Mongolian Migrant Workers under the Employment Permit System in South Korea: Focusing on Sending/ Receiving Policies based on the Governments' Bilateral Agreements

Hiromu FUKAI, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

This presentation focuses on the framework through which South Korea and Mongolia manage the exchange of workers.

Mongolia, formerly known as the People's Republic of Mongolia, was established as a socialist state following a people's revolution in 1924. The country transitioned to democracy in the early 1990s, influenced by the democratic movement in the Soviet Union and the Soviet Union's subsequent collapse.

Diplomatic relations between Mongolia and South Korea were established in 1990. Before this, South Korea's anticommunist policies, rooted in its conflicts with North Korea, delayed such ties. The shift toward diplomacy occurred after 1989 when Mongolia embarked on its journey toward democratization.

According to the Yearbook of Korea Immigration Statistics 2023, as of the end of 2023, 54,846 Mongolians reside in South Korea, ranking 11th (2.2%) among foreign nationals by country of origin. Given Mongolia's population of approximately 3.5 million, this means that over 1% of its citizens live in Korea.

The distribution of 55,846 Mongolians in Korea is as follows: Marriage immigrants: approximately 2,600, undocumented workers: 18,500, short-term visitors: 20,200, students and trainees: 14,300, professionals: 600, and unskilled workers (under the Employment Permit System (EPS)): 4,600.

Regionally, the largest Mongolian communities in South Korea are concentrated in Gyeonggi-do, home to major industrial parks, and Seoul Metropolitan City, each hosting over 9,000 Mongolian residents.

Mongolian outbound travel statistics indicate that South Korea ranks third, following China and Russia, as a destination for Mongolians. For employment, China leads, followed by South Korea, Japan, the Czech Republic, and Hungary. However, South Korea surpasses other countries in terms of travel and study destinations.

The Mongolian population in Korea has a noticeable cultural imprint. A prominent example is the emergence of *Mongol Town* near Dongdaemun Market in Seoul. Originally a hub for Russian immigrants from the late 1980s to 1990s, this area began to attract Mongolians in the 2000s. Today, the New Kunho Building serves as the focal point for this thriving Mongolian enclave.

The Korean government began accepting foreign workers in the 1990s. Since the 1960s, South Korea has primarily focused on sending its workers abroad while maintaining exclusionary policies toward foreigners domestically. For instance, the "Foreigners' Land Law of 1962" restricted real estate acquisitions and commercial activities by foreigners. However, the issue of illegal foreign workers emerged in the late 1980s during a period of rapid economic growth known as the "Miracle of the Han River." To address this, the Korean government

introduced an "industrial training program" in 1991, modeled after Japan's "trainee system" (later evolved into the "technical internship system" in 1993). However, this system faced criticism due to harsh working conditions, exploitation by brokers, and an increase in irregular residents. Consequently, it was abolished in stages, with complete termination in 2006. To replicate it, the "Law Concerning Employment of Foreign Workers" was enacted in 2003, leading to the introduction of the EPS in 2004, which allowed unskilled foreign workers to work legally in Korea.

In 2007, another work permission system known as "special employment permission" was launched for ethnic Koreans from China and Central Asian countries. In contrast to this system for ethnic Koreans, the EPS introduced in 2004 is referred to as the "Regular Employment Permit System."

Under the EPS, the Korean government collaborates with sending countries through bilateral agreements to regulate the entry and exit of workers. The annual foreign workers quota is determined based on domestic employment trends in Korea. Prospective workers must pass qualification exams in their home countries, including a Korean language proficiency test, after which they are ranked on a job seeker list based on their test scores.

As of 2024, Korea had established Memoranda of Understanding for worker exchange with 16 countries. On the Korean side, the Human Resources Development Service of Korea (HRDK), which is affiliated with the Ministry of Employment and Labor, oversees the admission process. In the sending countries, designated public agencies administer qualification exams, such as the "Korean Language Proficiency Test for General Employment Permission." With HRDK support.

South Korea also facilitates extensive social integration programs for foreign workers. One-stop centers across the country provide multilingual consultation services and free Korean language classes, reflecting Korea's commitment to helping migrants adapt to society.

In Mongolia, the General Agency for Labor Welfare, under the Ministry of Labor and Social Security, manages the EPS process. The agency conducts qualification tests for Mongolian workers seeking employment in Korea and oversees their deployment. Additionally, the Ministry has established a Labor and Social Security Service Center in Seoul to support Mongolian nationals. The center provides services related to industrial accident prevention, wage disputes, and access to Korea's social security system, including pensions and social insurance.

This presentation provides an overview of the systems employed by the Korean and Mongolian governments to receive and send migrant workers. Drawing on interviews with representatives from both sending and receiving organizations and members of the Mongolian community, it explores the challenges faced by Mongolian workers in Korea and evaluates the impact of Korea's social integration policies.

This document is developed based on the presentation delivered at the Symposium on "Immigrant Workers from Global South to Japan, Taiwan and South Korea: Present situations and future challenges" convened on 22 August 2024.

The views expressed in the document are those of the author(s) and neither the Institute of Developing Economies nor the Japan External Trade Organization bears responsibility for them.