

# States as Managers of International Labor Migration: The Cases of South Korea and Taiwan

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## **Abstract**

South Korea and Taiwan became labor-receiving countries during the long economic boom of the 1980s when they transformed into Newly Industrialized Countries (NICs). Having built their economic development around labor-intensive export-oriented industries, these countries experienced a substantial need for lesser-paid foreign migrant workers, especially after local workers either refused to work in such industries or employers found labor costs too expensive. However, the recruitment of foreign workers, while solving the initial problem of labor shortage, actually generated new and more complex dilemmas along the way, including: (1) the phenomenon of irregular migrant workers and (2) the process of integrating foreign migrant workers into the fabric of domestic society, formally (in terms of immigration status) and socio culturally. The paper explores the actions taken by the South Korean and Taiwanese states since the 1980s to address these issues and avert social conflicts. Lastly, it reveals that the policies of South Korea and Taiwan towards migrant labor diverged after the 1997 Asian Financial Crisis.

Keywords: migrant workers; labor shortage; cheap source of labor; labor-intensive export-oriented industry; Asian Financial Crisis

## Introduction

THE 1980S ARE A MAJOR turning point in the histories of South Korea and Taiwan, marking a period when both enjoyed a prolonged economic boom and became newly industrialized countries (NICs). South Korea in particular grabbed the international limelight in 1988 with a successful hosting of the summer Olympic Games in Seoul, the first in which “eastern” and “western” bloc countries participated. The Olympics also announced South Korea’s “arrival” as an economic power and drew attention to its democratizing efforts.<sup>1</sup>

There is an abundance of literature that credit the developmental state regimes in both countries for the economic transformation (Johnson, 1985; Amsden 1989; Cheng 1990; Woo 1991; Evans 1995).<sup>2</sup> The literature, in particular, points to the shift in economic policy from import substitution industrialization (ISI) to export-oriented industrialization (EOI), which helped Taiwan and South Korea transition into New Industrialized Countries (NIC) in the 1980s.<sup>3</sup> In both cases, in the years leading to NIC-hood, EOI served a crucial purpose: economic growth led to (near or actual) full employment, which strengthened domestic political stability in the aftermath of the Kuomintang exile (1949) and the Korean War (1950–53) for Taiwan and South Korea, respectively. At any rate, EOI in both countries—largely motivated by political factors (Cheng 1990)—was fueled by labor-intensive export-oriented industries.

Because of EOI, standards of living rose as well. Native workers began to refuse employment in the export-oriented industries because of the low pay and poor working conditions (cf. below), creating a debilitating labor shortage in South Korea and Taiwan by the late 1980s. It was at that point that South Korea and Taiwan began to look at foreign workers to fill the gap and became labor-receiving countries (Park 2008, 1; Lee 2008, 1); the South Korean case is more striking because it was a labor-sending country from the 1960s to the early 1980s, sending workers mainly to the Middle East (Park, Md Nasrudin and Pitch 2005, 1).

Even as South Korea and Taiwan turned to foreigners to solve their labor shortage in key industries in the late 1980s, they did not have an existing legal framework to deal with the employment of these workers and integrate them into their respective social and political fabric. As it turned out, foreign workers seeking higher wages (in comparison to their country of origin) came to South Korea and Taiwan in droves without proper state regulation. Ultimately, there emerged the phenomenon of migrant workers, who either entered or stayed in their host countries through irregular means (Wickramasekara 2000, 1–2).

What were the actions taken by the state to remedy this situation? How did the state address labor shortage and maintain growth on the one hand, and manage the blatant inconsistencies of the (irregular) migrant worker phenomenon through immigration policies (or the absence thereof) on the other?

This matter takes on an even more crucial importance given Piyasiri Wickramasekara's (2000, 33) accurate prediction at the start of the new millennium that international labor migration to East Asia would continue to increase in the years to come. As such, this matter is not just a question of chronicling the history of migrant workers in South Korea and Taiwan from the 1980s onwards. In a broader sense, this essay also seeks to interrogate the fact that the state remains a very active force—perhaps the most viable one—in mediating the effects of economic globalization within its boundaries, especially with regard to international labor migration (Ybiernas 2013). Thus, the main issue to be tackled in this essay revolves around the role of the state in labor-receiving countries in managing the complicated phenomenon of labor migration.

Secondly, the essay also seeks to prove that it is impossible for the South Korean and Taiwanese states to serve with equal fidelity the interests of these two competing groups: those of their constituencies and those of migrant workers. It is anathema to the mandate of the state to prioritize the interests of foreign migrant workers over those of its domestic constituency, who in a democratic system (such as those that existed in

South Korea and Taiwan after 1987) can hold the state responsible for its failure to advance their welfare via periodic elections. The state, however, cannot entirely disregard the interests of the foreign migrant workers, who make substantial contributions to the economy. Failure to alleviate the onerous conditions of the sizable number of migrant workers could result in social friction and ultimately undermine the security of the state. Thus, it is in the best interest of the state to maneuver between the divergent interests of these two broadly-defined groups—its domestic constituents and foreign labor—and minimize social tensions.

### **Beginnings of the Foreign Worker Program in South Korea and Taiwan**

Taiwan in the late 1980s suffered from a chronic shortage in its low-skilled labor force (Lee 2008, 1). Lee explains that the shortage arose mainly because of the country's economic development, which generated higher incomes and educational attainment among the native workforce. They began to refuse low-skilled, low-paying jobs in crucial labor-intensive export-oriented industries, which created a labor gap that threatened the stability of an economy that was heavily dependent on this sector. This situation was also mirrored in South Korea at roughly the same time (Ybiernas 2013, 5–6).

Consequently, industries in both countries lobbied hard for the privilege to legally hire foreign workers. Joseph Lee and Su-wan Wang (1996, 281) disclose that as early as 1985, industrialists in Taiwan petitioned the government to allow the “importation” of low-skilled foreign workers and help address the burgeoning labor shortage. For the same purpose, South Korean business organizations such as the Korea Federation of Small Business (KFSB) pushed, to no avail, for the recruitment of foreign workers (Seol 2000, 116).

While the South Korean and Taiwanese states debated this matter from the mid- to late 1980s, they already had a sizeable population of

foreign workers, mostly irregular migrants. The number of foreign workers in South Korea grew rapidly from 6,409 in 1987 to 45,449 in 1991; almost all of them had no proper visa or work permits (Seol 2000, 116). Taiwan had an estimated 30,000 irregular migrants in construction and other labor-intensive industries (Lee 2008, 1). Two instances illuminate this situation further. The arrival of hundreds of Filipina household workers in the South Korean capital's posh Gangnam district was casually reported in a 1987 edition of *Dong-A Ilbo*, one of Seoul's major newspaper dailies. These household workers were irregular migrants because the government was not yet issuing work permits at the time (cf. above). In the case of Taiwan, bishops of the Chinese Regional Bishops' Conference issued a pastoral letter dated 6 February 1989. It quoted a letter sent by the foreign workers themselves to the *China Post*, which was dated 12 December 1988 and published in the daily the following day. The migrants said, "we bind ourselves into hard labor that most locals don't want" (CRBC 1989). This letter is noteworthy in so far as it proves the public character of the irregular migrant situation in the island-nation by the late 1980s.

Two factors kept the Taiwanese and South Korean governments from formulating early and decisively a legal framework that would facilitate the recruitment of foreign workers: for political reasons, they did not want to adversely affect the employment of native workers and cause social and political conflict. There was an economic reason as well; they were unsure of the true extent of the labor shortage in key labor-intensive export-oriented industries. Shu-ju Ada Cheng (2003, 172) cited a Taiwanese legislator in 1988 who opposed the "importation of foreign workers," predicting that their presence will create "social, educational and cultural problems" for the country. Moreover, Lee and Wang (1996, 282–286) illuminate these points further by identifying four key principles of Taiwan's foreign labor policies: (1) restricting the importation of foreign workers to certain industries and occupations; (2) limiting the duration of the employment of foreign workers (to prevent permanent immigration); (3) preventing the displacement of domestic workers by foreign labor; and (4) keeping foreign workers from bringing social and health problems.

Embedded in this policy statement is the vagueness with which the Taiwanese state understood the extent of the labor shortage.

South Korea took a different route in its initial attempt to solve the problem of labor shortage in key labor-intensive export-oriented industries. Even so, the South Korean state still sought to avoid a political and economic backlash from the entry of foreign workers into the country. This can be seen in the case of the *Joseonjok*, ethnic Koreans who had moved to China during the Japanese colonial period. They comprised the largest number of migrant workers to South Korea (Park, Md Nasrudin and Pitch 2005, 4). Irregular migrants, they came to the country disguised as tourists but fully intended to work. Curiously, Athukorala maintains that the state “virtually turned a blind eye to (their) violation of immigration rules” (2006, 34).

Park, Md Nasrudin and Pitch (2005, 4) explain why the South Korean state preferred the recruitment of *Joseonjok*. (1) Most of them could speak Korean fluently; (2) they could get visitor’s visas easily because of their ties in and to South Korea; and (3) Korean employers had a strong sense of nationalism and a perceived shared affinity with the *Joseonjeok*, who were thus more acceptable than other foreign workers (*ibid.*). Further analysis of the reasons for preferring the *Joseonjeok* will expose the same kind of xenophobic tendencies among the Koreans and Taiwanese.

Seol and Skrentny (2009, 153) relate that the Roh Tae-woo administration in the late 1980s was poised to grant permanent residence and citizenship to the *Joseonjok*. But China protested the move, seeing it as an affront to her sovereignty. A similar attempt was made for ethnic Koreans living in Russia, Uzbekistan, and Kazakhstan, who were known as the *Goyeoin* during the Roh administration. This too collapsed. In the late 1980s, the *Joseonjok* and *Goyeoin* working in South Korea were still considered irregular migrants.

By 1989, the Taiwanese government decided it could not continue to hold off the recruitment of foreign workers; the Fourteen Key

Construction Project, a major public project that began in 1985, ran into a serious labor shortage problem (Liu 1994). Thus, the government decreed that migrant laborers on the said project would be given a one-year work permit, with the possibility of extension for another year (Lee 2008, 1). Clearly, Taiwanese anxiety over opening the gates for foreign workers had not abated; the state wanted to take the conservative route in the matter. Nevertheless, Taiwan had a headstart on South Korea, which had yet to establish a legal framework to bring in foreign workers after the *Joseonjok/Goyeoin* debacle.

Evidently, the South Korean and Taiwanese states were unsure to what extent the labor force needed migrant workers, which explains why their steps appeared to be slow, clumsy even. Thus, the proposition that the state's primary motives for allowing foreign labor stemmed from the need to shore up the labor supply was still valid at that point. And this held true until Taiwan implemented the Employment Services Act (ESA) in 1992, and South Korea enforced the Industrial Training Program for Joint Ventures (JVTP) in 1991 and the Industrial Technical Training Program for foreigners (ITTP) in 1993. By the time these programs got off the ground, recruiting migrant workers had become a remedy for the labor shortage in key labor-intensive export-oriented industries and a source of cheap labor. This became so despite the Taiwanese state's valiant efforts to prevent the latter from occurring. The Korean state was a bit more disingenuous in the labor-shortage-versus-cheap labor debate (see below).

The initial implementation of the ESA in Taiwan, when a limited number of industries were allowed to recruit foreign workers, was only meant to address the labor shortage in key labor-intensive export-oriented industries (Cheng 2004, 98). Afterwards, the ESA evolved to become a legal mechanism that brought cheap foreign labor into Taiwan and help capitalists lower wages, albeit on a more modest scale than in South Korea. Majority of Taiwanese businesses had traditionally consisted of "family owned small and medium-sized enterprises that could rely on flexible business strategies to find new niches in the international market" (Kaneko 2009, 24). These Taiwanese export-oriented manufacturing companies

started to feel the heat from rising competition from mainland China and Southeast Asia, where cheaper goods were being produced and exported.

Philip Liu (1994) chronicles how this phenomenon came about between 1989 and 1994 when the policy on foreign workers was initially reviewed. As mentioned, the first official and legal channel for hiring foreign workers opened in 1989 under the government's Fourteen Major Construction Projects. Two years later, the Council of Labor Affairs (CLA) also allowed foreign workers in public infrastructure projects under the Six-Year National Development Plan. Moreover, private companies in a number of industries—construction, textiles, basic metals, metal products, machinery equipment, and power and electronic equipment—received the go-signal to employ foreign laborers. At the same time, other industries experiencing a labor shortage, including fabric dyeing and electrical plating, also obtained permission to hire a limited number of foreign workers. In 1992, the CLA further approved overseas hiring for private firms in key export and manufacturing industries, such as textiles, plastics, and tires (*ibid.*). Later in the year, the government allowed the entry of foreign housekeepers and nannies. The following year, in 1993, businesses engaged in factory expansion or opening new factories with an investment value of more than US\$1.1 million were given permission to hire migrant labor. In sum, around 210,000 foreign workers were approved for employment before the hiring quotas set by the government were capped; of the said figure, roughly two-thirds came in 1994 alone.

A similar story, albeit with different details, may be seen in South Korea. As mentioned, after the collapse of the moves to grant the *Joseonjeok* and *Goyeoin* citizenship, the South Korean state established the Industrial Training Program for Joint Ventures (JVTP) in 1991 as a legal framework that allowed foreign workers in South Korea. Following the example of a similar program in Japan, the JVTP allowed South Korean firms with foreign affiliates to recruit a small number of “trainees” for a six-month period, which could be extended by another six months subject to approval by the Ministry of Justice. Later, even companies without

foreign affiliates were given access to the pool of foreign trainees under the ITTP (Seol 2000, 117). With the implementation of the JVTP and ITTP, the South Korean government simultaneously offered an amnesty program for irregular migrants. Under this program, Korean businesses would exchange their supply of irregular migrant workers for a fresh batch of ITTP trainees. However, as the number of trainees did not match the demand among small and medium enterprises, the demand for irregular migrant workers did not diminish.

More than its failure to replace irregular migrant workers, the JVTP/ITTP formula was fundamentally flawed and disingenuous; it brought in “disguised” workers who were given “allowances” roughly half the wages of irregular migrants in the labor market (Ignacio-Esteban 2000, 27). This crude exploitative move to introduce foreign labor into the market led to the desertion of around 60 percent of trainees who eventually became irregular migrants (Lim 2002, 17). Finally, as Seol (2000, 117) almost apologetically explains, the South Korean government, in a desperate attempt to alleviate the labor shortage, indirectly allowed small and medium enterprises to employ irregular workers and provided numerous extensions to the deadline to report these fugitives. This alleviation was done through “temporary legalization” or “legalizing in times of crisis.”

As the status of foreign workers changed to being a source of cheap labor to being a solution to a labor shortage, Taiwan developed a distinct advantage over South Korea. Conceivably, Taiwanese labor unions felt threatened by the influx of cheap foreign labor. Even as Taiwan accepted foreign workers for the 1989 Fourteen Key Construction Project, the authoritarian Kuomintang regime, through various legal and extralegal measures, “ensure(d) labor quiescence” to state corporatist control in Taiwan (Ho 2006, 107). The government effectively pushed through with the recruitment of foreign workers despite “strong opposition” from “politically-weak” labor and aboriginal groups (Cheng 2004, 95). Of course, in comparison with the JVTP/ITTP formula, Taiwan’s ESA, with its recruitment caps and other control mechanisms, was not entirely an unabashed attempt at introducing cheap labor into Taiwan.

### **Impulses of the State**

The initial impulse of the state in South Korea and Taiwan during the late 1980s/early 1990s was simple: it needed to address a labor shortage in and provide cheap labor for export-oriented industries; it gave little thought to the interests of the foreign workers. In this sense, according to Peter Evans' (1995, 78) typology of the roles of the state, the South Korean and Taiwanese states served as a custodian, regulating the flow of foreign workers to ease gaps in labor supply and lower its costs.

At the same time, an important matter that needs to be raised is the accommodation of foreign workers as migrants in South Korea and Taiwan. To start off, both nations essentially were non-immigrant countries, that is, they accommodated foreign "guest workers" but expected them to leave after a certain period. Permanent settlement was out of the question. According to Seol (2005b, 78), non-immigrant countries like South Korea, Taiwan (and Japan and Germany) can be contrasted with "countries of immigration" such as the United States, Canada, and Australia, and with countries that "reluctantly" receive immigrants like France, the Netherlands, and the United Kingdom. In the latter two categories, the countries distinguish between immigrants and temporary migrant workers. The immigrants and temporary migrant workers are segregated using legal mechanisms such as immigration law and work permits, among others. Thus, one can start off as a temporary migrant worker in Canada and eventually end up as an immigrant/permanent resident. In the case of South Korea and Taiwan, no such progression of status was possible; a foreign worker was simply a guest worker in those countries.

Furthermore, South Korea and Taiwan fell under the category of the "exclusionary model" of international labor migration (Castles and Miller 2003, 249–252, as cited in Seol 2005b, 78). The exclusionary model admits foreign workers only in limited sectors of the economy, in this case the key labor-intensive export-oriented industries, and not in social, civic, political, and cultural arenas. It can be contrasted with the assimilationist and multicultural models, which either seek to integrate foreign workers

into mainstream society from linguistic, cultural and social standpoints (assimilationist) or promote the coexistence between migrant groups and mainstream society. This issue is also related to the foundations of citizenship in South Korea and Taiwan. Both countries follow the principle of *jus sanguinis* or “blood” ties to the nation, whereas other nations base citizenship on *jus soli*, which bases citizenship on the person’s birthplace, or on *jus domicili* or residency (for a certain period of time).

The principle of *jus sanguinis* guides the essence of South Korea’s and Taiwan’s initial attitudes towards foreign laborers. Migrant workers were needed to address a labor shortage in key labor-intensive export-oriented industries, nothing more. It was thus not necessary for them to be sewn into the main fabric of society from a political, civic, and sociocultural standpoint. Lastly, they were not to be made permanent residents or citizens. It is in this context that the evolution of the migrant worker situation in both countries, as seen in the next section, must be understood. It also helps explain why the migrant worker situation from the mid-1990s onwards in both countries became very volatile; there was a growing perception, accurate in most cases, that the system in both countries—especially when the recruitment of foreign workers escalated in the mid-1990s—was set up to exploit the migrant worker through and through. This in turn triggered a certain degree of militancy among the migrant workers, thereby disrupting the status quo.

### Escalation

After overcoming initial resistance by domestic interest groups like trade unions to the recruitment of foreign workers, the South Korean and Taiwanese governments wasted no time in expanding their respective foreign worker programs (FWP). In Taiwan, the number of foreign workers grew from 15,924 in 1992 to 248,396 in 1997 (Tsai and Hsiao 2006, Table no. 1, 6). As the figures come from official sources, they do not include irregular migrants. According to Lee and Wang (1996, 282), the number of irregular migrants could rival those of foreign workers recruited

using official channels; thus, if irregular migrants are included, the total number of foreign workers in Taiwan in 1996 would increase to 450,000 (cited in *China Times Express*, 13 February 1996, 4); it might be recalled that Liu's (1994) figure for regular migrant workers in 1994 was 210,000.

Apart from the rise in the number of irregular migrants, Taiwan shifted its objectives vis-à-vis their foreign worker program (Lee 2008, 7–8). The original goal of the FWP was to ease the labor shortage in public construction projects and labor-intensive industries, and data shows that as of 1997, about two-thirds of foreign workers in Taiwan were actually employed in manufacturing. Two-thirds of these workers in manufacturing worked for labor-intensive jobs, and the other third did so in capital- and technology-intensive occupations. By the late 1990s, Taiwan's industrial policy gradually moved away from labor-intensive to capital- and technology-intensive industries. Naturally, the demand for foreign workers shifted from the former to the latter. Recruitment pattern for foreign workers followed suit.

In South Korea, labor-intensive export-oriented industries employed foreign workers—whether irregular migrants or not—to keep labor costs down or address a labor shortage, depending on which source one consults. In a survey of Korean business owners in the mid-1990s, 59 percent believed that paying native workers higher wages would solve the labor shortage (Abella and Park 1994, 75, as cited in Seol 2005a, 4). Other solutions included “extending extra work hours of the existing workers” (44 percent); “adopting labor-saving manufacturing technology” (36 percent); “employment of foreign labor” (20 percent) [*ibid.*]. A different survey by the Labor Ministry provided answers to why small- and medium-sized businesses hired migrant workers: 82 percent answered “inability to find indigenous workers.” This bolstered the labor shortage thesis; “low wage level” according to 46 percent of the respondents; “high productivity” (24 percent); and “low turnover rates” (24 percent) [Song and Seol 2001, 113–114, as cited in Seol 2005a, 4–5]. A third survey found different reasons why businesses employed migrant workers. “[T]he wage level is

too low for indigenous workers,” said 78 percent; “working condition is too poor to hire indigenous workers” (59 percent); and “labor intensity is too high for indigenous workers” (32 percent)[Song and Seol 2001, 114–115, as cited in Seol 2005a, 4–5].

Dong-hoon Seol (2005a, 10) clarifies the perception that the trade unions *remained* opposed to migrant workers. He reveals that, in a survey conducted by the Central Institute of the Federation of Korean Trade Unions in October 1995 (Uh and Kwon 1995, 82, cited in *ibid.*), the trade unions viewed migrant labor as a supplement to the native workers’ jobs. Moreover, companies in Korea presented their plans to hire migrant workers during labor-management meetings, to which the unions gave their provisional assent, with the proviso that it did not infringe on job security or working conditions of their members.

Nevertheless, whether by design or not, government policy, it may be argued, encouraged the growth of irregular migrants in Taiwan during the late 1990s. For instance, while it was illegal for foreign laborers to work without a government permit, there was no penalty for Taiwanese employers who hired—knowingly or not—irregular migrant workers. Furthermore, there was no legislation to prosecute businesses that did so. Instead, the irregular migrants were “permitted” to stay in Taiwan and work in construction and manufacturing, as well as in households (Liu 1996, 609). Worse, foreign workers were abused and exploited by third-party labor recruiters who lured them to Taiwan with the promise of employment, but left out important details during the recruitment process. When the workers arrived in Taiwan, their employers withheld their passports and deducted a portion of their wages as “finder’s fees.” This did not include brokerage fees for third-party recruiters. To cap it all off, the workers would later discover that their actual jobs, wages, and living conditions were not what they were originally promised. Through it all, the Taiwanese government did not see it fit to intervene and punish those who abused and exploited the foreign workers.

Many of these stories had their counterparts in South Korea. The actions of the South Korean state moved “between strategic ambivalence and systematic exploitation” (Ybiernas 2013, 1). On the one hand, the state was generally ambivalent towards the legal implications of the irregular migrant phenomenon in so far as this served to lower the cost of labor through wages or “allowances” in the case of the ITTP trainees (6–8). Systematic exploitation, on the other hand, manifested itself, whether willful or not, in the actions of private entities like the Korea International Training Cooperation Corps (KITCO), the Korea Federation of Small Businesses (KFSB), the Korea Fisheries Federation, and the Korea Construction Federation, who were given public franchises to recruit trainees under the ITTP on their own (9). As in Taiwan, these private entities were accused of partnering with third-party recruiters who collected exorbitant brokerage fees from the trainees. There were also similar reports of passport confiscation and misrepresentation of jobs, wages, and living arrangements in Korea.

Despite the onerous circumstances, the plight of foreign workers in South Korea and Taiwan had not yet *found* its way into public consciousness, partially because their migrant worker population was relatively small. Indeed, foreign workers in South Korea and Taiwan, as newly minted labor-receiving countries, accounted for only 3 percent of the total labor force by the middle of the 1990s (Athukorala 2006, 20). In contrast, in other more established labor-receiving states in East and Southeast Asia such as Hong Kong and Singapore, the ratio was more than 20 percent and 10 percent, respectively, of the total labor force. This partially explains why the migrant labor situation did not become a national controversy in Taiwan and South Korea before the new millennium despite the efforts of the migrants themselves and non-government organizations (NGOs) that supported them (Tsai and Hsiao 2006, 8).<sup>4</sup>

## Divergence

The 1997 Asian Financial Crisis (AFC) split South Korea and Taiwan into two divergent paths in relation to the question of labor migration. While South Korea was hit hard by the crisis, Taiwan escaped relatively unscathed (Kil 2004). South Korea had to be bailed out by the International Monetary Fund (IMF), which prescribed a set of structural reforms that put the Korean economy in line with the so-called Washington Consensus as a pre-condition for the “rescue.” These neoliberal reforms, including “austere fiscal and financial policies, introduction of a floating exchange rate system, complete liberalization of the capital market, and abolition of the import source diversification system” (Kim 2000, n.p.), practically meant dismantling the developmental state in South Korea.

In the post-AFC turmoil, many highly paid Korean workers lost their jobs as firms restructured their operations in response to the liberalization of the national economy; in effect, the gap between the wages of native and migrant workers narrowed. However, the financial crisis merely exacerbated the drastic effects of neoliberal reforms that had been implemented as early as the 1980s which “abolished the economic security of the working and middle classes, primarily by eliminating stable, long-term employment” (Hyun Ok Park 2005, 79) and created the need for migrant workers in the first place. Thus, even when Koreans faced the specter of unemployment during the post-crisis period, many still refused to seek jobs in manufacturing. This finally clarified for the state a dilemma that had befuddled it from the start: the extent to which the economy needed the migrant workers. It became clear that native workers were never going to find work in the manufacturing sector again. It had turned into a permanent enclave of migrant workers.

This clarified for the government the niche of migrant workers in the economy. And with mass media, NGOs, and even international organizations such as the International Labor Organization (ILO) focusing on the migrant workers especially after the 1995 sit-down protest at the Myeong-dong Catholic Cathedral,<sup>5</sup> South Korea began to seriously look

at migrant workers as important national stakeholders; as Wickramasekera (2000) pointed out, the migrant workers were not going to go away in the near future; in fact, they were projected to grow in numbers—and they did. Because of the Myeong-dong protest, for example, the Ministry of Labor announced the formulation of “A Measure Pertaining to the Protection and Control of Foreign Industrial and Technical Trainees.” This was a recognition, finally, that migrant workers needed to work in better conditions (Seol 2000, 10). Further proof of some government sympathy towards the migrant workers came from court decisions in a number of landmark cases, which proved instrumental in altering the plight of migrant workers in South Korea. According to Lim (2002, 20–21) these changes began with a 1993 decision by the Seoul Superior Court (Case No. 93 Ku 16774), which granted irregular migrants the privilege to receive compensation for industrial injuries. Another case decided by the Seoul Supreme Court in 1997 (Case No. 97 Ta 18875) affirmed that migrant workers are entitled to severance pay. Finally, because of successive court decisions, the Ministry of Labor on 14 October 1998 gave irregular migrants the same protection under the Labor Standards Act as native workers.

Nevertheless, initial moves to pass legislation to employ foreign workers not as trainees or disguised employees in 1997 were overtaken by the severity of the Asian Financial Crisis. President Kim Dae-jung pushed to rectify the onerous conditions of the trainees in South Korea with the Working After Training Program for foreigners (WATP), which allowed the trainees to become full-fledged migrant workers from 1998 onwards (Hasan n.d., 4–5; Seol 2000, 10). Even so, between 1998 and 2003, when the Employment of Foreign Workers Act (EFWA) was promulgated, there was still a residual effect of the now-debunked traditional perspective on foreign workers (solution to the labor shortage). In 2001, an earlier version of the EFWA did not make it past the National Assembly. Lee Yong-wook (2004, 7) explained that the measure was blocked by the Assembly because of “economic downturns,” hinting anew that the matter of foreign migrant workers was primarily an economic issue, perpetuating

the guest-worker framework of the 1980s. The EFWA eventually became law during the presidency of Roh Moo-hyun on 31 July 2003, and went into effect in August 2004. The law allowed for a transition period between the EFWA and the earlier JWTP-IITP-WATP system until the latter's phase-out that started on 1 January 2007.

In Taiwan, the development in migrant worker rights after the passage of the ESA in 1992 was rather flat despite the radical increase in the number of migrant workers in the island-nation. Joseph Lee (2008, 3–5) enumerates the general principles of Taiwan's foreign worker program according to the ESA: (1) the foreign workers merely supplement the native labor force; (2) the foreign workers are guest workers; (3) the recruitment of foreign workers cannot impede the industrial and economic development of Taiwan; (4) foreign workers will keep social costs to a minimum—i.e., workers cannot bring their family with them; they cannot marry and raise a family in Taiwan; female workers cannot get pregnant or they will be deported; foreign workers will be deported if they commit a crime, even a minor one; (5) there is no on-site change in status for irregular migrants; (6) only a specific set of source-countries of the migrant workers are allowed.

Since 1992, there have only been minor changes to these general principles. In fact, only the provision concerning pregnant workers has been changed by the authorities. Nevertheless, other regulations in the ESA have been relaxed, for better or for worse since 1992. For instance, in order to stay true to the supplementary character of the migrant workers, the authorities insisted that the migrant workers receive the same minimum wage as the locals; in that way, the migrant workers cannot—in theory—be a source of cheaper labor and replace the native workers in the labor force. However, by the late 1990s, employers were allowed to deduct from the migrant workers' wages the cost of their room and board, subject to a hard cap or ceiling of NT\$ 4,000 per month (Lee 2008, 8–9).

In 2006, another rule altered the migrant worker landscape in Taiwan. This was the provision lifting the cap on foreign healthcare workers, who

were mostly caregivers. The new policy transformed the distribution patterns of foreign migrant workers in Taiwan according to industry. Policy dictates that all foreign workers in the island-state should not be more than 3.26 percent of the total labor force (*ibid.*, 9). But because the cap on healthcare employees was lifted, the caregivers accounted for 40 percent of all foreign workers in Taiwan (*ibid.*). Clearly, even as the Korean foreign worker program was gaining sophistication and cosmopolitanism (mainly in the judicial branch, *cf.* above) from the 1980s to the 1990s, the Taiwanese version stuck to its 1992 agenda, give or take a few minor concessions towards the migrant workers.

A sore point in the case of South Korean moves toward cosmopolitanism, however, has been the harsh treatment of irregular migrants by law enforcement post-EFWA. After the EFWA was passed, South Korea virtually implemented a zero-tolerance policy towards irregular migrants. Of course, the state knew where the irregular migrants were from the very beginning; the state simply chose to ignore them—to be ambivalent to their existence—when it suited the economic situation. With the EFWA in place, there was no longer any reason to tolerate irregular migrants; they were arrested in public places like the workplace, streets, transportation terminals, markets, and even in private places like homes of the migrant workers. A high-profile arrest was made on 8 October 2009 involving Minod Moktan, an irregular migrant, a famous Nepalese migrant worker rights activist, and an 18-year resident of South Korea. He was arrested in the backyard of the Migrant Workers Television offices in Seoul. The event was described as “a media production group organized by migrant workers in 2004 to communicate migrants’ human rights issues and to promote the right to know ”(Lee 2013, 2615). And symbolic of the state’s resolve to eradicate irregular migrants no matter their fame, it also conveyed the message that the state was unfazed by any organizational support the irregular migrants had; the state was determined to enforce the law.

Another blow to South Korean cosmopolitanism was the fire that hit the foreigner detention centre at the Yeosu Immigration Office in

Southern Jeolla province on 11 February 2007. At the time of the fire, around 55 migrant workers—including 42 Chinese, four Uzbeks, two Sri Lankans, and two Kazakhs—were in the security facility. According to reports, when the fire broke out, the alarm and sprinkler systems did not work. Worst of all, the officers of the facility “did not unlock the cell door out of fear that the migrant workers would attempt to escape” (Asian Human Rights Commission 2007). Of the 55 detainees, 10 were killed, 17 injured and the rest suffered from superficial wounds. The Korean authorities supposedly kept the incident from the victims’ families and conducted an autopsy examination without notification of, or permission from, the latter. The authorities were also said to have handcuffed three of the injured workers in the hospital to prevent them from escaping.

These harrowing stories, however, do not detract from the efforts by South Korea to embrace the concept of multiculturalism. Jasmine Lee, a Filipina widow of a Korean national, has become the most important symbol of South Korean multiculturalism; she was elected to the National Assembly through proportional representation. According to a government-run website under the Korea Culture and Information Service, Lee’s election was proof of “the increasing diversity of South Korean society” and an indication that “South Korea is indeed embracing foreigners as members of society” (Korea.net 2012). Still, multiculturalism and cosmopolitanism in South Korea are experiencing tremendous “growth pains” (Kang 2013). South Korea is still not a signatory to the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. Taiwan is constrained by its relations with the People’s Republic of China in signing any international covenant; nevertheless, given Taiwan’s track record, it might not be a signatory to the agreement even if it were free to become one. Nevertheless, compared to the situation in Taiwan, the South Korean case has shown much promise, although a lot of improvement is still needed.

## Conclusion

What a difference 20 years makes in South Korea! In Taiwan, in contrast, nothing much has changed over the past two decades. This divergence reflects how the states of both countries managed issues—old and new—created by the rise of the migrant worker phenomenon. Although it may be more difficult to assess the effectiveness of both states in handling the multifaceted impact of migrant-worker matters, it has seemed easier to explain their motivations in responding to such challenges. In a way, both states have directed the “problem” of the migrant worker phenomenon towards their desired path. The Taiwanese government, faced with the astounding rise of migrant laborers, has largely identified and confined them to the role of guest worker since the 1980s.

South Korea surprisingly took a different path in the mid-1990s. From the late 1980s to the early 1990s, exploitation was the primary impulse to hiring foreign labor. This initial attitude was brought about by the inability to determine how much South Korea needed migrant workers. Not until after the Asian Financial Crisis of 1997 did Seoul clarify the role of foreign labor in the Korean economy. Such a realization and acceptance paved the way for a firm evolution of policy vis-a-vis (irregular) migrant labor. Especially after the EFWA standards were clarified, conflict between employers and migrant worker had been reduced. There are growing pains to be sure, and the process will take a very long time to complete, but it is becoming apparent that South Korea is moving towards multiculturalism in reality, not just in rhetoric.

Why haven't we seen the same kind of evolution in Taiwan? To an extent, the Asian Financial Crisis has also shown how stable the Taiwanese economy is. This stability allows the state to set a specific role for migrant workers in that country, a role that has not changed much in 20 years since the promulgation of the ESA. Another way of looking at it is that the steadfastness of the state towards the migrant worker situation in Taiwan, especially setting a cap on the numerical impact of migrant workers in the labor force, may have contributed to this stability as well.

## Notes

- <sup>1</sup> The Seoul Olympics at a cost of US\$ 4 billion was the sixth most expensive holding of the Games, the fifth most expensive of the Summer edition and had been costliest when it was held in 1988 (Fils 2013).
- <sup>2</sup> In light, however, of the 1997 Asian Financial Crisis, David Kang (2002) has questioned the *purposive* role of the developmental state in the economic transformation of South Korea.
- <sup>3</sup> Tung-jen Cheng (1990) tried to differentiate between specific economic policies in South Korea (i.e., heavy and chemical industrialization or HCI) and Taiwan (i.e., emphasis on small and medium-scale enterprises or SMEs), but conceding, nonetheless, the central role of the developmental state in the success in both instances. Meredith Jung-en Woo (1991) clarifies that in the case of South Korea, HCI was a way of deepening EOI orientation.
- <sup>4</sup> This does not mean, however, that the migrant workers were left alone to contemplate their fate and fight for their universal rights as workers. According to Seol (2005a, 11), media attention was first attracted by the migrant workers in May 1992 when a Filipino priest celebrated Mass in Tagalog at Jayang-dong Catholic Church in the Gwangjin district of Seoul. A more political episode came when a handful of migrant, mostly from South Asia, staged a sit-down protest in front of a Catholic church in the famous tourism and shopping district of Myeong-dong. The Myeong-dong protest served as the key impetus to the establishment of the Joint Committee for Migrant Workers Korea (JCMK), which was described as “a coalition of NGOs involved in supporting migrant workers that has taken a leading role in the promotion of a new legal framework for the employment of migrant workers” (Gray 2006, 382). In Taiwan, as Tsai and Hsiao (2006, 14) have shown, the earliest NGOs providing support and assistance to migrant workers are Catholic organizations: the Stella Maris International Service Center in Kaohsiung City and the Hope Workers’ Center. Other early support organizations concentrated on the plight of irregular migrants in Taiwan’s fishing industry. These include M. R. Lin, who set up the Fisherman’s Concerns Desk with help from the Presbyterian Church of the island in November 1985. A couple of years later, the Fisherman Services Center Committee was established and over the years it has provided assistance to over 4,000 cases annually. The Hope Workers’ Center, on the other hand, was established by St. Columban missionaries in 1986. Its main purpose is to help foreign workers adjust to life in Taiwan.
- <sup>5</sup> The Myeong-dong protest inspired the establishment of the JCMK (Gray 2006). The JCMK’s advocacy centered on the replacement of the ITTP with a Labor Permit System (LPS) that would recognize the migrants as workers.

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