Labour Migration from Nepal

FACTSHEET: SOUTH KOREA

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INTRODUCTION

The Republic of Korea (generally known as South Korea) occupies the southern half of the Korean Peninsula, with a total land area of 100,364 square kilometres (a little over two thirds the size of Nepal).¹ Following more than three and a half decades of Japanese rule, the end of the Second World War saw the northern and southern halves of the Korean peninsula occupied by the Soviet Union and the United States, respectively. South Korea was established in August 1948, followed by the establishment of North Korea soon afterwards. The Soviet forces withdrew in 1948 and the American in 1949. A year later, in 1950, the south was invaded by the north, leading to the three-year-long Korean War. The ceasefire that ended the war is still in force and a formal end to the war has not been declared yet.²

South Korea is now a major economic power, ranking 12th globally in terms of size of economy, with a gross domestic product (GDP) of USD 1.5 trillion in 2017.³ The major economic sectors of South Korea are textiles, steel, shipbuilding, cars and electronics as well as the service industry.⁴

Buddhism and Confucianism are the country's two major religions, but South Koreans also follow several other faiths. The average life expectancy of South Koreans is 82.3 years, with women (85.5) living almost seven years longer than men (78.8 years). Korean is the national language of Korea and the Korean Won (KRW) the local currency (USD 1 = KRW 1,130.20).

LABOUR MIGRATION FROM AND TO SOUTH KOREA

After the devastation of the Korean War, South Korea became a country of emigrants for about three decades, from the 1960s through the late 1980s. South Korean workers travelled to West Germany and Vietnam in the 1960s and 1970s, and to the Middle East to work in Korean construction companies during the 'construction boom' of the 1970s and the early 1980s. However, the continuous economic expansion until the mid-1970s, with a substantial contribution of remittances sent from overseas, led to partial labour shortages in the construction sector in Korea in the late 1970s.

As the labour shortages became more severe in the following decade, particularly in small and medium-sized manufacturing companies that paid lower wages compared to the larger firms, South Korea started importing labour from foreign countries in the late 1980s,¹³ signalling its transition from a labour-sending to a labour-importing nation.¹⁴ The need for foreign workers in South Korea was heightened by young Koreans' reluctance to perform certain 'undesirable jobs', generally identified as the '3Ds' – 'difficult', 'dirty' and 'dangerous'.¹⁵ The declining fertility rate was another factor contributing to the shortage of labour required for the expanding economy; fertility rates went down from 6.1 in 1960 to 4.5 in 1970, 2.8 in 1980, and 1.6 in 1990 to the current 1.2,¹⁶ the lowest among the OECD (Organisation for Economic Co-operation and Development) countries.¹⁷

Migrants currently make up just over 2 per cent of South Korea's population of 51 million (Table 1). The migrant population in South Korea increased steadily between 1990 and 2015, but declined somewhat in the two-year period that followed.

MIGRATION POLICIES AND THE EMERGENCE OF EPS

As highlighted in the preceding section, although South Korea had begun bringing in foreign labour migrants in the late 1980s, it lacked any policy on the recruitment of foreign workers until the early 1990s. The labour shortage in this period was met by hiring foreign nationals illegally, particularly those from China, Southeast

Table 1: Korea's Population and Share of Migrants

Year	Total Population*	Migrant Population [†]				
		Number	% of Total Population			
1960	25,012,374	135,551	0.6			
1965	28,704,674	156,147	0.6			
1970	32,240,827	179,873	0.6			
1975	35,280,725	305,275	0.9			
1980	38,123,775	528,810	1.4			
1985	40,805,744	559,921	1.4			
1990	42,869,283	43,017	0.1			
1995	45,092,991	123,886	0.3			
2000	47,008,111	244,178	0.5			
2005	48,184,561	485,546	1.0			
2010	49,554,112	919,275	1.9			
2015	51,014,947	1,327,324	2.6			
2017	51,466,201	1,151,865	2.2			

Note: The figures for migrants are as of the middle of the respective years. It should be noted that there are variations in the number of migrants mentioned in different sources.

Asia and South Asia, who arrived in South Korea on tourist or visitor visas. Relaxed visa policies for Chinese-Koreans during the 1988 Seoul Olympics, when Chinese Koreans were readily given visitor visas, also increased the number of 'illegal' migrant workers in Korea. Relaxed visa policies for Chinese-Koreans were readily given visitor visas, also increased the number of 'illegal' migrant workers in Korea.

In order to systematise the inflow of foreign labour into the country without affecting the employment prospects of its citizens, the South Korean government introduced the 'Overseas Investment Firm Industrial Trainee System' (OIITS) in 1991, which allowed Korean firms investing abroad to bring in foreign workers as trainees so that the workers could learn technical skills and gain workplace competence.²¹ The system, however, soon became a pathway for Korean firms to use low-skilled trainees as labourers in the country itself.²² As the system did not allow small and medium-sized firms – the ones hit hardest by labour shortage – to bring in foreign workers, the government introduced the 'Organization-Recommended Industrial Trainee System' (ORITS) in 1993, in response to fierce demands from smaller businesses.²³

Though foreign trainees brought in through the ORITS were meant to receive training to foster industrial skills and competence, many of them were employed illegally in various sectors such as the domestic manufacturing industry.²⁴ Further, since workers were outside the purview of the country's domestic labour law, they became vulnerable to abuse and exploitation by employers.²⁵ Later efforts on the part of the South Korean government to impose strict limitations on the import of foreign workers proved ineffective. As a result, in April 2000, the 'Training Employment System' was introduced, allowing foreign trainees who passed a qualification test, taken pursuant to two years of training in Korea, to be hired domestically as legal workers for a one-year period.²⁶ Owing to growing concerns regarding employment fraud involving Chinese Koreans, an 'Employment Management System' was introduced two years later, in December 2002, to permit the hiring of foreign Korean nationals in the service sector.²⁷ Consequently, as part of the government's efforts to improve

^{*} Source: 'Data: Population, Total', the World Bank, Data, accessed 24 May 2019, https://data.worldbank.org/indicator/SP.POP.
TOTL.

[†] The international migrant stock data for 1960-2015 was retrieved from the World Bank ('Data: International Migrant Stock', the World Bank, accessed 24 May 2019, https://data.worldbank.org/indicator/SM.POP.TOTL). The data for the year 2017 was taken from the United Nations, Department of Economic and Social Affairs, Population Division ('International Migrant Stock: The 2017 Revision', the United Nations, accessed 24 May 2019, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml).

the situation of foreign employment in the country and to implement an employment permit system, the Act on Foreign Workers' Employment, Etc.[sic]²⁸ was passed in June 2003 in order to 'promote a smooth supply and demand of manpower and the balanced development of the national economy by introducing and managing foreign workers systematically.²⁹ Consequently, the Employment Permit System (EPS) took effect in August 2004.³⁰ The Industrial Trainee System (both OIITS and ORITS) remained in place in parallel with the EPS until the end of 2006, before being fully phased out and merged with the EPS in January 2007.³¹ Henceforth, as the sole avenue for bringing in low-skilled foreign labour, the EPS enabled small- and medium-sized businesses to employ foreign workers legally (see Table 2 for an overview of South Korean policies on foreign workers in the last three decades).

Presently, the EPS is divided into two subsystems: i) the general EPS based on Memorandum of Understanding (MoU) between the South Korean government and sending countries, and ii) the special-case EPS granting nationals of Korean ancestry with visiting worker status so that they can get a job in South Korea.³² South Korea is currently taking in migrant workers from 15 different countries through the EPS – Indonesia, Mongolia, Sri Lanka, the Philippines, Thailand, Vietnam, Uzbekistan, Pakistan, Cambodia, China, Bangladesh, Kirgizstan, Myanmar, East Timor and Nepal.³³ Nepali migrant workers have been recruited under the EPS since 2007, after the signing of MoU between the Government of Nepal (GoN) and the South Korean government in July that year.³⁴

Year **Provisions for Foreign Workers** 1991 Introduction of the Overseas Investment Firm Industrial Six months of training Trainee System • Could be extended for another six months 1993 · Small- and medium-sized firms to bring in foreign workers as Introduction of the Organisation-recommended Industrial Trainee System 1995 Push to implement the Employment Permit System (EPS) • Opposition against EPS from some governmental departments, including the Small and Medium Business Administration and the Small Medium Business Alliance Central Committee, among others 2000 • One year of employment permitted after two years of Introduction of the Training Employment System 2002 Introduction of the Employment Management System Hiring of foreign Korean nationals in service sector permitted 2003 Enforcement of the Act on Foreign Workers' Employment, Etc. 2004 **Employment Permit System begins** 2007 MoU between the Government of Nepal and the Korean • First batch of Nepali migrants sent to Korea for employment Government to send the Nepali Migrant Workers through EPS. in 2008 under EPS (see Table 9)

Table 2: Overview of South Korean Policies on Temporary Foreign Workers (1980 to 2007)

REGULATION OF MIGRANT WORKERS IN KOREA

The Act on Foreign Workers' Employment, Etc. of 2003, amended for the 10th time in 2013, is the main legal instrument regulating foreign workers in South Korea.³⁵ Other labour-related laws of the country, such as the Labour Standards Act of 1997, the Minimum Wages Act of 1986 and the Occupational Safety and Health Act of 1981 also apply to foreign workers. ³⁶ Some of the provisions enshrined in these Acts do not apply to companies with four or fewer employees and to workers engaged in agriculture or in the stockbreeding and fishing industries.³⁷

The Act on Foreign Workers' Employment, Etc. prohibits discrimination against foreign workers based on their nationality (Article 22). It allows foreign workers who have completed three years of work in South Korea to get their employment period extended, albeit only once, for a period less than two years at the request of their employer (Article 18.2). The Act also allows foreign workers in Korea to change jobs up to five times – three times during the period of the initial contract and twice during the extended period – if the employer terminates the labour contract during the contract period, or refuses to renew the contract after its expiration; or if the worker is deemed unable to continue to work in the existing business or workplace due to reasons not

attributable to him or her, such as temporary shutdown or permanent closure of business, violation of working conditions or unfair treatment by the employer (Article 25).

Foreign workers in Korea are not allowed to renew their visas after the completion of two full terms (term of the initial contract plus the extension period), but can re-enter the country for employment after three months of their departure (Article 18.4). This policy, also known as the Sincere Worker Re-entry System, was implemented since 2012 to utilise skilled human resources while reducing illegal stay by foreign workers in Korea.³⁸ For the re-entry of workers, the employer has to apply for a re-entry permit before the worker's departure from Korea, and the worker has to meet the conditions specified in Article 18.4 of the Act, which include:

- the worker not having changed employers during the employment period (barring some exceptional cases);
- the worker being employed in those sectors where recruiting native Korean workers is difficult; and
- the worker having a labour contract governing his/her employment upon re-entry, for a period of at least one year.

NEPALI MIGRANT WORKERS IN SOUTH KOREA

It is generally believed that Nepali workers' migration to South Korea started with political and economic transformations in both countries during the late 1980s and 1990s: multiparty democracy and economic liberalisation in Nepal and the 'restructuration of economy from manufacuturing-centred industry to large capital investment and high-value added industry' in South Korea.³⁹ Nepalis were recruited along with other Asian workers to fill the demand for cheap migrant labour in South Korea.⁴⁰ Although figures from the United Nations on international migrant stock⁴¹ show only 10 Nepali workers in 1990, nearly 1,000 in 1995, and over 10,000 in 2017 (Table 3), other sources put this number to be much higher. Many undocumented Nepalis were staying and working in South Korean garment factories in the 1990s.⁴² In fact, 5,036 undocumented Nepali workers had received amnesty from the South Korean government in June 1992.⁴³ The estimates from the Nepali embassy in Seoul as of March 2016 was that there were over 28,000 Nepalis in South Korea, with women making about 11 per cent of this population. Among them, 25,762 Nepalis were employed through the EPS while 690 were enrolled in universities.⁴⁴

Year	Migrant Population	Nepali Migrant Population*				
rear	ivilgrant Population	Number	% of Migrant Population			
1990	43,017	10	0.02			
1995	123,886	956	0.8			
2000	244,178	2,208	0.9			
2005	485,546	4,495	0.9			
2010	919,275	8,563	0.9			
2015	1,327,324	10,647	0.8			
2017	1,151,865	10,728	0.9			

Table 3: Migrant Population and Share of Nepali Migrants

Note: The UN data on international migrants 'refer to the international migrant stock defined as a mid-year estimate of the number of people living in a country or area other than the one in which they were born or, in the absence of such data, the number of people of foreign citizenship. Most statistics used to estimate the international migrant stock were obtained from population censuses, population registers and nationally representative household surveys.' United Nations, Department of Economic and Social Affairs, Population Division, 'International Migration Report 2017' (New York: the United Nations, 2017), (ST/ESA/SER.A/403), accessed 22 March 2019, https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017.pdf.

Source: 'Trends in International Migrant Stock: Migrants by Destination and Origin', the United Nations, Department of Economic and Social Affairs, Population Division (United Nations database, POP/DB/MIG/Stock/Rev.2017), accessed 4 July 2018, http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2017.xlsx.

^{*}Data on Nepali migrant stocks in South Korea is available only from 1990 onwards.

Number of Labour Permits Issued for Migration to South Korea⁴⁵

According to data obtained from the Department of Foreign Employment (DOFE), over 40,000 Nepali workers went to South Korea for work in just over a decade between 2006/07 and 2016/17. Although there are some fluctuations, the annual flow of Nepali workers to South Korea has remained above 5,000 in each of the last three years. The number of labour permits issued to female migrant workers is much lower (less than 10 per cent of the total permits) compared to those issued to men (Table 4).

Fiscal year Male **Female Total Workers** 2006/07 724 41 765 2007/08 143 3 146 2008/09 2,909 2,909 2009/10 2,526 6 2,532 3,728 2010/11 3,727 1 2011/12 5,312 312 5,624 2012/13 4,248 192 4,440 2013/14 1,821 304 2,125 2014/15 4,804 354 5,158 2015/16 6,855 7,432 577 2016/17 5,582 331 5,913 157 2017/18 157 **Total** 38,651 2,121 40,772

Table 4: Labour Permits Issued for South Korea

Note 1: The data presented in Table 4 shows the number of Nepali migrants who have obtained labour permit to go to Korea for work for the first time. Those who have returned after completing their contract and re-entered to Korea for further work are not included in this table.

Note 2: While the DoFE categorises workers, who have re-entered Korea to work for an employer that is different from the one they were previously working for as 'new-entries', EPS Centre Nepal, HRD Korea categorises such workers as 're-entries' (See Table 5).

Source: Data provided by DoFE.

The data from EPS Centre Nepal, the office established under South Korea's Human Resource Development Services to monitor and inspect services regarding the selection and sending of workers, 46 which is based on the international calendar year instead of the Nepali fiscal year followed by the Nepali government, also indicates a similar trend of labour migration to Korea from Nepal. A substantial number of Nepali migrants (over 7,000 in 2017) leave for South Korea every year, with about a third of them travelling for re-entry to Korea on a renewed permit (Table 5).47

MAJOR EMPLOYMENT SECTORS AND MINIMUM WAGES FOR NEPALI MIGRANTS IN SOUTH KOREA

Manufacturing, services, agriculture, livestock and fishing are the major working sectors for Nepali migrant workers in South Korea. As of 2017, the minimum wage for workers under the EPS was KRW 6,740 (USD 6) Per hour, while the monthly minimum wage was KRW 1,462,220 (c. USD 1,307), making South Korea a highly sought-after destination for Nepali workers. Under the EPS, according to Article 50 (1 and 2) of the Labour Standards Act (Act No. 5309) of 1997, working hours cannot exceed 40 hours per week and eight hours per day. Similarly, Article 52 of the same Act has the provision of overtime work of up to 12 hours a week through mutual agreement between the employer and the worker, and Article 56 has a provision of payment of 50 per cent or more of normal wages to workers for overtime at night (work done from 10 pm to 6 am) or during holidays.

Table 5: Nepali Migrant Workers Leaving for South Korea

Year	New Entry	Re-entry	Total Workers
Until 2010	5,722	-	5,722
2011	3,713	-	3,713
2012	5,876	15	5,891
2013	4,824	410	5,234
2014	5,078	857	5,935
2015	4,622	1,186	5,808
2016	6,381	1,641	8,022
2017	5,057	2,437	7,494
Total	41,273	6,546	47,819

Note: As stated by the Manager of EPS Centre Nepal, HRD Korea, the number of 're-entered migrant workers' presented in the table is comprised of 'committed workers' who have continued working in the companies they were previously employed in upon re-entry (such workers need not take the Special EPS TOPIK exam) as well as those who plan to join other companies and need to take the Special EPS TOPIK exam.

Source: The data was provided by the office of EPS Centre Nepal, which is functioning under the Human Resource Development Service of Korea.

TOTAL REMITTANCE OUTFLOW FROM SOUTH KOREA AND REMITTANCE RECEIVED IN NEPAL

There has been a steady growth in the flow of remittances from South Korea to Nepal in the past decade. In 2017, Nepal received around USD 40 million from South Korea. The amount, however, was a meagre 0.27 per cent of the total remittance outflow from Korea in that year and 0.5 per cent of the total remittances received in Nepal from around the world (Table 6). The amounts remitted are, of course, only calculated estimates as there is no accounting of the true volume of remittances because migrant workers make use of various forms

Table 6: Total Remittance Outflow from Korea and Remittance Received in Nepal (in billion USD)

Year*	Remittance Outflow from South Korea (in billion USD)	Remittance Received by Nepal from South Korea (in billion USD)	Remittance to Nepal as a Percentage of Total Outflow from South Korea	Total Remittances Received by Nepal (In billion USD)	Remittance from South Korea as a Percentage of Total Remittances Received by Nepal
2010	9.50	0.014	0.14	3.5	0.40
2011	10.00	0.017	0.17	4.2	0.40
2012	9.80	0.020	0.20	4.8	0.41
2013	9.40	0.028	0.29	5.6	0.50
2014	10.00	0.030	0.30	5.9	0.50
2015	8.70	0.033	0.37	6.7	0.49
2016	10.80	0.033	0.30	6.6	0.50
2017	12.90	0.035	0.27	6.9	0.50

Note: According to the World Bank, the remittance data is 'disaggregated using host country and origin country incomes, and estimated migrant stocks' from the given year. 'These are analytical estimates based on logical assumptions and derived from a global estimation of bilateral remittance flows worldwide. They are not actual officially reported data. The caveats attached to these estimates are: (a) the data on migrants in various destination countries are incomplete; (b) the incomes of migrants abroad and the costs of living are both proxied by per capita incomes in PPP terms, which is only a rough proxy; and (c) there is no way to capture remittances flowing through informal, unrecorded channels.'

Source: 'Migration and Remittances Data: Bilateral Remittances Matrices, 2010-2017', the World Bank, accessed 27 December 2018, https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data.

^{*} Data on bilateral remittance outflow is available only from 2010 onwards.

Table 7: Number and Causes of Death (FEB)

Cause of death	2008/09	2008/09 2009/10	2010/11	2011/12	2012/13		2013/14 2014/15	2015/16*	2016/17*	2017/18*	Total	Per cent
Suicide	ı	1	c	3	m	3	2	10	2	6	38	37.3
Unidentified causes	ı	1	1	2	9	2	ı	1	c	9	24	23.5
Traffic accidents	1	1	1		1	4	က	1	1		11	10.8
Workplace accidents	,	,				1	1	1	33	2	6	8.9
Natural causes	1	,		1	1		1	1	2	1	7	6.9
Heart attack	П	1	П	,	1	1	1	1	1	1	9	5.9
Cardiac arrest	1	1	,	1	2	1	2	1	1	1	9	5.9
Murder	-							1			1	1.0
Total	1		9	9	14	15	12	15	11	22	102	100.0

Note: The FEB data on deaths is based on the financial support provided by FEB to the deceased worker's family in Nepal, and the year in this data indicates when the financial support was provided, not the year of actual death. As the compensation can be claimed within a year of receiving the dead body in Nepal, some deaths reported for a particular year could have occurred in the preceding year.

Source: Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2014/2015' (Kathmandu: Ministry of Labour and Employment, 2016/17); Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2015/16-2016/17' (Kathmandu: Ministry of Labour and Employment, 2016/17). * Data made available by the Foreign Employment Board (FEB). of informal networks to send money home and also because a considerable proportion of workers' earnings also comes into Nepal as consumer items such as TV sets and mobile phones.⁵³

DEATHS AND INJURIES OF NEPALI WORKERS IN SOUTH KOREA

According to the data obtained from the Foreign Employment Board (FEB), 102 migrant workers have lost their lives in South Korea in the last decade (2008/09-2017/18) (Table 7). Additionally, a total of 14 Nepali workers were reported to have fallen seriously ill or were badly injured during their employment in South Korea in the same period.⁵⁴

Suicide was the leading cause of death for Nepali workers in South Korea, accounting for over a third of the total deaths – the highest rate of suicide among the major destination countries for Nepali workers.⁵⁵ Nearly a quarter of the deaths were due to 'unidentified causes', while traffic accidents and workplace accidents each claimed about a tenth.

The figures on deaths and injuries above include only those who received compensation from the FEB. A more complete picture of the actual number of deaths in destination countries is available from the Ministry of Foreign Affairs (MoFA), which collects data on all deaths from Nepali diplomatic missions in the respective countries, irrespective of whether the families of the deceased collected compensation from the FEB or not. This is especially pertinent since anyone who went as an 'irregular' migrant, i.e., without acquiring a labour permit from the DoFE, is not entitled to compensation from the FEB. The MoFA data, however, includes all Nepali citizens in South Korea, not only workers. Accordingly, the MoFA data shows a total of 135 Nepali deaths in South Korea between 2007 and 2017 (Table 8).

Cause of death	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total	Per cent
Suicide	1	-	-	2	2	5	3	2	9	7	8	39	28.9
Unknown [†]	1	3	4	3	2	3	8	1	-	-	-	25	18.5
Industrial accidents	-	1	-	-	-	-	-	1	4	4	6	16	11.9
Death while sleeping	-	1	-	-	-	-	-	1	2	4	6	14	10.4
Disease	-	1	-	-	2	-	-	3	1	1	2	10	7.4
Other accidents	-	1	1	1	4	1	-	1	-	-	-	9	6.7
Heart attack	-	-	1	1	-	-	1	-	4	1	-	8	5.9
Road Accidents	-	-	-	-	-	-	3	-	2	3	-	8	5.9
Death from suffocation	-	-	-	-	-	-	-	-	-	-	2	2	1.5
Drown	-	-	-	-	-	-	2	-	-	-	-	2	1.5
Murdered	-	-	-	-	-	-	1	-	1	-	-	2	1.5
Total	2	7	6	7	10	9	18	9	23	20	24	135	100.0

Table 8: Number and Causes of Death (MoFA)

Even though there are discrepancies in the data provided by the FEB and the MoFA, suicide figured as the leading cause of deaths in both sources. According to the MoFA, the cause of almost one fifth of the total deaths was 'unknown'. This is comparable to the data provided by the FEB, according to which 'unidentified' causes accounted for the second highest number of deaths of Nepali workers in Korea. While 'industrial accidents' caused 16 deaths in total in the MoFA data, 'workplace accidents' accounted for only half as many deaths in the data provided by the FEB.

^{*} Source: Data provided by the Department of Consular Services, Ministry of Foreign Affairs, Nepal.

[†] All the 25 death cases under the 'unknown' category have been classified as 'seems to be heart attack' but have not been confirmed by the Embassy of Nepal in Seoul.

LABOUR RECRUITMENT IN NEPAL

Institutional and Legal Arrangements

Foreign Employment Act, 2007 and Foreign Employment Rules, 2008

Foreign employment from Nepal is governed by the Foreign Employment Act, 2007 and the Foreign Employment Rules, 2008.

Bilateral Relations

Nepal and the Republic of Korea signed a Memorandum of Understanding (MoU) in July 2007 on sending Nepali workers to South Korea under the EPS.⁵⁶ The MoU, effective at first for a period of two years, is subject to amendment and/or extension through written consent. The MoU was renewed most recently in September 2018.⁵⁷

Recruitment Procedure

Nepali workers are recruited for employment in South Korea through the EPS, a government-to-government arrangement. The EPS Korea Section Nepal, established in 2007 under Nepal's Department of Foreign Employment (DoFE), and the EPS Centre Nepal, established under Human Resource Development Services (HRD) of Korea, are responsible for selecting and sending Nepali workers to South Korea.⁵⁸ Similarly, the Human Resource Development Service of South Korea is responsible for managing the roster of jobseekers, supporting the arrival and departure of foreign workers, and providing employment training.⁵⁹

For labour migration to South Korea through the EPS, candidates have to first appear for the EPS-TOPIK test conducted by HRD Korea through the EPS Centre Nepal. Successful candidates are ranked on the basis of merit. Those in the merit list have to then undergo a medical examination; the medical examination can

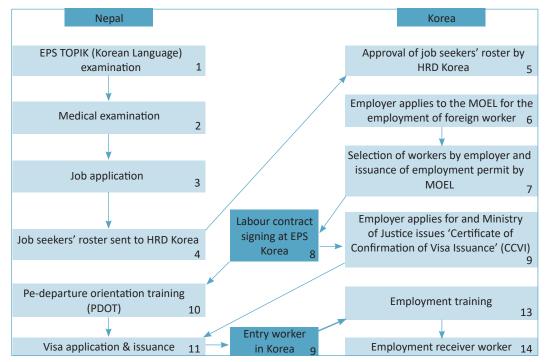


Figure 1: Recruitment Process for Employment in South Korea

^{*} Source: Adapted from the flowchart available at 'About Us: Employment Process', EPS Korea Section Nepal, accessed 12 March 2018, www.epsnepal.gov.np.

be administered in only one of the four places approved by the EPS Centre Nepal: i) Korea Nepal Friendship Hospital, Bhaktapur, ii) Patan Academy of Health Sciences, iii) Civil Hospital, and iv) Sukaraj Tropical and Infectious Disease Hospital.⁶⁰ After having undergone medical examination, successful candidates can then apply for jobs available in South Korea. Subsequently, with the approval of the Human Resource Development Service of Korea, the names of successful candidates are listed in the employment roster. Candidates are then selected by the employer from this roster (Figure 1).⁶¹

After being chosen by an employer, workers are given standard employment contracts.⁶² Once the workers receive their labour contracts, they have to undergo pre-departure orientation training (PDOT) in Nepal (see section on Orientation Training). Workers have to obtain a 'Certificate of Confirmation of Visa Issuance' (CCVI) in order to apply for a visa at the South Korean Embassy in Nepal.⁶³ Employers apply for the CCVI and send it to the workers in Nepal once the Ministry of Justice, South Korea, issues it. The Embassy of South Korea issues a work visa, valid for a three-year period, to the successful applicants.

GENERAL REQUIREMENTS FOR RECRUITMENT THROUGH THE EPS

Nepali workers need to meet the following requirements for employment in South Korea through the EPS:⁶⁴

- aged between 18 to 39;
- pass the designated Test of Proficiency in Korean language (EPS-TOPIK);
- have no record of previous illegal stay in Korea;
- pass the medical examination;
- have no restriction for departure from home country; and
- · have no criminal record.

LANGUAGE REQUIREMENT

Candidates are required to pass the EPS-TOPIK in order to apply for employment under the EPS.⁶⁵ The EPS Korea Section, Nepal⁶⁶ and the Human Resource Development Korea together call for applications for Proficiency in Korean Language (EPS-TOPIK) examination every year.⁶⁷ Over 400,000 potential workers have taken the EPS-TOPIK examination in one decade from 2008 through 2017. The success rate of labour

Year	Attendees*	Passed Exam*	Applied for Job*	Went to Korea (New Entry)†
2008	31,525	6,786	6,587	-
2009	-	-	-	5,722 [‡]
2010	36,203	4,180	4,096	-
2011	50,043	15,678	15,678	3,713
2012	-	-	-	5,876
2013	44,122	8,051	7,778	4,824
2014	58,746	3,663	3,478	5,078
2015	51,137	8,490	8,370	4,622
2016	60,626	3,517	3,464	6,381
2017	68,383	12,108	11,876	5,057
Total	400,785	62,473	61,327	41,273

Table 9: Total number of Nepalis who took the EPS-TOPIK

Note: The data for 2009 and 2012 is missing from the table as the TOPIK test was not conducted in these years. However, workers were recruited from among those who were previously enlisted in the employment roster and were waiting for employment.

^{*} Data provided by EPS Korea Section, Ministry of Labour, Employment and Social Security (MoLESS), Nepal.

[†] Data provided by EPS Centre Nepal (see Table 5).

[‡] Includes all migrants until 2010.

migration to South Korea is very low. Only about 10 per cent of the total TOPIK examinees have thus far succeeded in going to South Korea for work. This rate was even lower, barely 7 per cent, in 2017 (Table 9).

ORIENTATION TRAINING

According to Rule 20 of the Foreign Employment Rules 2008 any worker going for foreign employment is required, prior to leaving, to take an orientation training. Unlike workers travelling to other destination countries, South Korea-bound Nepali workers take a country-specific orientation training of 45 credit hours. his orientation training is conducted at the Vocational and Skill Development Training Centre (VSDTC) in Lalitpur in collaboration with the Foreign Employment Board. he South Korean government provides a mandatory training syllabus, to which the government of Nepal may add some relevant materials, while providing orientation training to Nepali migrant workers. The orientation training covers areas such as the Korean language, culture, employment system, company security and workplace information.

According to Article 11 of the Act on Foreign Workers' Employment, Etc. (Act No. 6967), South Korean employers are also required to provide employment training to foreign workers before their placement.⁷² Pursuant to this provision, workers have to undergo a training of minimum 20 credit hours (two nights and three days) at the Employment Training Centre in South Korea upon their arrival.⁷³ The number of hours required and the content of the employment training are as prescribed by the Ministry of Employment and Labour (MOEL).⁷⁴

RECRUITMENT COSTS

The recruitment cost for employment in South Korea is a little over USD 800, with the cost borne by the workers themselves. This amount includes the cost for the Korean language test, medical examination, visa fees, the preliminary training/PDOT, administrative fees and airfare (Table 10).⁷⁵

Categories Amount (in USD) **EPS-TOPIK Fee** 24.0 Medical Check-up (Tuberculosis) 55.6 Medical Check-up (other than Tuberculosis) 10.0 5.0 Application **Passport** 50.0 60.0 Visa Issuance Preliminary Training (PDOT) 63.0 412.0 Air Fare (one way) 65.0 Insurance Contribution to the Workers' Welfare Fund 25.0 46.2 **Operating Expense** 815.8

Table 10: Breakdown of the recruitment cost for employment in Korea

Source: 'Lagat/Kharcha (Recruitment Cost)', EPS Centre Nepal, HRD Korea, accessed 22 October 2018, http://epsnepal.org/cc/23.

CONTRIBUTION TO THE FOREIGN EMPLOYMENT WELFARE FUND

Prior to their departure every worker going for foreign employment is required to contribute to the Foreign Employment Welfare Fund managed by the FEB. The contribution amount is currently NPR 1500⁷⁶ for a three-year contract, while workers with contracts for a duration exceeding three years are required to contribute NPR 2500.⁷⁷ If a migrant worker dies within the contract period, the FEB provides compensation of NPR 700,000 to his/her family up to one year of receiving the dead body in Nepal. Workers who fall ill or are injured

may receive up to NPR 700,000 based on the extent of their injuries and illnesses after evaluation by a team of experts.⁷⁸

COMPENSATION AND INSURANCE PROVISIONS FOR MIGRANT WORKERS IN SOUTH KOREA

Insurance under the Foreign Employment Act 2007, Nepal

The Foreign Employment Act 2007 and Foreign Employment Rules 2008 have made insurance mandatory for workers going for foreign employment. The cost of insurance varies according to the age of the worker and duration of the contract (Table 8). The current insurance plans comply with the Foreign Employment Life Insurance Directives issued in April 2016.⁷⁹ As shown in Table 12, the family of the deceased worker may receive a maximum amount of NPR 1,500,000 as insurance, while a worker or their family may receive up to NPR 1,000,000 in case of injuries sustained abroad. Further, a migrant worker who suffers 'critical illness' is provided with an additional NPR 500,000. However, to be entitled to this benefit, the migrant worker must have also procured an insurance policy against 'critical illness' by paying an additional premium of NPR 400.

Insurance under EPS

Nepali migrant workers recruited through the EPS are also covered by four different insurance schemes in South Korea.⁸¹

Departure Guarantee (Retirement Pay) Insurance: This insurance has to be purchased by the employer (in case of companies with more than five employees). Under this scheme, workers can claim 8.3 per cent of their monthly salary when returning to their country of origin or when changing jobs if they have been working for the same company for more than one year. Alternatively, employers themselves can claim the insurance amount in case the worker deserts the jobs before completing a one-year period. The following documents are required to claim this insurance: insurance claim form; copy of worker's bank details; two copies of the worker's passport or 'migrant worker identity card'.

Wage Insurance: This insurance, which costs USD 14 per year, must be purchased by the employer as a one-time payment. Under this scheme, workers can claim up to USD 1,789 in case the employer refuses to pay their salary. ⁸² This type of insurance can be claimed by workers after the labour inspector under the MOEL verifies such a refusal. The following documents are required to claim this insurance: insurance claim form; document verifying employer's refusal to pay the salary; comprehensive details on the grounds for refusal; and a copy of the worker's bank details.

Insur- ance period (year)		Insura	ance premiu (in NF	m by age group PR)	Premium for insurance of NPR 500,000 against critical illness (all age groups)
	18 to 35	36 to 50	51 to 64	64+	
2	2,646	3,625	7,250	For those aged 64 and above	
3	3,524	4,930	9,570	the amount of insurance will be as per the insurance	NDD 400
4	4,423	6,090	12,035	company's policies, but not	NPR 400
5	5,148	7,105	14,500	exceeding the premium fixed for the age group 51-64 by	
6	5,728	8,411	16,820	more than 50 per cent.	

Table 11: Insurance Premiums

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, https://www.bsib.org.np/documents/baideshikbeema.pdf.

Table 12: Insurance Benefits

Section	Incidence	Benefits (in NPR)
A	Death	1,000,000* + 100,000 (to bring the dead body to Nepal) + 100,000 (to perform death rituals) + 200,000 (to maintain the loss of income due to the death of the person) + 100,000 (towards treatment, in case death occurs during treatment) Maximum Total: 1,500,000
В	 a. Total permanent disability; b. Incurable damage of sight on both eyes; c. Complete damage of parts of the body above the ankles of both legs and hands; or above the wrists of both hands; or d. Complete damage of one of the legs, hands or eyes. 	1,000,000
С	a. Complete speech-impairment; orb. Complete hearing-impairment.	500,000
D	a. Complete damage of the hearing capacity of an ear;orb. Complete damage of a thumb.	200,000
	c. Complete damage of an index finger.	150,000
	d. Complete damage of any other finger.	70,000
	e. Complete damage of a big toe.	50,000
	f. Complete damage of any other toe.	40,000
	g. Damage/loss of any other body part.	As determined by an expert [†]

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, https://www.bsib.org.np/documents/baideshikbeema.pdf.

Return-Cost Insurance: This type of insurance has to be purchased by the workers themselves within 80 days from the date their labour contract comes into effect. Nepali workers have to pay an insurance fee of KRW 500,000 (USD 389)⁸³ and can claim this amount after receiving a document verifying their date of return from the MOEL Coordination Committee, South Korea.⁸⁴ The following documents are required to claim this insurance: insurance claim form; bank details of the worker; and a copy of the worker's passport or 'migrant worker identity card'.

Workplace Accident (Casualty) Insurance: This type of insurance also has to be purchased by the workers themselves. The claim amount for this type of insurance varies according to the gender and age of the worker as well as the duration of their stay in South Korea. Up to USD 26,835 can be claimed in case of death or disability caused by factors in the workplace and up to USD 13,418 in the case of other diseases. The following documents are required to claim this insurance: proof of evidence in case of accident; death certificate along

^{*} Section 26 (1) of Foreign Employment Act, 2007 states: 'The licensee shall, prior to sending a worker for foreign employment, procure insurance of at least five hundred thousand rupees with validity for the term of contract so that such worker can claim damages for death or mutilation, if such a worker who has gone for foreign employment pursuant to this Act dies from any cause at any time or gets mutilated.' The insurance benefit was increased from NPR 500,000 to 1,000,000 following the issuance of the Foreign Employment (ad-hoc) Life Insurance Directives 2073 in January 2017.

[†] An 'expert' is a medical doctor registered under the Nepal Medical Council (NMC). Additionally, the insurance companies also give validity to claims approved by certified medical practitioners in destination countries.

with family details of the deceased as verified by the Embassy of Nepal, in case of death; permission letter for the concerned person; bank details of the worker; and a copy of the worker's passport or 'migrant worker identity card'.

Process for Compensation for Death and Injuries in Destination Countries

In case of death of migrant workers in destination countries during the contract period, members of their immediate family can claim for compensation from the Foreign Employment Welfare Fund through the FEB within a year of receiving the dead body in Nepal.⁸⁵ The following documents are required to claim compensation from the FEB:⁸⁶

- migrant worker's passport;
- labour permit;
- contract;
- death certificate from destination country (in case of death in destination);
- death certificate from Nepal (in case of death after arriving in Nepal);
- · prescription of medical treatment abroad (in case of injury); and
- recommendation letter from the Nepali Embassy in the destination country.

Table 13: Relevant Institutions and Organisations in South Korea

SN	Name of Organisation	Services	Location	Contact
1.	Embassy of Nepal	Consular Services	19, 2gil Seonjam-ro Seongbuk-gu, Seoul	Email: eonseoul@mofa.gov.np Website: kr.nepalembassy.gov.np Tel: +822-3789-9770/1
2.	Non-Resident Nepali Association, National Coordination Council	Financial support to stranded migrants		Tel: +821-050987604/ 821- 04266228
3.	Korea Support Centre for Foreign Workers	 Free Consultation on: delay in payments industrial accidents health care/welfare home/international marriage swindle/violence violence against women changing workplace/job hunting human rights/racial discrimination compulsory labour/exploitation minimum wages/retirement pay working hours/holidays working conditions/contract labour union provides medical services 	Korea Migrants Centre	Multilingual Consultation for Migrant Workers Helpline: 1644-0644 + 12 (extension for Nepal) Website: www.migrantok.org
4.	Foreign Workers Counselling Centre	• counselling on labour/work related issues by native language speakers		Help line: 1577-0071 +14 (extension for Nepal)
5.	GEFONT Support Group has been working collaboratively with Migrant Trade Union of Korean Confederations of Trade Unions.	 Rapid Rescue Financial support to migrant workers in need (imprisoned/ stranded) Promotion and protection of migrants workers' rights Financial support to stranded migrants 	Seoul, Korea	Contact person: Udaya Rai Tel: 82222856068 Email: migrant@jinbo.net

Notes

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'Factsheet: South Korea' was prepared by NILIMA RAI, ARJUN KHAREL AND SUDESHNA THAPA at CESLAM.



Social Science Baha

345 Ramchandra Marg, Battisputali, Kathmandu - 9, Nepal Tel: +977-1-4472807 · info@ceslam.org · www.ceslam.org



Foreign Employment Board
Bijulibajar, Kathmandu, Nepal
Phone: 01-4220311/4220567
Toll-free: 166001-50005 • email: info@fepb.gov.np