Contemporary Issues in the Transition from a Homogeneous to a Multi-cultural Society in Korea

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Notes: It is recommended that this paper not be quoted, since it is not an original academic paper, but rather an English introduction of many ideas developed among Korean academic and the Basic Foreigners’ Policy Plan prepared by the Korean government.
Abstract

This paper is aiming at explaining current population issues in Korea such as aging problems and foreigners’ policy to deal with them. Recent studies show that Korea became an aging society in 2000, and is expected to become an aged society in 2018. Since it is unrealistic to return to a constantly growing population society again in the future, Korea should accept at least replacement migration. This paper suggests, however, that Korea should rather adopt a very aggressive foreigners’ policy not only to solve Korea’s current population issues, but also to actively initiate a multicultural society. This paper also intends to discuss how to minimize cultural shock and conflicts caused by immigration, and how to make a successful proposal for multicultural family support policy at the same time.

Jong Won Lee

was born in Korea, and graduated with a Ph.D. in Economics from Indiana University in 1978. He taught at Indiana University and Yale University, and is presently teaching at Sungkyunkwan University, Seoul, Korea. He has been a visiting professor / scholar / fellow at George Washington University (Fulbright Fellow), Stanford University and Yale University (Fulbright Senior Lecturer). He has worked primarily on the Korean Economy, International Economic Issues, Transformation Economies, Korean Unification Issues, and Econometrics. He has served as the founding editor of the Journal of the Korean Economy, president of the Korean Economic Association, president of Association of the Korean Economic Studies, president of the Korea Association of Applied Economics, and is now serving as president-elect of Korea Social Science Research Council. He has published more than a dozen books such as ‘Success and Failure of The Korean Economy’ which has been translated into three other languages, i.e., English, Chinese, and Russian.
I. Emergence of a Multi-cultural Society

The Korean National Statistical Office (KNSO) recently released the news that Korea’s population will record a peak in 2018 (49,340,000 persons) and then begin to decrease thenceforth. In 2050, the total population is expected to witness a decrease of as large as 6,410,000 persons, and the rank of Korea's population will descend from the 26th to the 46th in the world. This is most likely to weaken its national power accordingly.

The KNSO report also shows a dismal future prospect of Korean society. To be specific, in 2050, the population structure will take the shape of a completely reversed triangle: The ratio of 65 or older age group will be as high as 38.2%, while that of 14 or younger age group will be as low as 8.9%. Every 1.4 economically active men will have to support one elderly. We can hardly imagine their financial burdens. This also means that the aged would not be able to receive appropriate social welfare benefits.

On the other hand, such a trend will undoubtedly weaken the social vitality of Korea. Businesses will suffer from the lack of demand. Further, young generations, in particular, will be loaded with even heavier burden. They may, for example, have to serve longer in the army, and even females may have to share the military service. Otherwise, Korea may have to hire mercenaries from abroad.

There was a more astonishing report made by Paul Hermit, the founder of AGE, in his public address in Korea. According to his calculation, Korea's population, unless its fertility rate is changed, will be less than one third of that of today by the end of 2100. He forecasted that there will be only 1.4 million Koreans left in the world in the year of 2200, and Koreans will disappear completely in 2800, if the current trend is continued. Although his prediction is simply based on mathematically simulated calculation, and thus seems unrealistic, it is still enough to strike a serious warning against the future of Korean society.
The only solution to this dismal future is then to increase the population by all means. Above all, the government needs to increase financial support significantly for child birth, child care and education in order to boost fertility rates. An increase in the birthrate is, however, not probable, as were witnessed by several advanced nations' experiences. Neither the U.K. nor Germany has been successful in this endeavor. France, a nation known as the most successful in preventing decreased birth rate, simply manages to maintain a constant level of population. The U.S., of course, has experienced a higher birth rate than needed to keep the current population level. It should be noted, however, that this owes itself largely to high fertility rates of Asian and Hispanic immigrants. In this regard, for Korea, it needs to open its door wider for different nationalities either to work there or to acquire Korean citizenship, although foreign residents in Korea have already exceeded one million. In the meantime, it is understood that now is not a good time to launch such a policy extensively, considering the current economic situation—depression and high unemployment. Establishing a truly multi-racial or a multi-cultural society seems to be inevitable, though, thereby gradually ending its long tradition of a single-raced nation.

II Policy Principles and Visions for the Problems of Foreigners.

The Korean government established basic policy plans for aliens in December, 2008. Those were prepared based on the recognition that Korea needed to form basic policy principles in order to deal with its fast aging problem, globalization trend and the arrival of knowledge and information society.

In 2000, the population share of the 65 or older age group reached a 7.2% level, pushing Korea into an aging society. What is worse is that the speed of aging in Korea is one of the fastest in the world. The ratio of the old is expected to reach 18% in 2018, and 20% in 2026 (see table1). This implies that Korea will be an aged society and ultra-aged society in 2018 and 2026 respectively (see table 1).
On the other hand, the ratio of the labor force in relation to total population was 71.7% in 2005, but estimated to decrease down to 64.8%, and 53% in 2030 and 2050 respectively. If Korea is to maintain a sustainable economic growth, it should establish an appropriate policy to cope with this aging problem.

The immigration policy is one of the imminent issues in this regard, since it is unrealistic to expect a constantly growing population in the future. The UN estimated that Korea should accept replacement migration, 216,000 persons annually during the 2025-2050 period in order to maintain the 2020 labor force level i.e., 36 million persons.

Migration has increased recently along with the globalization trend. More migrating workers have been crossing borders than ever before in both aging and non-aging societies. And such a trend is expected to be expedited especially when GATS (General Agreement on Trade and Services) Mode 4 is sealed by WTO.

The opening of the WTO era put every country under unlimited competition, and thus forced them to invite talented knowledge workers from abroad. The U.S. initiated a ‘preference system’ while Canada and Australia adopted a ‘point system’ in this regard.

Such environments stated as above have influenced Korea to prepare short and long-term plans for a foreigners’ policy, and prepare for a multi-cultural society. The emergence of a multi-cultural society is a new and a shocking phenomenon, since Korea has maintained a single-raced society throughout its whole history.

Korea's foreigners’ policy is two-fold. Firstly, it aims at pursuing national strategy to transform Korea into a nation which can absorb global talents of world class technology and capital. At the same time, it will be pursued as medium and long term plans, considering the fact that it determines Korea's future population structure, and that its social impacts will be immense.
To this end, Korea plans to execute an orderly open-door policy in such a way as to strengthen national competitiveness and to minimize consequent probable adverse effects such as an increase in the number of illegal foreign residents and related crimes. At the same time, Korea plans to build a successful multi-cultural society where human rights are appropriately preserved.

Korea's 2008 Foreigners’ Policy Plan suggested the following four policy objectives

① Strong national competitiveness through open immigration

② High quality social integration

③ Orderly immigration administration

④ Protection of foreigners’ human rights.

Basic directions for foreign labor force and immigration policy can be summarized as in Figure 1.

Ⅲ Non-immigration Policies

There are three different utilization measures which can be mobilized without immigration issues. The first is to utilize foreign labor force on a short-term basis, either of lower or higher levels of skill. Three kinds of invitation system for low-skilled foreign laborers have been practiced, i.e., ‘industrial trainee program’, ‘work-permit program’ and ‘working allowance program for visitors’. The industrial trainee program was the first introduced, but was replaced by the legal work-permit program due to such side-effects as illegal runaways for other jobs or for longer stay, and poor human right protection practices for foreign trainees. The legal work-permit system is surely an improvement over the industrial trainee program. Due to the lack of infrastructure, however, illegal stay of foreigners has not been under control. In order to complement the second program, Korea initiated a 3-year temporary work-permit system targeting Korean residents outside Korea such as Korean
Chinese, and Korean Russians in March 2007. This program turned out to be least problematical, although exploitation by marriage mediation agencies has been often reported. The third program is transient at best by nature, and thus cannot be extended to a larger scale.

On the other hand, the short-term measure for utilization of high-skilled professionals or technicians has not been successful, since Korea still remains as an unattractive place to work due to uncomfortable working conditions. Table 2 shows the current status of this program.

The second social utilization measure has been prepared for Korean residents outside Korea. There are approximately 7 million Koreans living abroad. They are 4 million in Asia, 2.34 million in Europe by regions and 2.76 million in China, 2.02 millions in the U.S., 890 thousand in Japan, 530 thousand in Common Wealth of Independent States and 220 thousand in Canada by countries. The Korean government has practiced a work-permit system for them, but its outcome is far beyond success.

The last and third utilization measure has been taken for foreign students in Korea. Specific policy measures, however, have not been prepared yet.

IV. Immigration Policies

1. Feasibility and Limitations of Immigration Policy

Another measure to cope with aging and the diminishing labor force problem is to encourage immigration. It will definitely give immediate and potent impacts on making up the aging problem.

Studies released by the OECD (2001), Tapinos(2000), and the U.N.(2000) are, however, disappointing. In spite of the short-term positive effects, immigration is believed to be unable to provide an ultimate solution unless the immigration permits are given on a very large scale. It is, however, obviously unrealistic for Korea who as a single-raced nation has no experience of massive immigrants to tolerate such politically and socially drastic changes,
since emotionally strong opposition can be easily anticipated. It is most likely that the
general public may show so negative attitudes that it will be difficult to reach social
agreements on immigration policies. Of course, business firms may show positive attitudes
toward incoming immigrants while labor unions reveal strong protests. All in all, the
immigration policies will be a hot issue as the aging trend speeds up. In any case, it should be
noted that advanced nations have pursued aggressive immigration policies competitively in
order to acquire high-skilled professionals, and to prevent brain drain,

2. Environments for Immigration Policy Promotion

Although emotional opposition is anticipated against immigration in Korea due to the
probable arrival of intolerable social disorder, prejudices against foreigners have been
mitigated, while many Koreans were observing around them international marriages and a
rapidly increasing number of foreign residents. On the other hand, the foreigners-
employment management system remains inefficient in Korea in spite of the fact that four
years have already passed since it was enacted (see table 3 as an example). Even specific
statistics on foreign workers are neither fully tabulated nor easily available, thus making
immigration policy difficult to be pursued efficiently.

Another factor which may hinder establishing immigration policies is the existence of huge
number of Koreans living outside Korea. Claims can be made easily that Koreans abroad
should be given more chance to work in Korea than foreign nationals. It will not be easy to
disregard such claims.

One last factor that needs to be considered is the probable utilization of refugees from North
Korea. The immigration policy issue should thus be pursued as a long-term task, taking the
future unification issue into consideration.

3. Directions for Immigration Policy
Non-immigration policy can be practiced easily prior to the enactment of immigration policy. Korea, however, needs to determine soon when and how to initiate the immigration policy which takes not only future population structure and national competitiveness issues but also its political, social and cultural peculiarities such as huge size of Korean residents outside Korea and refugees from North Korea into account. It is advised that Korea start with the invitation of high-skilled professionals who can contribute to enhancing the standard of Korean society.

Of course, such a program should be exercised discreetly by considering various domestic demands which include age, education, professional career, achievements in the related area and so on. The ‘Point system’ in the U.K. and the ‘preference system’ in the U.S. can serve as excellent models.

It may be realistic for Korea to expect to employ only medium- or low-skilled workers for the time being, since the whole payment level and living environments remain to be improved substantially. Korea thus needs to do its best to make the nation attractive to foreign nationals by building a globalized society along with further economic and social development. Such an effort will pave the way for opening a true global society.

V. Minimization of Cultural Shock and Conflicts Caused by Immigration

In order to successfully launch immigration (and non-immigration) policies, thereby to solve aging issues and to enhance national competitiveness, Koreans should learn how to get along with other races by changing their perceptions on people with different cultural backgrounds (see table 4 for reference).

Koreans going abroad outnumber incoming foreigners, although there has been an increase in the number of foreign residents in Korea. Koreans should keep Korean residents overseas in mind, whenever they have to deal with immigration policies.
More importantly, Korea has to pay careful attention to human rights of foreign residents. To this end, Korea should develop effective protection programs for foreign nationals so that they can be free from delayed payments, physical assaults, illegal confinements, or frauds. In addition, Korea needs to develop a composite support service system for foreigners who especially live in groups. A hearing committee for grievance or mental suffering can be a part of the program. Operation of internet portal sites to provide needed information in different languages can be another (see table 5).

Lastly, Korea should make continuous systematic research and investigation on economic activities and life of foreign residents to provide useful information and data base which may contribute to evaluation and improvement of a foreigners’ policy. Attention should be paid at the same time to make periodic investigations of Koreans’ perception and attitudes toward foreign nationals.
Appendix

A Proposal for Multicultural Family Support Policy

1. The Present Situation

(1). International Marriage Trend

● International marriage has increased due to urbanization, globalization and sexual imbalance.

● Increasing rate has escalated since international marriage brokerage was introduced on a commercial basis in 2003, while the rate began to be lowered since marriage between Koreans and Korean Chinese began to replace international marriage in 2006.

● Rate of international marriage(KNSO) : 4.8%(`01) → 8.4%(`03) → 13.6%(`05) → 11.1%(`07)

● International marriage is expected to decrease gradually due to mitigation of sexual imbalance and economic development in home countries (see table 6).

(2). Characteristics of Multi-culture Family

● Low-income rural area male dwellers (mostly farmers) who could not find wives inside of Korea began to marry females mostly from China and South East Asia who hoped to make financial support for their family members at home through international marriage.

: China (4.9%), Vietnam(22.7%), Cambodia(6.2%), ---

: Approximately 40% of farmers married foreign females.

: Multi-culture families suffered from poverty, family conflicts and children`s education problems.

(3). Polices on Multi-culture Family
Polices have been prepared since 2006 for multi-culture family
Support system for social integration of married immigrant families was established by a coalition body of 14 government offices in April, 2006.
In June, 2008, ‘Regulations on Management of International Marriage Brokerage’ was enacted.
And in September, 2008, the law to support multi-culture families was promulgated.

2. Problems Emerged

(1) Fragile Foundation for Stable International Marriage
- Rapid completion of marriage contract through commercial brokerage (only 4~7 days were allowed between first introduction and honeymoon).
- Serious social problems due to disguised marriage, supply of false information, and frauds
- Family crisis due to difference in languages and cultures, lack of understanding between husbands and wives, etc.
- Increase of social welfare costs due to dissolution of families, children’s inability of social adaptation and insufficient ability of self-support
- Increase of divorced couples (8,828 couples divorced in 2007, which is an increase of 40.6% compared to the previous year).
- Increase in the number of low income families (52.9% of multi-culture family belongs to minimum living-cost family category, while only 13.7% could receive welfare support from government in 2005).

(2) Insufficient Policies
- Basic and long-term composite policy has not been established.
• Cooperation among government offices, local governments and citizens’ groups has been insufficient.
• Multi-culture family support system has focused only on early adaption programs.

(3). Proposals and Future Policy Promotion Plan

• To specify objectives of multicultural family policy, and establish a long-term strategic promotion plan so that both individual happiness and national interest can be attained simultaneously.
• To devise systematic and effective multicultural support programs with cooperation among government offices, local governments and citizens groups.
• To build a social composite multicultural family support system in such a way that government can provide national minimum service for language acquisition, social welfare and manpower training.
• To provide Life-cycle Custom Service for Multicultural Family

① Before the formation of a multicultural family
- Supervision of international marriage brokers
- Provision of appropriate information on Korea
- Consultation and training service for future members of multicultural family

② After the formation of a multicultural family
- Korean language education
- Child-birth support
- Provision of needed composite information
- Translation and interpretation service

③ Period for settling-down and children’s education
- Participation in community social activities
- Support for children’s education

④ Period for capability strengthening
- Enhance competitiveness in job search
- Train multicultural family community leaders
Table 1 Population Structure by Ages in Korea  

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0~14</td>
<td>21.1</td>
<td>19.2</td>
<td>16.2</td>
<td>12.7</td>
<td>12.4</td>
<td>11.7</td>
<td>11.4</td>
<td>8.9</td>
</tr>
<tr>
<td>15~64</td>
<td>71.7</td>
<td>71.7</td>
<td>72.9</td>
<td>72.9</td>
<td>72.0</td>
<td>67.5</td>
<td>64.4</td>
<td>53.0</td>
</tr>
<tr>
<td>65~</td>
<td>7.2</td>
<td>9.1</td>
<td>11.0</td>
<td>14.3</td>
<td>15.6</td>
<td>20.8</td>
<td>24.3</td>
<td>38.2</td>
</tr>
</tbody>
</table>


Table 2 Foreigners in Korea as of July, 2008

<table>
<thead>
<tr>
<th>Total</th>
<th>Foreign Labor Force</th>
<th>Spouses and Students</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professionals and Technicians</td>
<td>Non-professionals</td>
</tr>
<tr>
<td></td>
<td>Work-Permits</td>
<td>Korean Residents Outside Korea</td>
</tr>
<tr>
<td>1,156,287 (100)</td>
<td>35,291 (3.05)</td>
<td>150,840 (13.05)</td>
</tr>
</tbody>
</table>

Note: Numbers in parentheses are ratios in %.

Table 3 Foreign Students and Their Employment Rate

<table>
<thead>
<tr>
<th>year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Foreign Students</td>
<td>7,288</td>
<td>9,705</td>
<td>14,407</td>
<td>20,683</td>
<td>30,101</td>
<td>41,780</td>
</tr>
<tr>
<td>Number of Foreign Students Employed</td>
<td>9</td>
<td>17</td>
<td>16</td>
<td>45</td>
<td>119</td>
<td>235</td>
</tr>
<tr>
<td>Employment Rates (%)</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Table 4 Koreans’ Perception on Multi-culture Education based on the study by Yong Dal Cho(2008)

<table>
<thead>
<tr>
<th>Questions</th>
<th>Average Score</th>
<th>④ + ⑤ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help maintaining original culture of multi-culture family</td>
<td>3.27</td>
<td>40.5</td>
</tr>
<tr>
<td>Parents’ participation in multi-cultural programs in school</td>
<td>3.49</td>
<td>45.1</td>
</tr>
<tr>
<td>Advantages for multi-culture family children in college entrance and job search</td>
<td>3.31</td>
<td>42.4</td>
</tr>
<tr>
<td>More care for multi-culture family students by teachers</td>
<td>3.13</td>
<td>37.5</td>
</tr>
<tr>
<td>More tax to finance multi-culture family support</td>
<td>2.84</td>
<td>28.9</td>
</tr>
</tbody>
</table>

⑤ S. A. ④ A. ③ I. ② D. ① S. D.
Note: Koreans who have multi-culture family neighbors are more supportive on tax issues than those who have not.

Table 5 Accident and Mal-treatment of Foreign Employees

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>60.7</td>
<td></td>
</tr>
<tr>
<td>Verbal Assaults</td>
<td>21.7</td>
<td></td>
</tr>
<tr>
<td>Passport Detention</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Industrial Accidents</td>
<td>8.7</td>
<td></td>
</tr>
<tr>
<td>Delayed Payment</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>Injuries Outside of Workplaces</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Physical Assaults</td>
<td>1.7</td>
<td></td>
</tr>
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</table>

Source: Ministry of Labor (2007)

Table 6. International Marriage Trend

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>Total Number of Marriages(A)</td>
<td>320,063</td>
<td>306,573</td>
<td>304,932</td>
<td>310,944</td>
<td>316,375</td>
<td>332,752</td>
<td>345,592</td>
</tr>
<tr>
<td>Number of International Multi-culture</td>
<td>15,234</td>
<td>15,913</td>
<td>25,658</td>
<td>35,447</td>
<td>43,121</td>
<td>39,690</td>
<td>38,491</td>
</tr>
<tr>
<td>Families(B)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>B/A(%)</td>
<td>4.8</td>
<td>5.2</td>
<td>8.4</td>
<td>11.4</td>
<td>13.6</td>
<td>11.9</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Source: KNSO (2007)

Table 7 Hardships of Living in Korea

<table>
<thead>
<tr>
<th>Classification</th>
<th>Loneliness</th>
<th>Cultural Difference</th>
<th>Child Education</th>
<th>Economic Problems</th>
<th>Language Problems</th>
<th>Family Conflicts</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Samples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,044</td>
<td>23.2%</td>
<td>15%</td>
<td>14.7%</td>
<td>11.4%</td>
<td>11.8%</td>
<td>3.7%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Table 8 Truthfulness of Prior Marriage Information on Korean Husbands

<table>
<thead>
<tr>
<th></th>
<th>Individual Recommendation (460)</th>
<th>Brokers (119)</th>
<th>Religious Group (142)</th>
<th>Direct Meeting (150)</th>
<th>Others (52)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>26.3</td>
<td>27.7</td>
<td>23.9</td>
<td>34.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Agree</td>
<td>33.9</td>
<td>16.8</td>
<td>31.0</td>
<td>26.7</td>
<td>30.8</td>
</tr>
<tr>
<td>Indifferent</td>
<td>18.9</td>
<td>11.8</td>
<td>28.2</td>
<td>14.0</td>
<td>23.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>12.8</td>
<td>11.8</td>
<td>7.7</td>
<td>13.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>8.0</td>
<td>31.9</td>
<td>9.2</td>
<td>2.0</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Note: Numbers in parentheses are sample sizes

Source: Korean Ministry of Health, Welfare and Family Affairs, 2005
Figure 1  Basic Policy Directions

Aging & Globalization

Policy Background

Policy Objectives

Use of low and medium level skilled workers

Use of high professional and skilled

Minimization of social and cultural shock from immigration

Policy Means

Early settlement of work permit system for foreigners

Use of Korean Residents in LDC's

Use of refugees from North Korea

Use of Korean Residents in developed countries

Use of foreign students in Korea

Gradual and discretionary
Figure 2  Proposed Service Promotion System

Central Cooperative System

Foreigners' Policy Related Committees

Korean Language T/F

Children's Support T/F

Information Provision T/F

Manpower Training T/F

Local Cooperative System

Multicultural Family Support Center

College

NGO

Social Welfare Office

Lifetime Education Center

Others

MCCD Center

Multicultural Families