's wage is 100, a non-regular worker's is 51. More than 50% of non-regular workers are living on slightly more than the minimum wage and suffer from lack of education, health care, and housing services. Among the total working class (15,990,000), there are 4,270,000 (26.7%) low-income workers who earn KRW 4,989 (USD 4.6) per hour – two thirds less than that of middle-income workers that earn KRW 7,484 (USD 6.9) per hour. Among low-income earners, there are 460,000 regular workers (6.3% of total regular workers) while there are 3,810,000 non-regular workers (44.4% of total non-regular workers).

In March 2008, 82-98% of regular workers enjoyed the benefits of social insurance like national health insurance, employment insurance and the National pension fund. However, only 33-36% of non-regular workers received the aforementioned social insurance. Ninety nine per cent of regular workers received a retirement allowance while only 26.3% of non-regular workers received support. Being fired is comparable to being sentenced to the death penalty.

with after a time-off period, it will be required to hire him as a regular worker. Dispatched workers are subject to the user-employer's instructions and working conditions, while the broker pays their wages.



Female workers and the non-regular work system

Two thirds of female workers are non-regular workers. Thus, the protection of female non-regular workers is the main issue when considering Korean women's rights. There are 2.33 million female regular workers (34.5% of total women workforce) and 4.16 million female non-regular workers (65.6%). While the female employment rate has risen compared with the past, 65.5% of female workers are non-regular workers who suffer from low-incomes and unstable employment. Their wages are also unreasonably low. In March 2008, when a male regular-worker's wage was 100, a male non-regular worker's wage was 52 and a female non-regular worker's wage was only 40.

They have not been able to build solidarity, nor have they organized or created a network to represent their demands. The Kiryung Electronics union was on strike for over 1,000 days, hoping that the company would convert their status from non-regular to regular workers. Only after the 1,000 day strike, the press started to have an interest in the non-regular workers of Kiryung Electronics because they went up to the skyscraper and went on a demonstration during the Seoul festival. Non-regular workers of E-land have also been on strike for over a year, but all negotiations have reached a stalemate.

In order to minimize the above mentioned problems, there were attempts to revise the Non-Regular Workers Protection Act. The efforts, however, were not met with much support. The Government expressed that the employment period of contract workers should be extended from the current two-year period to three years, while labour unions insisted on completely terminating the non-regular work system.

Immigrants

By November 2007, about 502,000 immigrant workers, including at least 230,000 non-regular immigrant workers, moved to Korea. The Employment License System for Foreign Workers that took effect in 2003 did not adequately protect immigrant workers from discrimination. In August 2007, UN Committee on the Elimination of All Forms of Racial Discrimination expressed apprehension about the “employment license system for foreign workers” because of the impossibility of extending their 3-year contract term work period, the difficulty in transferring workplaces, and the lack of protection from discrimination and mistreatment.

Recently, many illegal-immigrant workers have been arrested, detained, and immediately sent back to their home countries. During this process, there were many human rights violations. Some workers had been detained for several months because of administrative reasons or unpaid salaries that employers did not pay them. The Korean Ministry of Justice has tried to minimize these problems through revising the immigration law and suggesting that immigration officers issue arrest warrants in advance or present identification.

In July and August 2007, the UN Committee on the Elimination of all Forms of Discrimination against Women (CEDAW) issued concerns about abuse within inter-racial marriages and, on a related note, human trafficking. CEDAW and the UN special rapporteur on the human rights of migrants pointed out that foreign women married to Korean men are often subject to domestic violence and are not protected by any laws.

In November 2001, the Constitutional Court said that “foreigners are also entitled to human dignity, human rights and the right to pursue happiness as a human being. The right to equality is also a human right, so there are only limited restrictions on the right to participation and some limitations according to mutualism”. In accordance with the above decision, the Government should provide better and fair treatment to immigrant workers and plan to reform immigration law. ■