

Chapter II

Indonesian Migrant Workers in South Korea

In this chapter, the writer writes about the delivery of Indonesia migrant workers to South Korea. Both countries agree that they have to cooperate in term of workforce. Indonesia which has more human resources will deliver its workforces to South Korea which needs workforces to run its industries.

A. Indonesian Migrant Workers delivery to South Korea

Indonesia is one of the countries with the largest population in the world. According to The Spectator Index in 2018, Indonesia is in the fourth as the country with the largest population in the world after China, America and India. In the data, Indonesia has about 265 million populations¹². With a very large population, it can be interpreted that Indonesia has a considerable workforce to develop the country. However, in reality, not all workforces get a permanent job that guarantees their lives. There are still many who are unemployed and work with salaries that are still below the standard.

This is caused by various factors that occur in the community itself. Inadequate education and less skill can prevent a person from getting a job. This causes the people who do not receive adequate education or people with less skill do not get decent jobs with a qualified salary. Most of them also cannot get their fixed salary. Therefore, the

¹²Arieza, U. (2018, July 22). *Indonesia Penduduk Terbanyak Nomor 4 di Dunia, Siapa Juaranya?* Retrieved February 15, 2019, from Okefinance: <https://economy.okezone.com/read/2018/07/21/320/1925559/indonesia-penduduk-terbanyak-nomor-4-di-dunia-siapa-juaranya>

distribution of Indonesian labor by the government abroad has great demand by people who want jobs with low skill levels. In other side, the large salaries that they will get also attract Indonesian people to become foreign workers abroad.

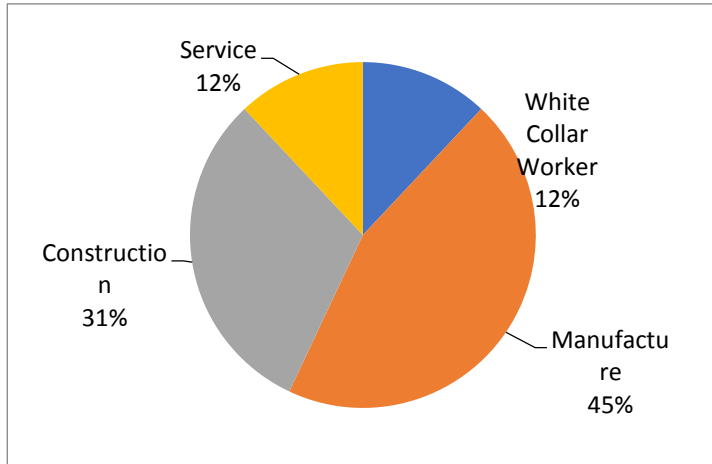
Over the years, Indonesia has always sent labor to countries that still need a large number of workers in various sectors. According to the writer's experience while in Taipei, Taiwan, many Indonesian workers work in the marine fisheries sector and nurses, both elderly nurses and nurses for medical personnel in hospitals, whereas in South Korea and Japan, the workers are mostly placed in factories as laborers because those countries still need workers for their industry to run.

One country that cooperates with Indonesia in the field of employment is the South Korea. Since the early 1990s, South Korea has begun accepting unskilled foreign workers to work in their industry sector. By sending Indonesian workers to South Korea, diplomatic relations between Indonesia and South Korea are increasingly strengthened based on the interests of both countries.

Progress in the field of industry that continues to grow rapidly is one of the factors supporting South Korea's economic growth. The shortage of labor will result in disruption of ongoing economic activities. As an industrial country, South Korea does not only require the natural resources, which most of them are imports from other countries due to the lack of natural resources in South Korea. However, South Korea also needs human resources to drive their industrial machinery. The high level of prosperity and level of education leads to a lack of available resources to work in the Dangerous, Dirty, and Difficult (3D) industry sectors. Therefore, South Korea also brings in foreign

workers. Today, there are around 15 countries that send workers to South Korea including Indonesia¹³.

Figure 3 Work Fields for Foreign Worker in South Korea



The number of foreign workers working in the South Korean industry continues to increase. In 2016, it was stated that there were around 800,000 foreign workers working legally in South Korea. Most of foreign workers are unskilled workers. According to South Korean government data in 2015, there were only around 12% of foreign workers who were white-collar workers. Usually these circles are professional workers or teachers. Meanwhile, 45% of foreign workers work in factories, 31% work at construction sites, and 12% are in the service sector industry¹⁴.

¹³ KBRI. (n.d.). *HUBUNGAN BILATERAL*. Retrieved February 15, 2019, from Kementerian Luar Negeri KBRI Seoul: HUBUNGAN BILATERAL

¹⁴ Hogan, J. (2016, Nonember 19). *Working As An Unskilled Worker In Korea: Some Hard Facts*. Retrieved February 16, 2019, from Hi

Indonesia has begun sending workers to South Korea since 1994. At that time, labor shipments were carried out through the Industrial Trainee Program. However, official shipments have only been carried out since 2004 where prospective workers must go through a series of tests called the Employment Permit System (EPS). The MOU Employment Permit System (EPS) was agreed by both countries, Indonesia and South Korea as the process of sending workers to the Government to Government (G to G) System. This agreement itself had been extended twice in 2008 and in 2012¹⁵. In 2015, it was noted that there were around 40 thousand Indonesian workers in South Korea legally. The South Korean government also made a policy on the labor quota for each country. For Indonesia, South Korea has a limit of 9,000 workers every year¹⁶. Although in 2016, the sending of Indonesian workers to South Korea was temporarily closed in some sector due to the accumulation of illegal labor.

The Head of DPR RI, Bambang Soesatyo, mentioned that Indonesia and South Korea are cooperating well in the economic field. South Korea is also one of the important partners in the economic field, especially in the investment planting sector and in reference to technology sources in the fields of heavy industry, IT, and telecommunications. From the Indonesian side, Indonesia offers natural resources and human resources sent as labor. He said that Indonesia expressed appreciation for cooperation in the field of employment, which is Government to Government between the two countries went well and hoped that closer cooperation

Expat: <http://www.englishspectrum.com/working-as-an-unskilled-worker-in-korea-some-hard-facts/>

¹⁵ KBRI. (n.d.). *HUBUNGAN BILATERAL*. Retrieved February 15, 2019, from Kementrian Luar Negeri KBRI Seoul: *HUBUNGAN BILATERAL*

¹⁶ Ibid

could increase the addition of quota for sending Indonesian workers to South Korea¹⁷.

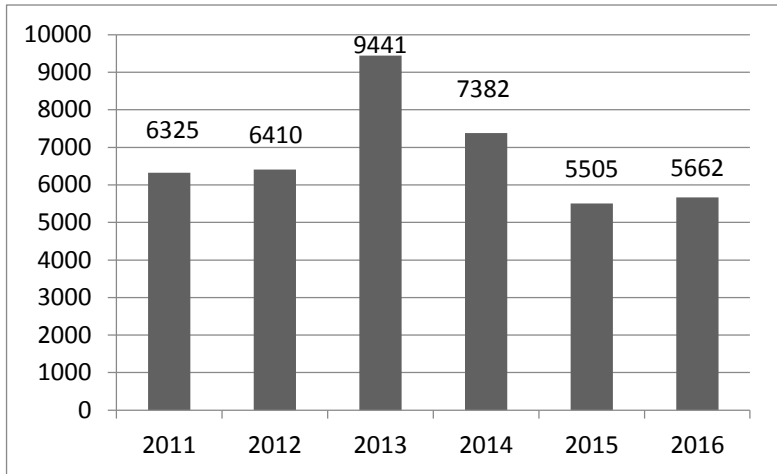
With the MOU which has been made, sending Indonesian workers to South Korea is more controlled and safer for prospective workers. At the beginning of the MOU, cooperation in sending Indonesian migrant workers to South Korea through the Employment Permit System (EPS) program was carried out by the Ministry of Manpower and Transmigration (KEMENAKERTRANS). Then, since 2007 the government has handed over the management of Indonesian labor under the auspices of a non-ministerial government agency, *Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia (BNP2TKI)*¹⁸. On the other hand, the South Korean government is carried out by Human Resources Development Korea (HRDK)¹⁹. With this, there is no involvement of the private sector in sending Indonesian Workers to South Korea.

¹⁷ Hidayat, R. (2018, September 15). *Kerja Sama Ekonomi Indonesia dengan Korea Selatan Perlu Ditingkatkan*. Retrieved February 16, 2019, from Tribun News:
<http://www.tribunnews.com/regional/2018/09/15/kerja-sama-ekonomi-indonesai-dengan-korea-perlu-ditingkatkan>

¹⁸ Marfiani. (2017). *KERJASAMA INDONESIA - KOREA SELATAN MELALUI PROGRAM EMPLOYMENT PERMIT SYSTEM (EPS) TERHADAP PENGIRIMAN TENAGA KERJA INDONESIA (TKI) KE KOREA SELATAN*. Universitas Pasundan.

¹⁹ Ibid

Figure 4 INDONESIA LABOR PLACEMENT G TO G KOREA PROGRAM 2011-2016



The delivery of Indonesian migrant workers to South Korea is in demand by many people. Many prospective workers choose South Korea as their work destination. This is evidenced by the increasing number of people interested to work in South Korea from year to year. The large number of prospective workers who want to work in South Korea is also caused because South Korea has advanced economic growth and can provide more promising salaries with other countries for low-skill workers.

However, based on data obtained from BNP2TKI, from 2011-2016, the delivery of Indonesian migrant workers to South Korea were fluctuated. In 2011 to 2013, shipments of migrant workers continued to increase. Then, in 2014 shipments dropped dramatically from 9,441 workers to 7,382. In 2015, the Indonesian government sent back 5,505 workers

and in 2016 the government sent 5,662 workers²⁰. In 2017, shipments of labor declined again becoming 1,880 workers²¹.

In order to continue increasing the number of workers to South Korea, the Indonesian government is also trying to prevent workers from leaving illegally. The Indonesian government continues to carry out socialization as a prevention of the presence of workers departing through non-procedural channels. The reason is that the officers found many prospective workers who frequently depart through illegal channel. The prospective migrant workers were secured by officers after trying to depart using a private plane at Halim Perdanakusuma Airport. It is known that they would travel to Malaysia. The Director General of Labor Inspection and Safety and Health at the Ministry of Manpower (Kemnaker) Maruli Hasoloan said that their party continues to work with the security forces to prevent workers from leaving illegally²².

The Director of the Placement and Protection of Foreign Workers at the Ministry of Manpower Soes Hindharno said that the number of Indonesia Migrant Workers departing through non-procedural paths was increasing. According to him, there are three main factors that cause this. First, it is the lack of information on employment services abroad. He considered information about the skills and knowledge needed before working in other countries was still

²⁰ BNP2TKI, D. P. (2016). *DATA PENEMPATAN DAN PERLINDUNGAN TENAGA KERJA INDONESIA TAHUN 2016*. Jakarta: BNP2TKI.

²¹ BNP2TKI, D. P. (2017). *DATA PENEMPATAN DAN PERLINDUNGAN TENAGA KERJA INDONESIA PERIODE OKTOBER 2017*. Jakarta: BNP2TKI.

²² Pratomo, N. (2017, April 26). *PENEMPATAN TKI: Korsel Masih Jadi Daya Tarik*. Retrieved February 16, 2019, from Kalimantan: <https://kalimantan.bisnis.com/read/20170426/448/648010/penempatan-tki-korsel-masih-jadi-daya-tarik>

very limited. Second, It is the limit access to information on domestic and foreign worker market. Third, many institutions of sending unofficial workers often give lure to prospective workers²³.

B. The Agreement for Sending Indonesian Workers to South Korea

South Korea in 1980s started to realize that they still need more workers to run their industries. This is because South Korea running into demography changing which give impacts to the worker availability. The aging population started to increase and made the youth generations decline. South Korea's birth rate also becomes below the OECD average. This drives South Korea to become the lowest birth rate in the world²⁴. As the writer mentioned before, the increasing of South Korea's prosperity and the number of educated population, South Korean workers are less likely to occupy low-paying, physically or dangerously paid jobs, which are often seen in local languages as dirty, dangerous, and difficult or 3D Work.

To response to this problem, in 1994, the South Korea government launched the Industrial Trainee Scheme (ITS). This program launched to recruit low-skill worker from abroad to have trainee to work in South Korea. However, there were just less than 300 workers as a trainee for two years. This program adopted from Japan's Training Programme, considering that Japan is also an industrial country that needs workers. The Korean Federation of Small Business handles the recruitment and placement of trainees

²³ *ibid*

²⁴ Government. (2008). The First Basic Plan for Immigration Policy: 2008-2012. *South Korea Ministry of Justice*, 14.

for this program²⁵. Then, in 2003, The Employment Permit System Act launched and changed the previous program to be better. The workers can get a proper contract with the company and also can get a salary based to the minimum salary amount in South Korea.

Of the 15 countries that approved the EPS program, Indonesia was also included because of its human resources to be sent to South Korea. There are several procedures for working in South Korea that must be followed. This is the procedure from South Korea Government to pick foreign workers to their country²⁶.

1. Determine important policies regarding the size of foreign worker flows and sending countries.
 - a) Negotiated and decided by the foreign worker Force Committee
 - b) The main issues are related to employment for foreign workers such as industry, size of labor flow, sending country, etc.

2. The signing of the MoU concerning the sending of labor between the Korean Government and the cooperation country
 - a) The signing of the MoU with the cooperation countries regarding the recruitment process by the Korean Government to prevent corruption related to the sending of foreign workers

²⁵ Kim, M. J. (2015). The Republic of Korea's Employment Permit System (EPS): Background and Rapid Assessment. *International Migration Papers No. 119 International Labour Office*.

²⁶ Government. (2011). *Prosedur Umum Pemilihan Tenaga Kerja Asing*. Retrieved February 26, 2018, from Kedutaan Besar Republik Korea: <http://idn.mofat.go.kr>

- b) Periodically evaluate the implementation of the MoU to determine updates.
 - c) Determine that the MoU between the two countries focusing on on the formal work sector.
3. Foreign workers who will be hired to the Korean Government
- a) Governments (selected public institutions) from sending countries choose workers to be sent based on standard objectives such as Korean language test scores and experience, where the length of time multiplied by the number of workers chosen.
 - b) Government agencies from Korea prepare a list of Prospective Foreign Workers based on the workers chosen to be sent.
4. Application for a work permit is given by the South Korea Ministry of Employment and Workforce
- a) Employers who are unable to hire local workers after trying hard (for seven days) can find it through the Employment Support Center (ESC) so that they get a work permit application to look for Prospective Foreign Workers.
5. To choose foreign workers and issue work permits granted by the South Korea Ministry of Employment and Workforce
- a) ESC recommends a number of candidates who meet the recruitment requirements from the list of Prospective Foreign Workers.
6. Signing a labor contract by the employers
- a) Employers sign labor standard contracts with selected foreign workers.
 - b) Contract terms and other terms and conditions cover salary, hours of work, vacation, workplace, etc.

- c) Employers can carry out labor contracts directly or indirectly by entrusting this matter to government institutions as representatives of the South Korea Ministry of Employment and Workforce.
- 7. Issuing a certificate of issuance of visas by employers and the South Korea Ministry of Justice
 - a) Employers send the working permits and labor standard contracts, while the South Korea Ministry of Justice issues a visa issuance certificate. The employer is represented by a Korean government institution appointed to regulate the receipt of the foreign worker.
- 8. Acceptance of Foreign Workers by employers
 - a) Employers send certificates of issuance of visas to foreign workers, then visas for workers are issued by the embassy, and foreign workers may enter Korea.
 - b) Foreign workers who enter Korea must complete a job training course provided by an institution designated by the Korean Government.
- 9. The process of managing job for foreign workers is carried out by the South Korea Ministry of Employment and Workforce and the placement of residences for foreign workers is carried out by the Ministry of Justice.
 - a) Providing consultations on complaints and free training services by the South Korea Ministry of Employment and Workforce, Agency for Representatives of the Ministry of Manpower, Industry Associations, etc
 - b) Allow foreign workers to move to other workplaces if there is a problem with the company, such as closing business due to bankruptcy or because the company is closed

by the authorities, and if there is a payroll delay.

- c) Strict control over the stay of foreign workers through strong immigration management and by organizing an integrated work system between the South Korea Ministry of Justice and the Ministry of Employment and Workforce.

In this system, the stakeholders which are the government of both countries continue to supervise the delivery of worker. In South Korea, the government also has to manage the worker placement with the company which selected the workers. The number of workers also depends on the number of needs of the company. With the availability of foreign workers, the South Korean economy can still continue until this day. The foreign workers also took a part in the development of South Korea's economic growth which now becomes an economy big player in the world.

South Korea is one of the largest economic players in Asia. The important major in their economy is the exporting activities. According to World Bank in 2011, South Korea made up the exports become 53% for their economy. That rate became one of the highest rates globally²⁷. Therefore, the migrant workers to South Korea also have an important role in the increasing of economic rates for their country.

South Korea uses Employment Permit System (EPS) to manage the foreign workers to get a job in South Korea. The agreement of EPS between South Korea and the other countries including Indonesia was made to continue better cooperation in the field of labor to increase transparency and

²⁷ Naidu-Ghelani, R. (2012, July 23). *South Korea's 10 Biggest Companies*. Retrieved February 26, 2019, from CNBC: <https://www.cnbc.com/2012/07/23/South-Koreas-10-Biggest-Companies.html>

efficiency in the process of sending Indonesian workers to South Korea²⁸. With the EPS agreement, as mentioned before, the foreign workers can get a better contract with the company and also can get a proper salary according the minimum wages standard in South Korea. In the MOU between Indonesia and South Korea, there are some important things in EPS²⁹:

1. By recruiting Indonesia migrant workers, they are protected by the G to G agreement, where South Korea has signed this MoU with 10 countries and with five other new negotiating countries;
2. EPS is managed by the government, but the company or job providers still choose their own workers for them;
3. The permission to work is for three years but can be extended for 1 year 10 months, to 4 years 10 months. Workers can return to work in Korea with the same duration of time if they can fulfill the requirements;
4. Family members are not permitted to join workers;
5. Besides the company-specific restrictions, Indonesian labor migrants are protected under the same labor standard laws as local workers. They have the right to get guaranteed minimum wages, to form and join trade unions, with collective bargaining and joint action;
6. EPS guarantees the basic rights of migrant workers, where the application of the law is the same labor law as Korean workers. The existence of labor standards

²⁸ Government. (2004). MoU Kementerian Tenaga Kerja dan Transmigrasi Republik Indonesia & Kementerian Pekerjaan dan Tenaga Kerja Republik Korea.

²⁹ Marfiani. (2017). *KERJASAMA INDONESIA - KOREA SELATAN MELALUI PROGRAM EMPLOYMENT PERMIT SYSTEM (EPS) TERHADAP PENGIRIMAN TENAGA KERJA INDONESIA (TKI) KE KOREA SELATAN*. Universitas Pasundan.

laws, minimum wage laws, workers' safety, and health laws;

7. Indonesia Foreign workers are entitled to the same benefits including insurance compensation. South Korea in its national legal provisions also regulates equal treatment for foreign workers in the form of several insurances:
 - a. Departure guarantee insurance for severance pay (departure guarantee);
 - b. Insurance guarantee for an overdue wage (guarantee of salary delay);
 - c. Return cost insurance for return tickets to work origin countries;
 - d. Casualty insurance, including health insurance (industrial accident insurance, labor insurances, and national health insurance) and deaths that are not related to legal workers or illegal workers.

Indonesia has many human resources which are still many of them unemployed. Besides, many of them also have no skill because of inadequate education. The chance to work in South Korea with no skill and proper salary pulls people to come to South Korea for getting a job. In other side, South Korea which also has problem about the lack of human resources can be helped by the delivery of workforces from the other countries to run their industries. Therefore, the economy condition also can keep running.