



Bilateral Arrangement of Temporary Labor Migration

Lessons from Korea's Employment Permit System

POLICY MECHANISM Bilateral Labor Agreements

Bilateral labor agreements (BLAs) play an important role in facilitating temporary labor mobility across borders, especially for low-skilled workers, and promote mutually beneficial economic gains for all involved—workers and employers as well as sending and receiving countries.



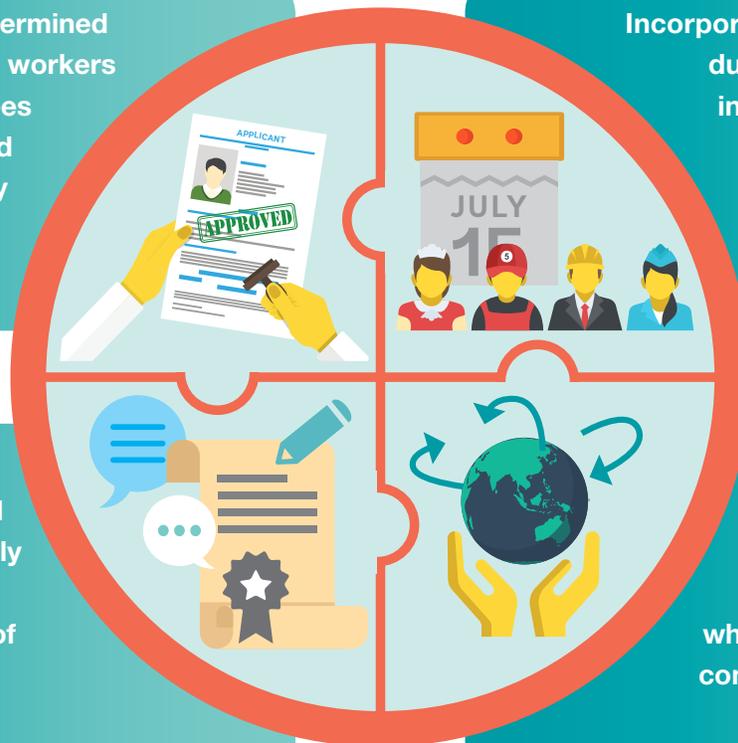
In a nutshell, BLAs promote institutionalized management of temporary labor mobility by:

Focusing on a predetermined number of temporary workers as opposed to refugees (forced migration) and immigrants (voluntary but permanent migration).

Incorporating a predetermined duration of employment, including both seasonal and non-seasonal guest worker programs.

Taking the form of legally binding formal treaties or increasingly more in the form of flexible memoranda of understanding.

Promoting mutually beneficial economic gains for sending/receiving countries, while addressing political concerns associated with foreign workers.



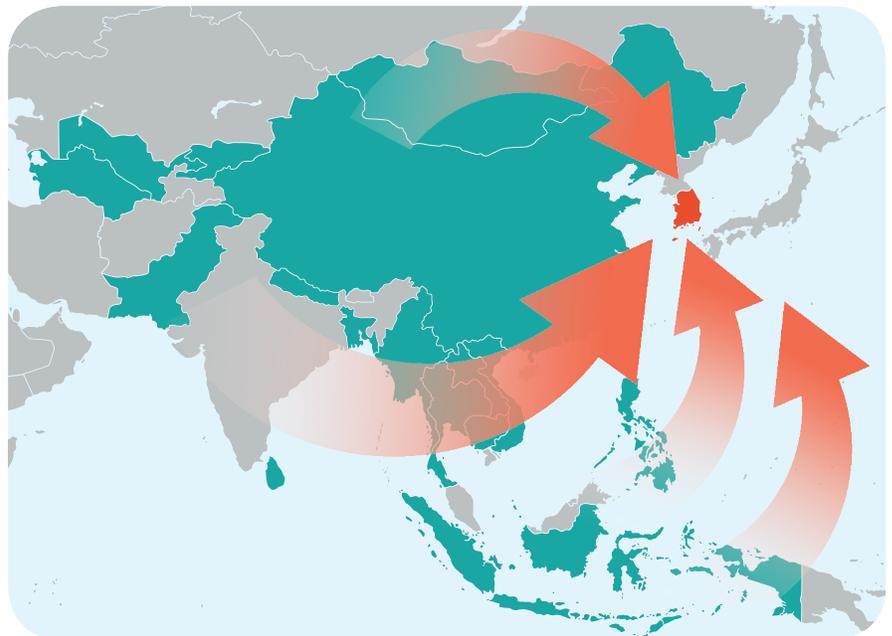


Lessons from Korea's Employment Permit System

SUCCESS STORY

Republic of Korea's Employment Permit System

The Employment Permit System (EPS)—implemented as a government-to-government bilateral labor agreement (BLA)—offers a temporary guest worker program hiring low-skilled workers from 16 developing countries through memoranda of understanding.



EPS as a BLA:

Promotes institutionalized management of temporary labor mobility.

Mutually agreed quota (number of workers) by country with predetermined duration (3 years, renewable up to 4 years and 10 months) and sectors of employment.

Creates a system that is economically beneficial to both sending and receiving countries.

High-wage job opportunities for foreign workers and means to address labor shortages for employers.





EPS at a Glance:



Operates with a politically acceptable and efficient governance system.

A single agency-led implementation process with multiple stakeholders contributing to policy making that is strongly backed by information technology and existing labor market support systems.



Ensures transparency in the migration process.

Standardized migration process with detailed information available via a government-led recruitment system—Korean language test as a worker screening tool, transparent job application and matching, responsible employment, and timely return process.



Lowers migrations costs by linking employers and workers without private intermediaries.

A significant reduction in migration costs paid by workers (over US\$3,700 → US\$1,000 per person or reduction from seven months' earnings to one month's earnings in Korea).



Provides worker protection via labor regulations, social insurance, and social services.

Same minimum wage and working conditions as Korean workers, universal national health insurance/occupational accident insurance, and job search/counseling services available.



Supports small and medium enterprises in labor shortage.

Around 65 percent of EPS workers hired in small firms with less than 10 employees in manufacturing with an increased contribution to the agriculture, livestock, and fishery sectors in the past few years.



Ensures workers' temporariness.

A temporary labor program that is not a legal route to permanent residency with policy measures in place to facilitate the timely return of workers to their home countries.

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

Lessons from Korea's Employment Permit System



VISUAL GUIDE Republic of Korea's Employment Permit System

The Employment Permit System (EPS) allows Korean domestic employers—small and medium enterprises—to hire temporary foreign workers for low-skilled jobs. The EPS is implemented through a sophisticated and well-managed governance structure with full government support.

EPS ENSURES:

- ✓ Worker screening for good job matching quality
- ✓ Comprehensive and transparent information sharing

PHASE 01 Pre-Decision & Pre-Job Matching

- Korean language test
- Medical checkups
- Job application

PHASE 02 Job Matching & Pre-Departure

- Public employment service
- Visa and contract issuance
- Pre-departure 45-hour training



EPS ENSURES:

- ✓ Job matching reflecting both sides' preferences and addressing labor shortages
- ✓ Low costs of migration without paying recruitment fees
- ✓ Orientation providing key information about the destination to workers

EPS ENSURES:

- ✓ Workers' awareness of their rights
- ✓ Access to labor regulations, social insurance, and counseling services
- ✓ Change of employers (up to three times) and public job intermediation

PHASE 03 During Migration

- Post-arrival 20-hour training
- Worker protection
- Worker support

PHASE 04 Post-Migration

- Skills training for labor market reinsertion
- Linkage to returnee network
- Return cost insurance fund payout*



EPS ENSURES:

- ✓ Full support for the timely return of workers
- ✓ Training to workers to increase employment opportunities in their home countries

* i.e., a lump-sum payout upon departure