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The Structure of Temporary Labor Market in South Korea
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ABSTRACT

This study explains the structure of the temporary or irregular form of employment in South Korea. In Korea, the size of the irregular workers as a percentage of labor force increased from 43.4% to 52.7% from 1996 to 2005. Almost 70% of all irregular workers are females who are employed as part-timers, on-call workers, and day laborers, through temporary agencies, subcontracting companies, and independent contractors. The female union membership went down from 36.7% in 1980 to 21.1% in 2003 whereas that of the male union members increased from 63.3% to 78.9% in the same period. This has led to the development of non-governmental organizations (NGOs) of women worker activists undertaking the lead role in support of irregular worker movements such as the Korean Women Workers’ Association United (KWWAU). In South Korea, there are large, conglomerate family-controlled firms with strong ties to the government known as the “chaebol” that have an important role in controlling the irregular labor force.

INTRODUCTION

After the Korean War, South Korean economy has grown at an impressive rate with a low Gini coefficients compared to its neighboring countries since the 1980s. It managed to thrive back to international competitiveness and economic growth rate after the 1997 financial crisis as well. This led to inequality in the economy leading to widening employment gap and development and dominance of irregular workforce. Many scholars have identified the development of this irregular labor force as a cause of industrial restructuring, globalization and trade competitiveness. Moreover, the development of unbalanced strategies by the Korean government weaved around to interest and benefit the large, conglomerate enterprises known as the “chaebols”, created different capacities between the chaebols and small and medium-sized enterprises in order to control the labor market. This difference in the capacities led to further enhancement of the irregular segment of the Korean employment.

OBJECTIVES

To determine: (1) which labors are considered as the irregular labor force, (2) the size and demographic of the irregular market, (3) explain the causes of the development of this market, (4) how this market operates, (5) if there is any labor union, (6) what kind of labor laws are present for these irregular workers, and (7) who are the chaebols and their roles in controlling the irregular labor market.

LITERATURE REVIEW

• The temporary workforce is the dominant form of employment in South Korea. It consists of workers who have less than one-year contract and are employed as part-timers, on-call workers, and day laborers, through temporary agencies, subcontracting companies, and independent contractors.

• The size of the irregular workers as a percentage of labor force increased was 52.7% in 2005 in South Korea. In 2003, 56.47% of the irregular labor force were female population and 43.53% of the irregular labor force consisted of male population.

• It is seen that the number of female irregular workers increases with their age, and the highest number of female irregular workers is at the age group between 20-24 years. Similarly, the number of male irregular workers also increases with age and the highest number male workers is the age group of 26-29 years.

• The irregular workers are employed by the firms in order to cut down the labor cost in terms of social security benefits and to reduce the barriers imposed by the labor unions on the managerial authorities.

• The proportion of the male irregular workers decreased over the time while that of the female irregular labs increased because of the persistent wage differentials between male and female workers, which highlighted on the cost advantage of hiring female irregular workers instead of the male irregular workers.

• In South Korea, there is labor unions present for the irregular workers which was mostly composed of male workers compared to female irregular workers. These irregular unions developed because of labor law enforcement and poor regulation of the irregular workers by the government. The irregular labor union membership contained 78.9% male labor and only 21.1% females.

• The “Chaebols” are large, conglomerate family-oriented business. Samsung, Hyundai, LG, Daewoo are to name some. The success of selling products by the chaebols does not necessary indicate them making profit. Rather it may indicate that the government are subsidizing them somehow. Since the government are lenient towards the chaebols, so all the policies regarding the employment of the irregular workers set by the government are weaved around the benefits of these chaebols.

• The “Chaebols” play a vital role about the employment and regulations of these irregular workers in South Korea.

RESULTS

• The irregular labor market is the dominant form of employment current in South Korea.

• About 70% of these irregular workers are female irregular workers.

• The irregular workers have their own labor union which mostly comprises of male irregular workers and over the years the number of male irregular worker who are the chaebols and their roles in controlling the irregular labor market.

CONCLUSION

REFERENCES