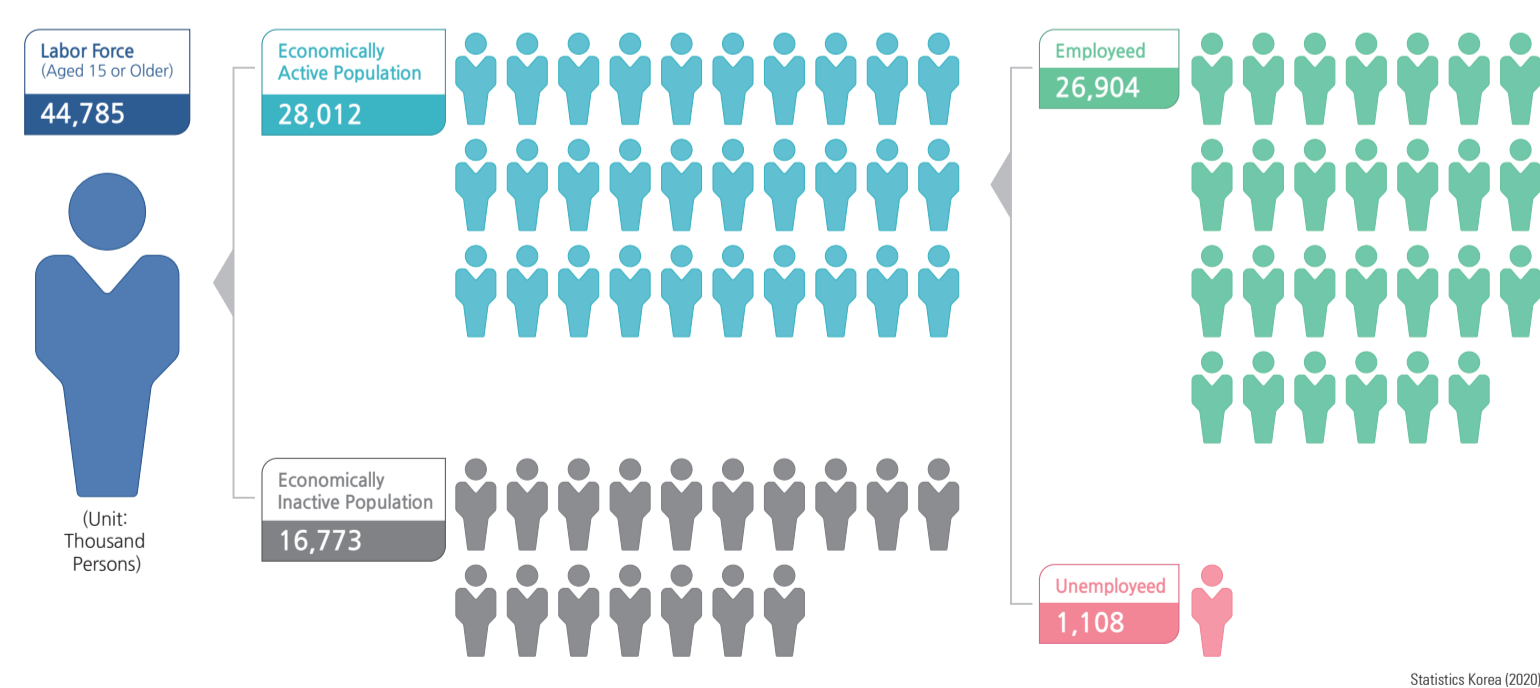


Labor refers to any work performed by humans, including all operations in the agriculture, manufacturing and service industries that generate employment. The analysis of employment will reveal information about human resources and the status of labor market activities. It is important to monitor the growth and decline of the labor market, which directly impacts household income.

The Korean economy after the Korean War can be characterized by the processes of industrialization, service economization, globalization, and knowledge-based informationalization. Until the 1960s, the Korean economy was classified as a typical less developed economy that was largely based on its primary industrial sector. Since then, with strong government initiatives to industrialize the country, the manufacturing sector has grown rapidly and provided more jobs for young and middle-aged employees. Although the manufacturing industry started to slow down after it reached its peak in the 1990s, the service industry experienced steady growth, and the Korean economy eventually became mostly service-oriented. Subsequently, several employment changes have been made in the labor market following the change from the manufacturing industry to the service industry. As there was more demand for an intellectual labor force than a physical labor force, the demand for higher education in employment increased. While domestic workers avoided physical labor in manufacturing jobs, more foreign workers found jobs in the manufacturing sector. Increased employment in the service sector resulted in more female employees participating in economic activities, particularly as more women obtained higher



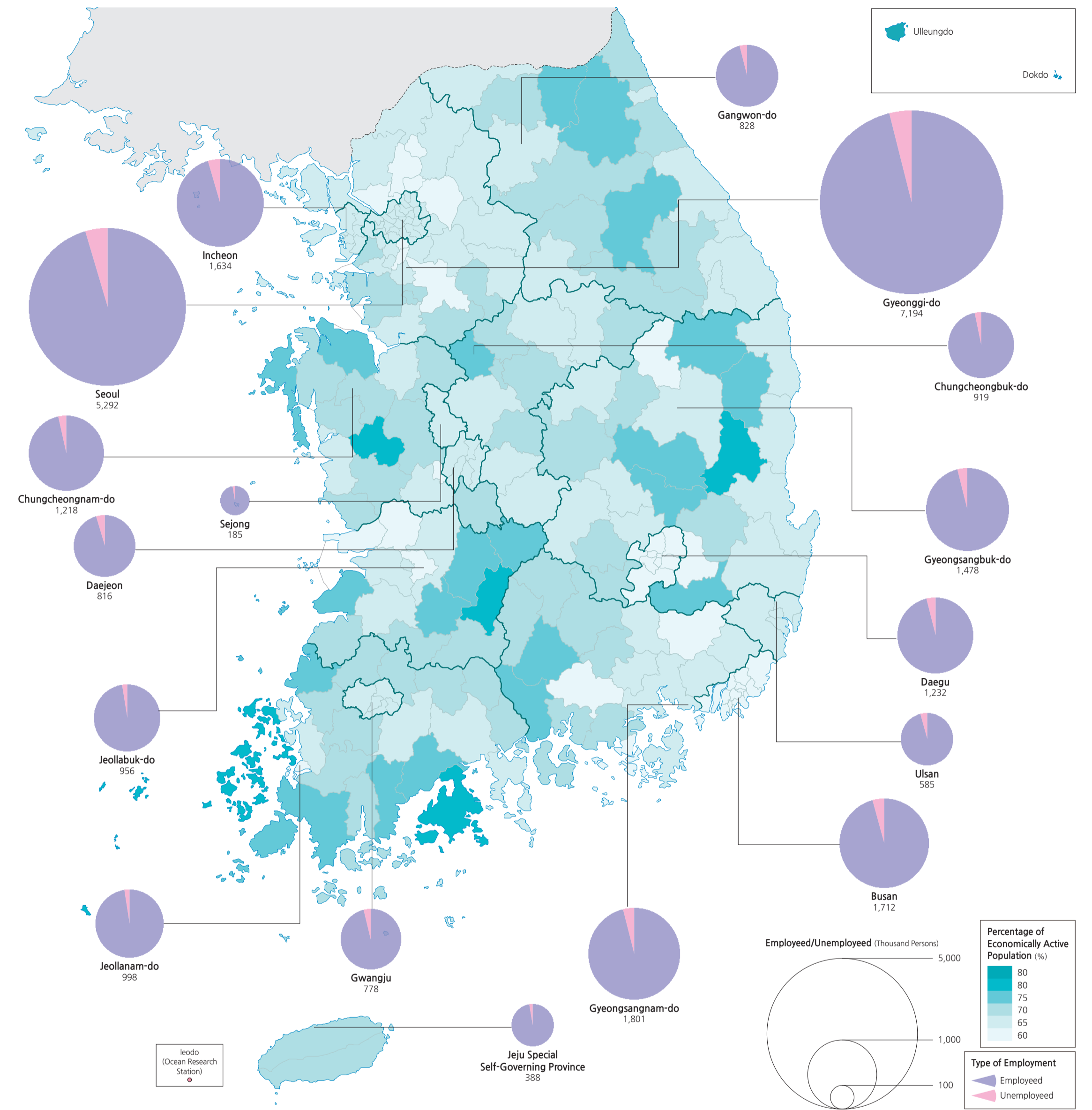
education degrees. As a result, the rate of female employment has increased in professional, technical, and management positions. During the 1990s, Korea's active participation in globalization, advanced communication skills, and faster flow of information coupled with knowledge combined to gain new growth motivations that accelerated the rate of higher education among employees.

The average age of employees has increased since 1983 when the crude birth rate, which remains low, fell below 2.1. A higher

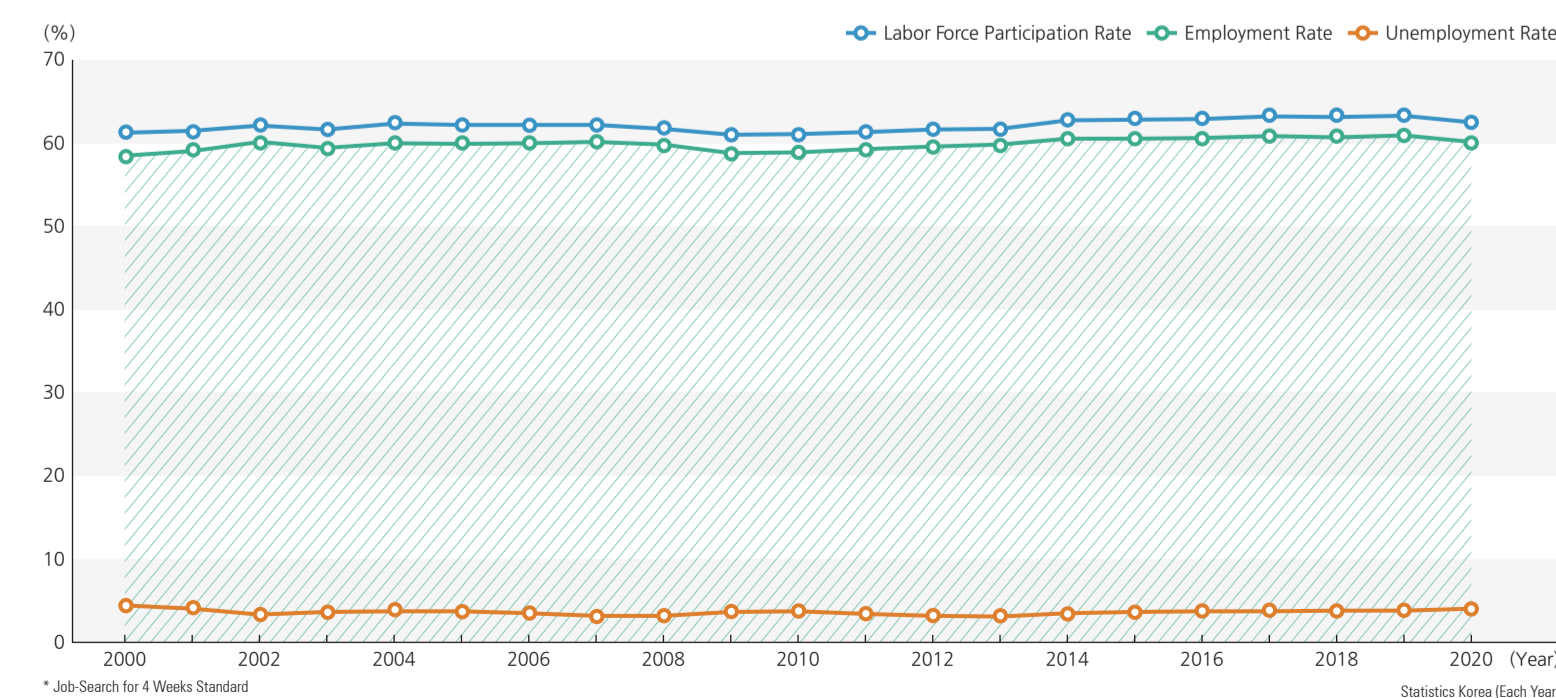
unemployment rate for young workers became a social issue. In recent years, employment prospects have become pessimistic as investors' confidence has shrunk due to the worldwide economic crisis and the consequential slow rate of economic growth. The Korean government has made multi-faceted efforts to provide good quality employment opportunities for both young and mature employment seekers.

Employment and Unemployment

Employment and Unemployment (2020)



Changes in Labor Force Participation Rate, Employment Rate, and Unemployment Rate (2000-2020)

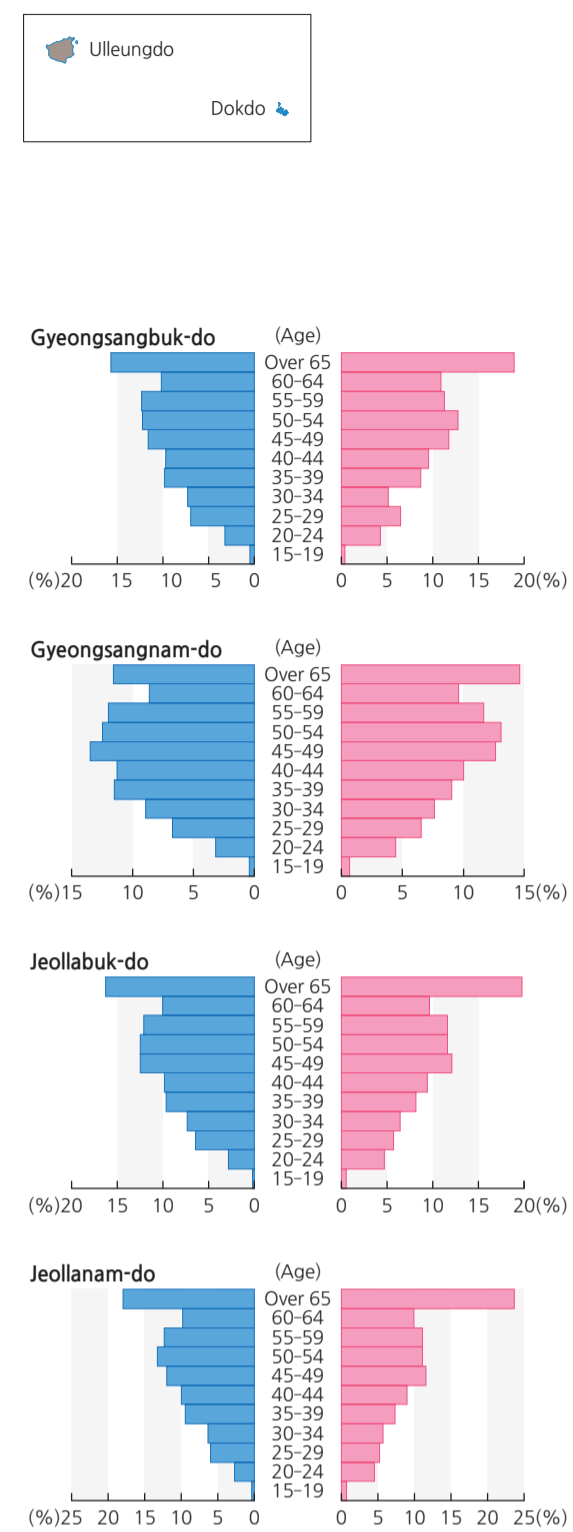
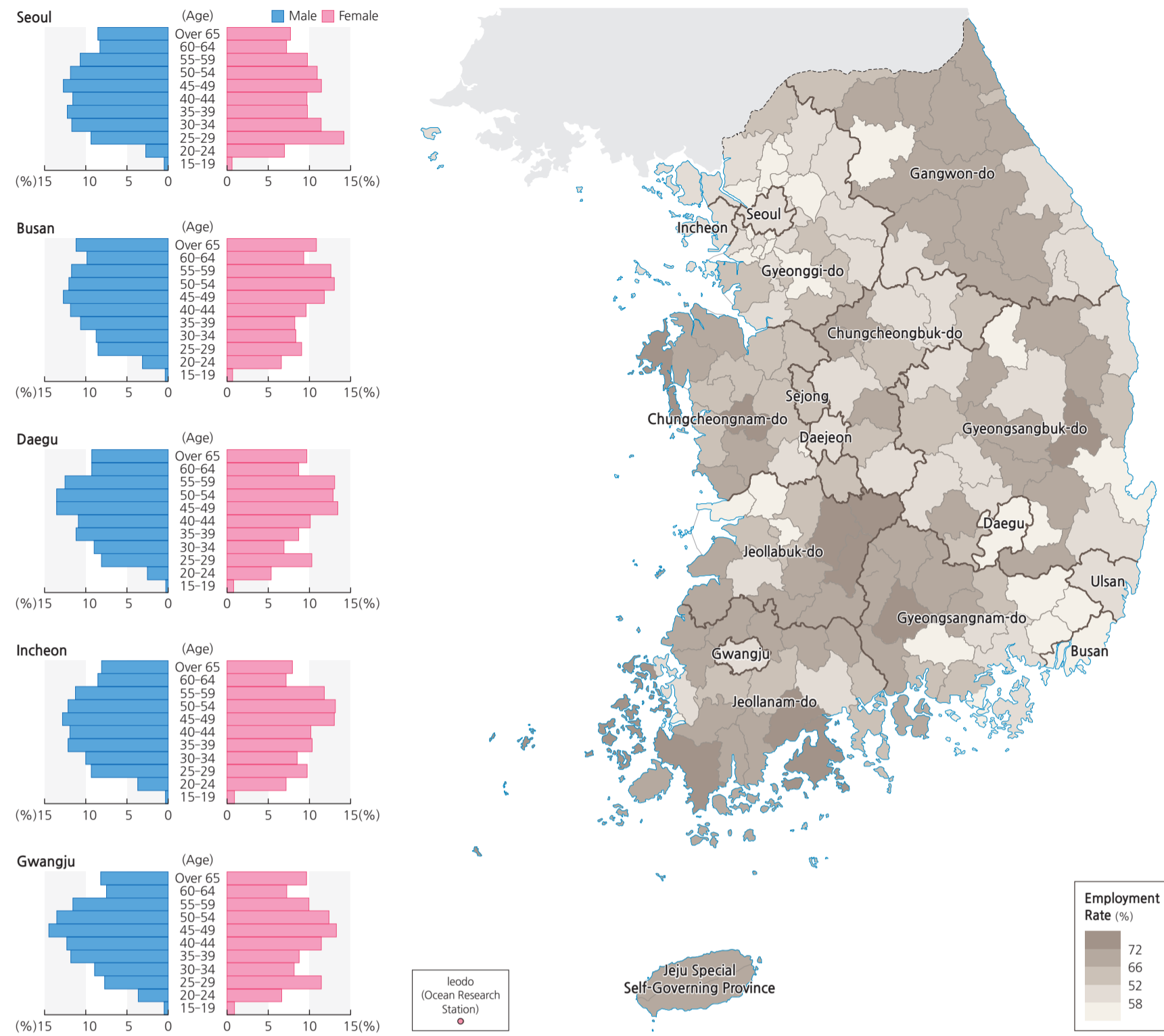


As of 2020, the total employable population over 15 was about 44.8 million. Of that, the economically inactive population, those not actively searching for jobs for reasons such as child-rearing, homemaking, being in school, national defense, or any other social reason, was 16.8 million. Therefore, the economically active population that is currently employed or actively searching for jobs was 28.0 million. In 2000, the economic activity rate was 61.5%, and it has remained steady at around 60 to 63%. The overall economic activity rate has remained higher in the larger metropolitan areas due to the higher demand for employment.

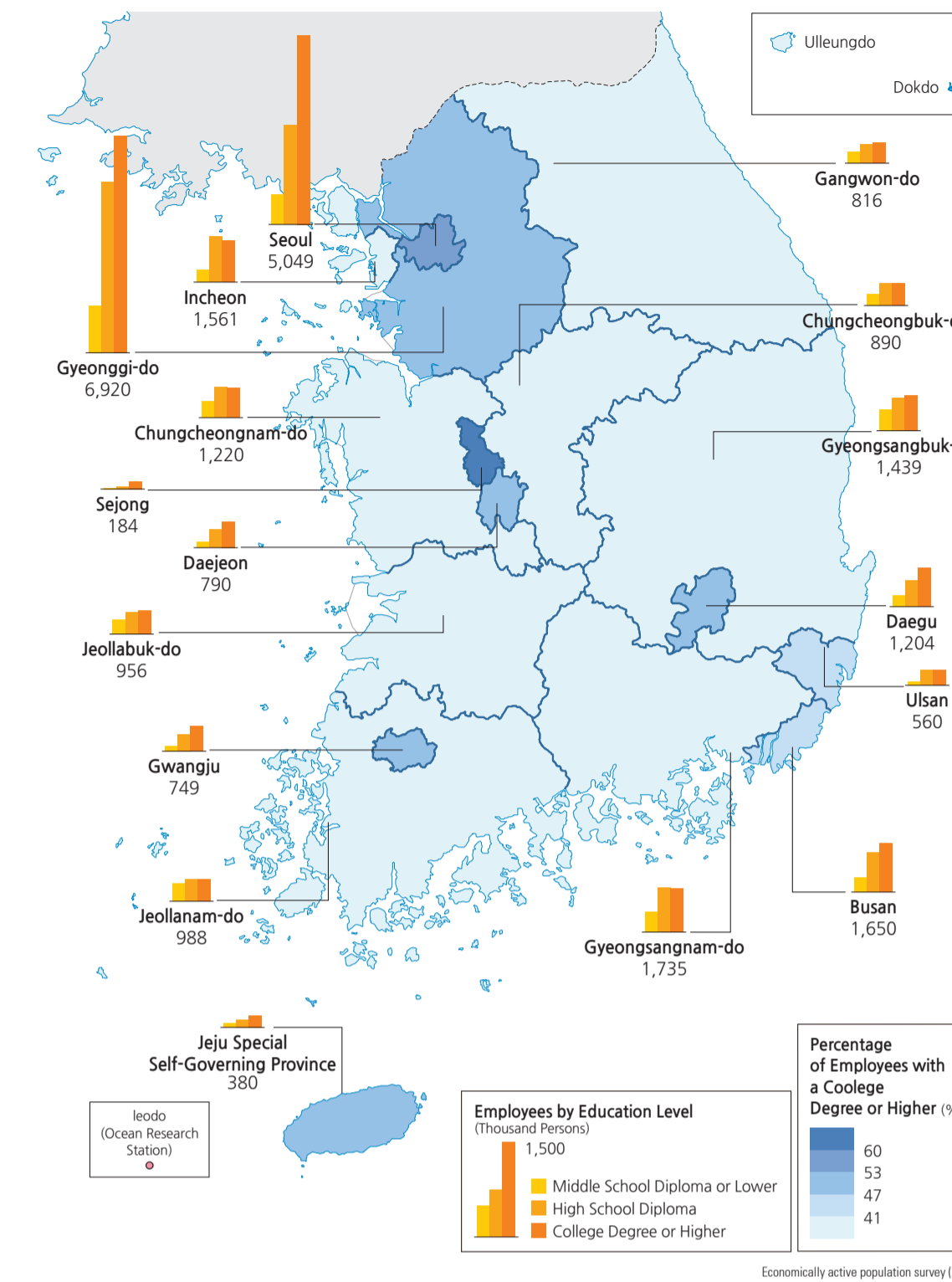
The economically active population can be divided into employed and unemployed people. In 2020, the employed population was 26.9 million, while the unemployed population was 1.1 million. During the economic crisis, the employment rate (based on the total employable population over 15) fell to 56.7% in the late 1990s but gradually recovered to the previous level, reaching 60.1% in 2020. On the other hand, during the economic crisis, the unemployment rate (the ratio of unemployed people to the total economically active population) reached 6.3% but had fallen to 4.0% by 2020.

Employment

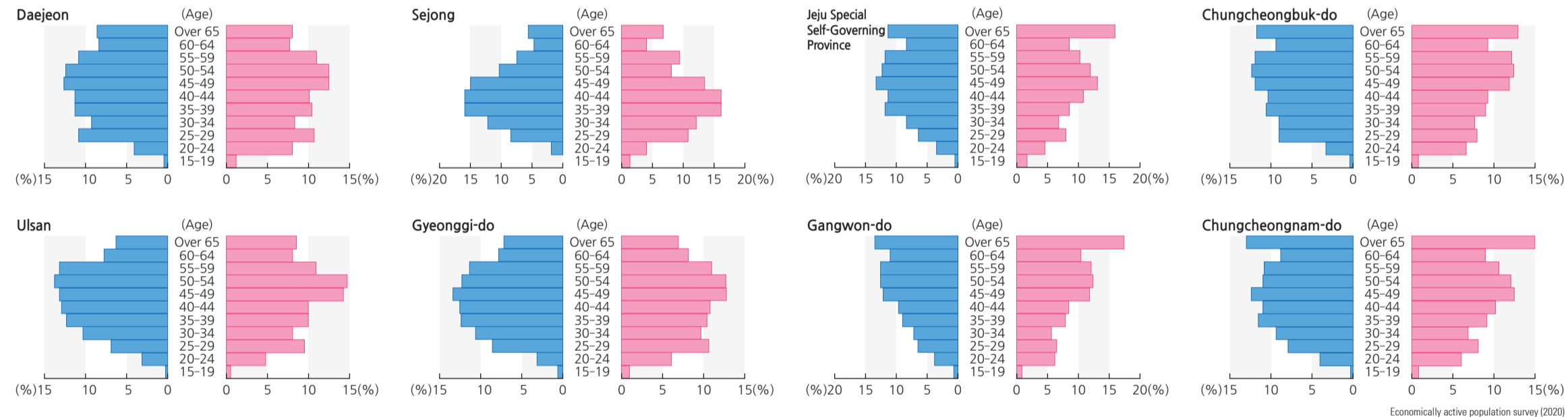
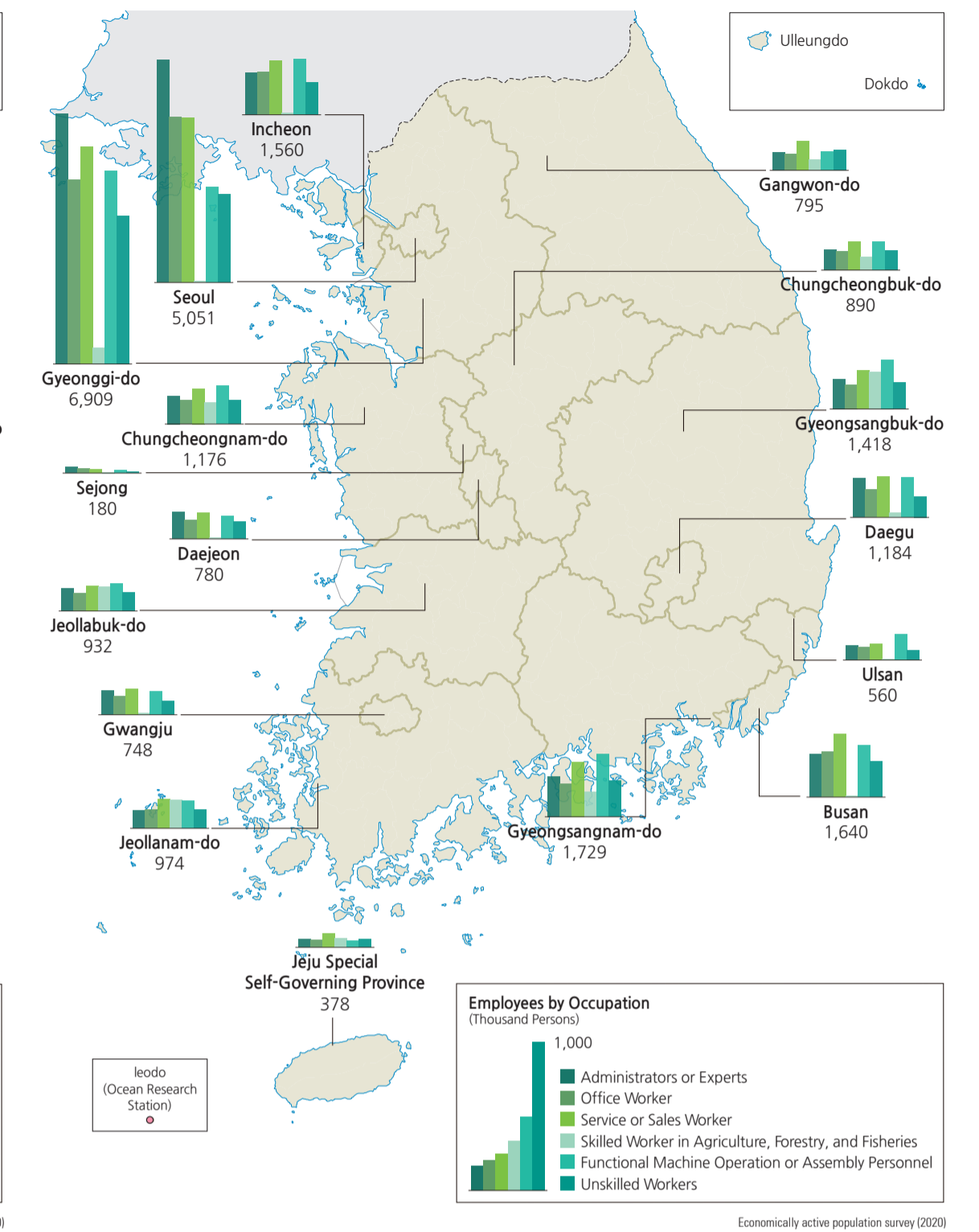
Employment Rate (2020)



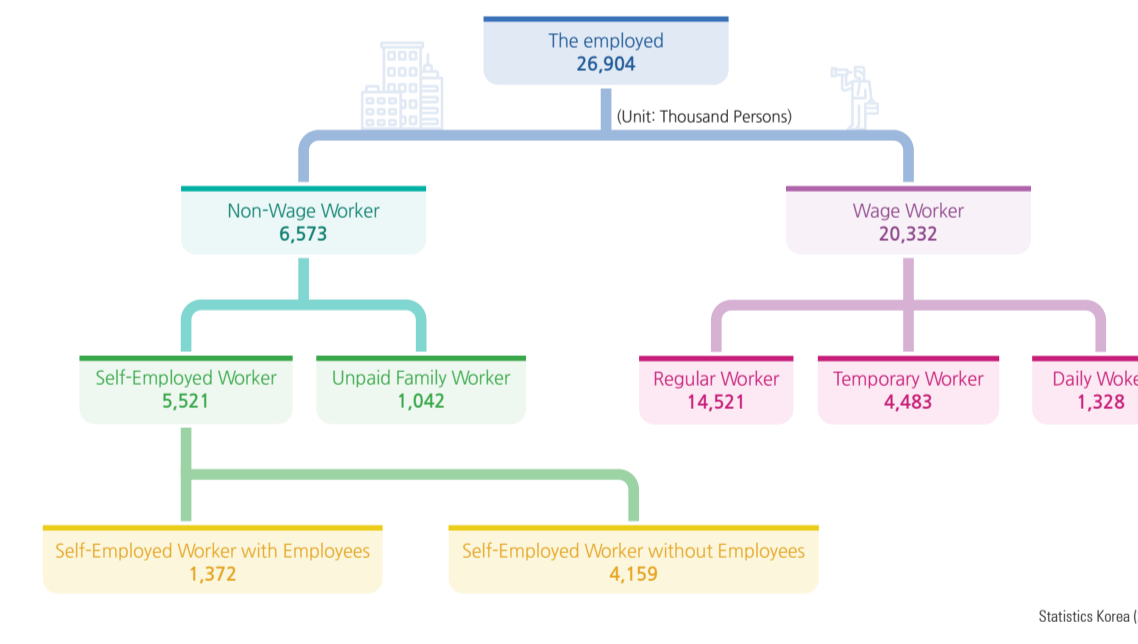
Employment by Education Level (2020)



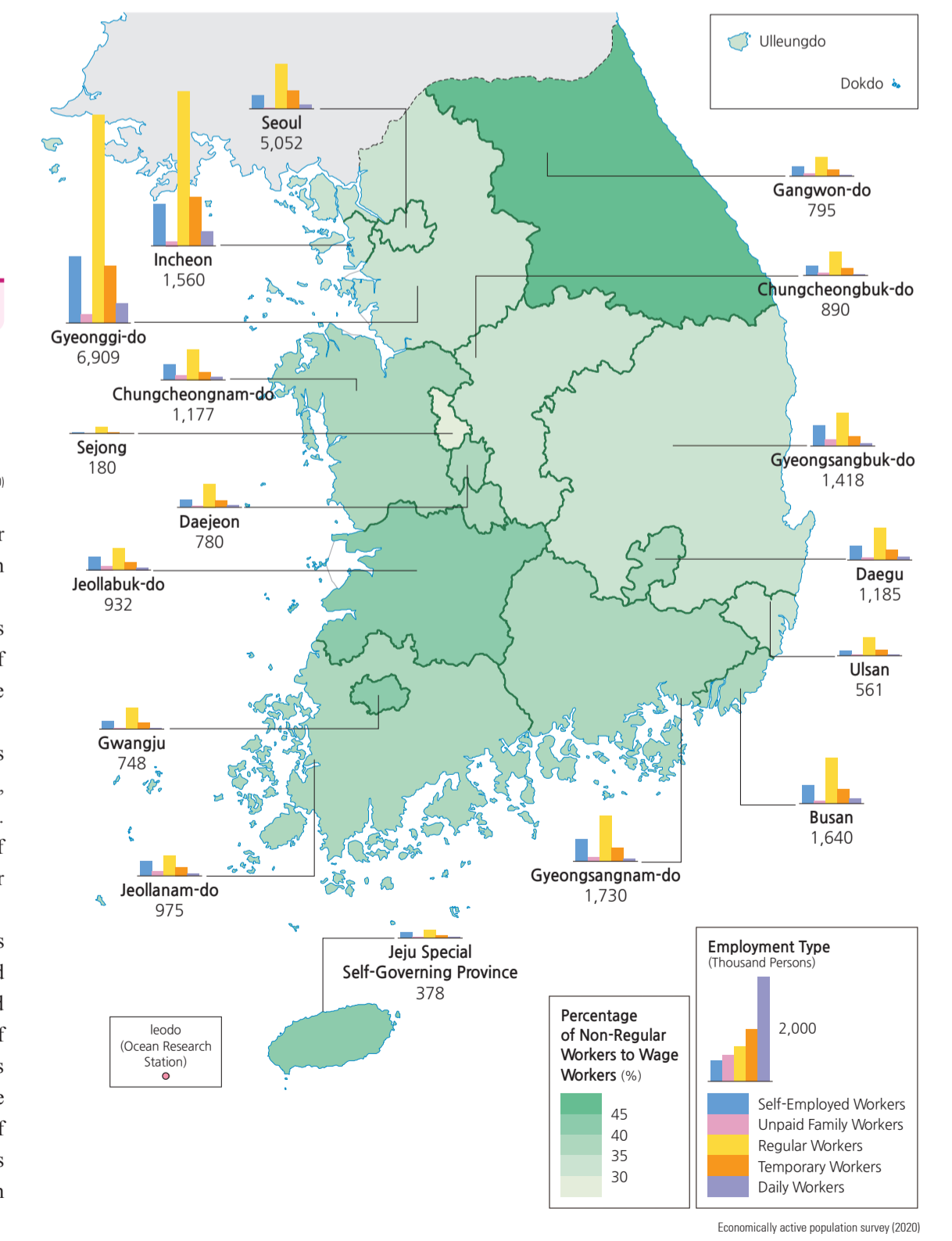
Employment by Occupational Group (2020)



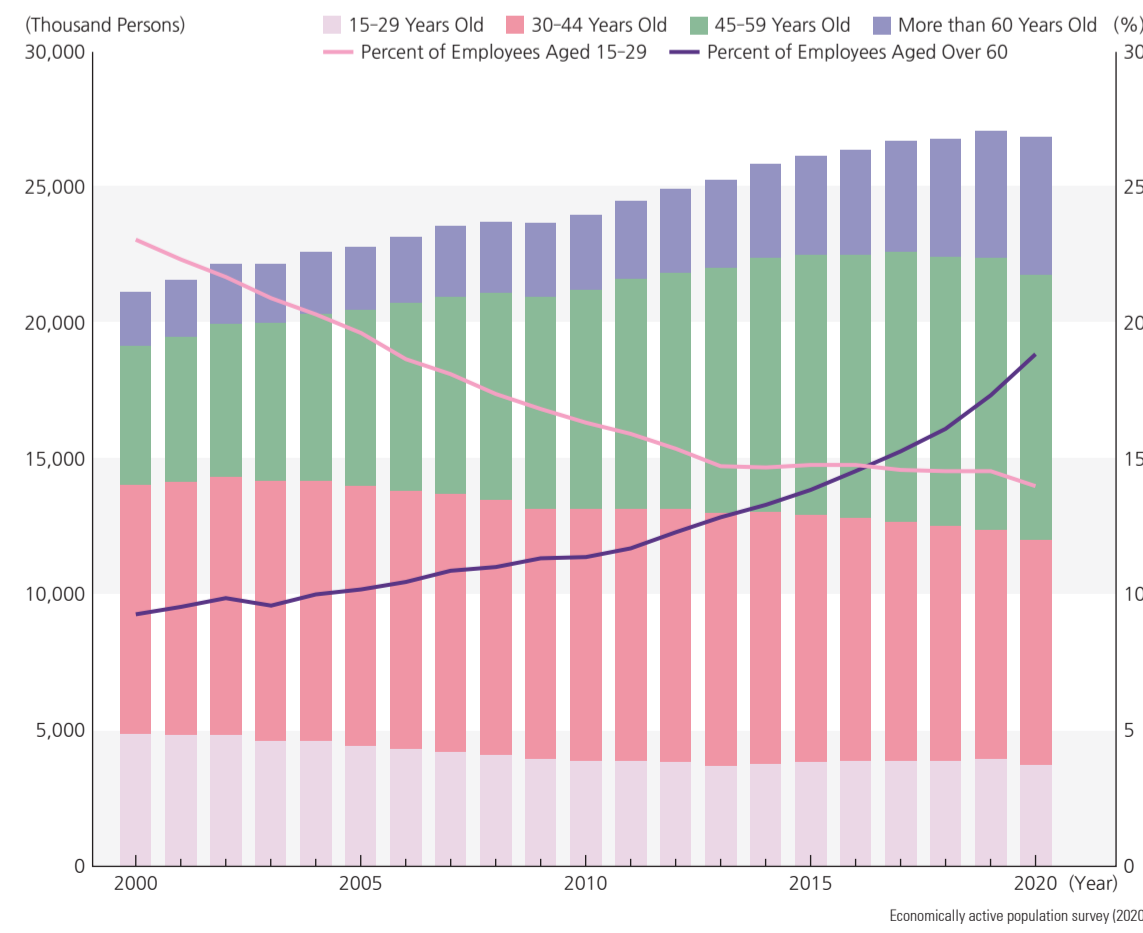
Workers by Employment Type (2020)



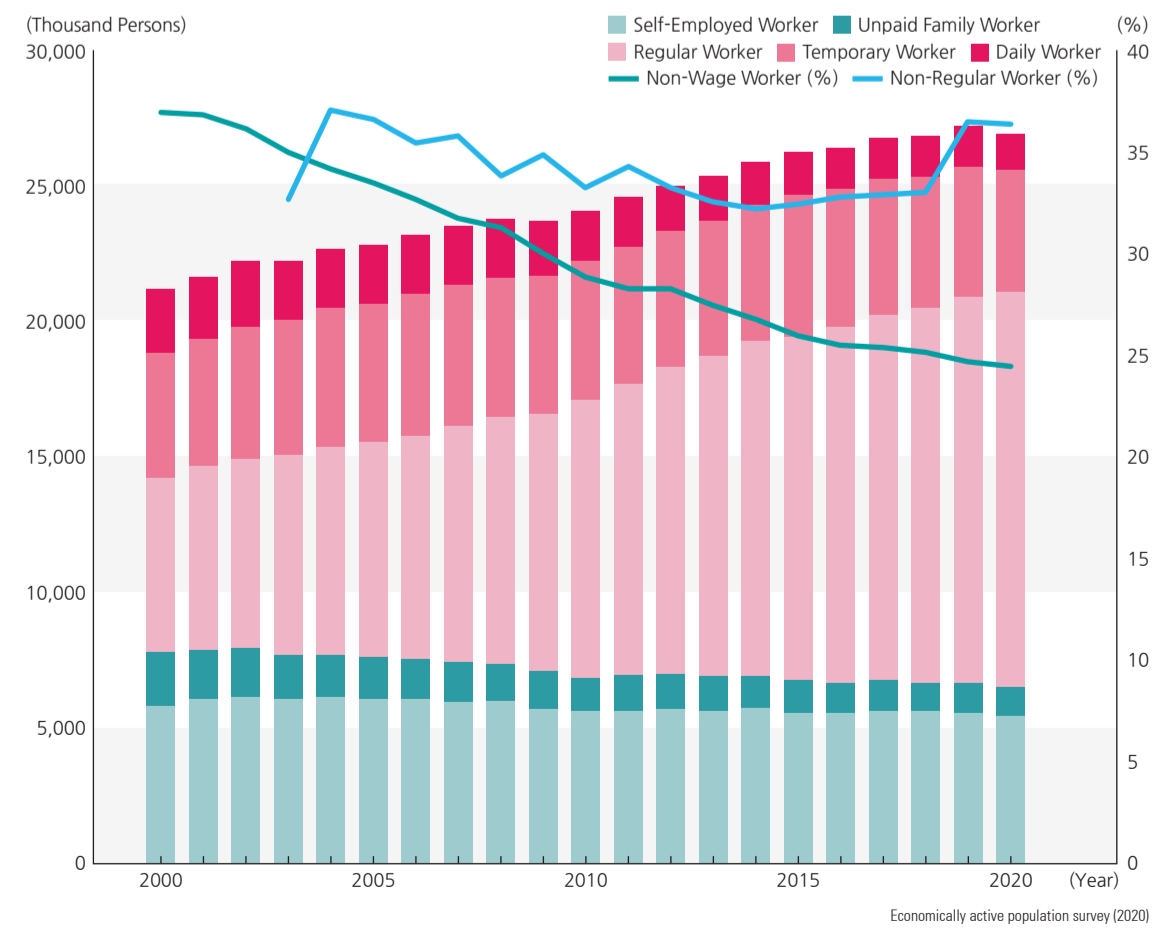
Workers by Employment Type (2020)



Employment by Age (2000-2020)



Workers by Employment Type



Unemployment rates are usually higher in large metropolitan areas because of the higher demand for employment that attracts job seekers to these areas. For the same reason, there is a greater fluctuation in unemployment rates in cities depending on the economic situation.

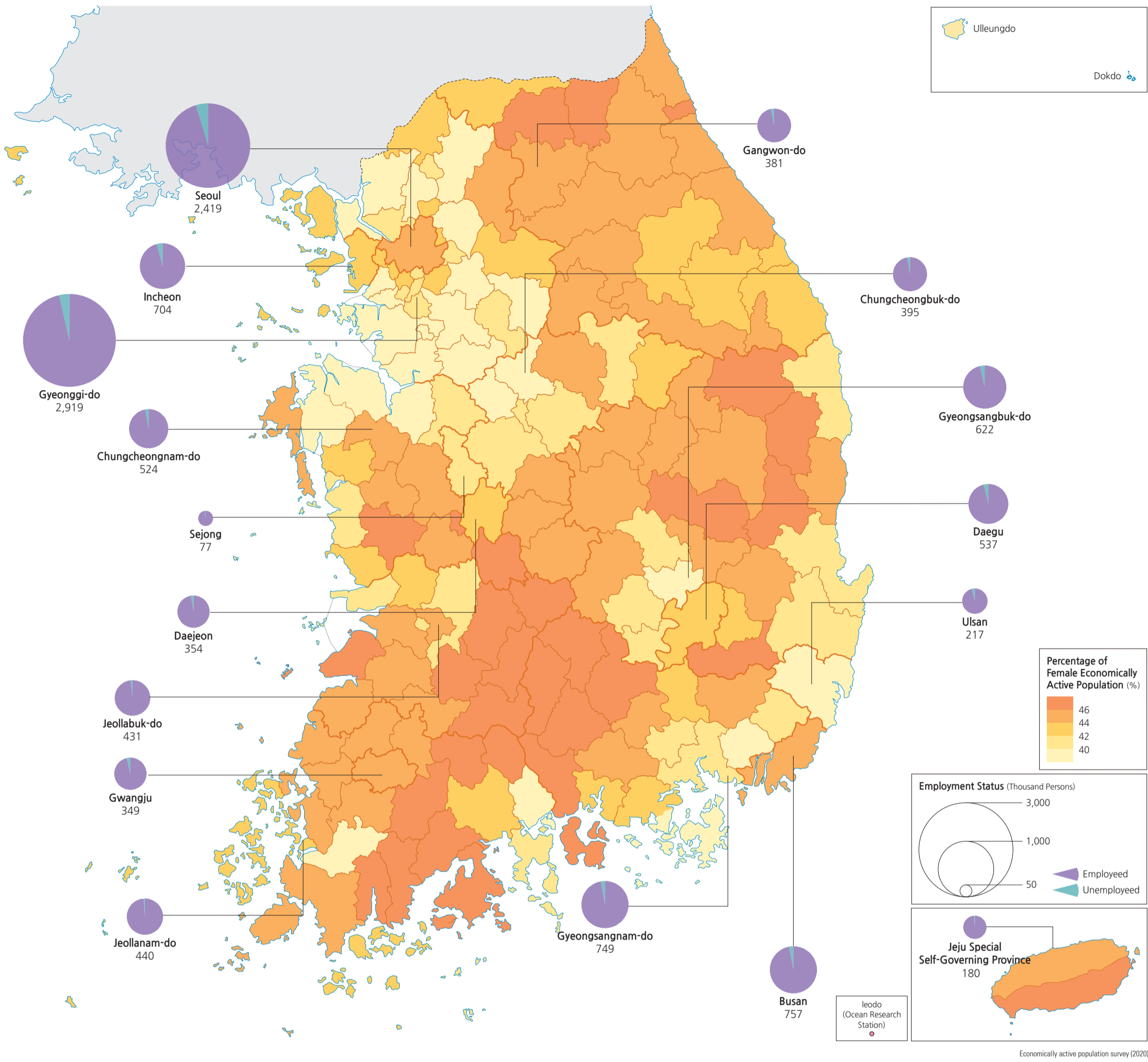
Along with the overall aging of the Korean population, the age of the employed is also increasing. As of 2020, 67.1% of middle-aged (30-60 years old) are employed, 18.9% of elderly (60+), and 14.0% of youth (15-29 years old). Compared to 2000, the share of employed young people decreased by 9%, while the share of the elderly doubled.

By occupational status, regular workers (54.0%), self-employed workers (20.6%), temporary workers (16.7%), daily workers (4.9%), and unpaid family workers (3.9%) are in order. Half of the wage earners, including regular workers, temporary workers, and daily workers, work in the Seoul Metropolitan Area. For the past 20 years, the proportion of regular workers has steadily increased, while the proportion of self-employed people has decreased. The ratio of non-regular workers to wage workers, on the other hand, stood at 36.3% in 2020, remaining in the mid-30% range for the past decade.

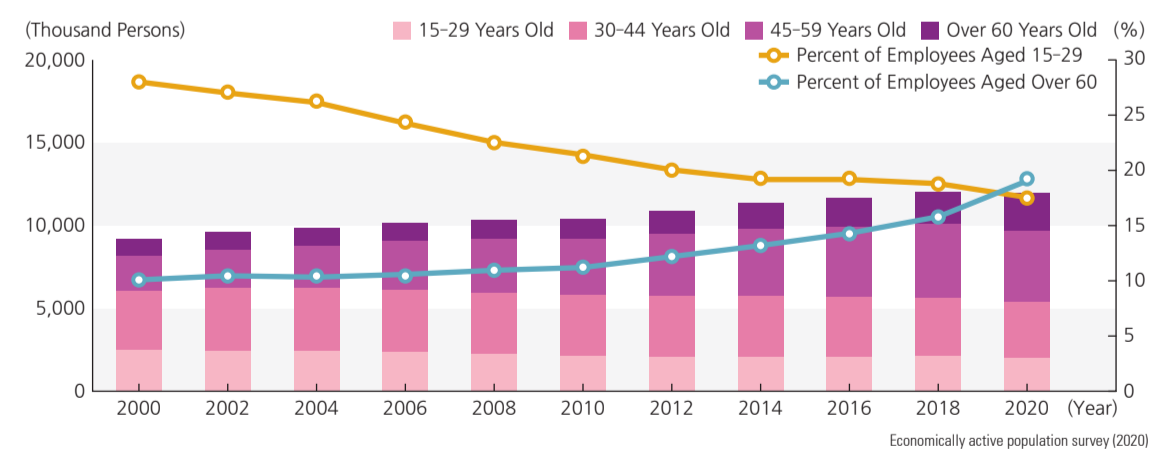
As the overall education level of the younger generation increases and the industrial structure is advanced due to the growth of the producer service industry, the higher education level of the employed is evident. As of 2020, the proportion of college graduates employed is 48.0%, and highly educated workers are concentrated in large cities, particularly in the Seoul Metropolitan Area. The number of employed by occupation nationwide is service/sales workers (22.1%), followed by managers/experts (21.8%), functional machine operation and assembly workers (19.7%), office workers (17.4%), simple labor workers (13.8%), and skilled agriculture, forestry, and fishing workers (5.1%). The composition of each region corresponds to the industrial structure of the region. For example, the proportion of managers and experts in Seoul and the proportion of functional machine operation and assembly workers in Ulsan are above average.

Female Labor

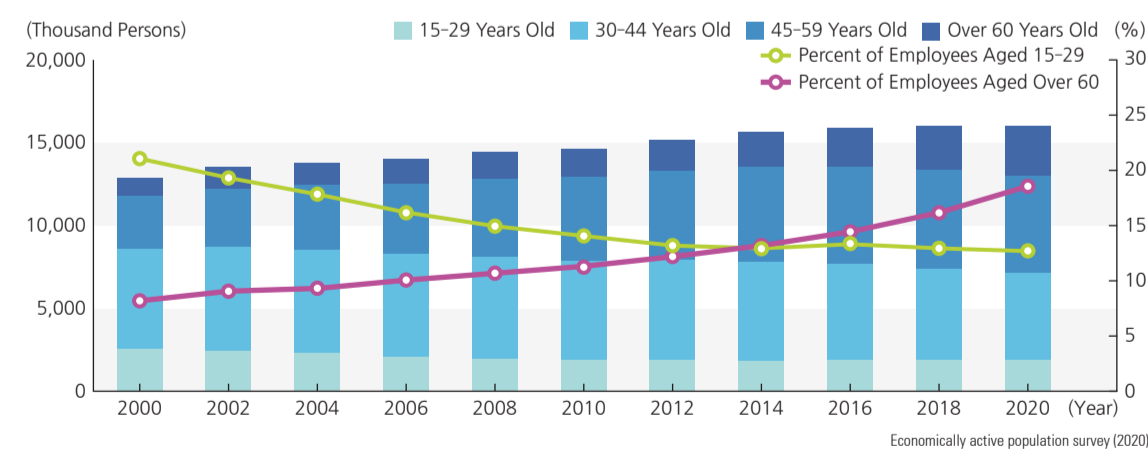
Female Employment (2020)



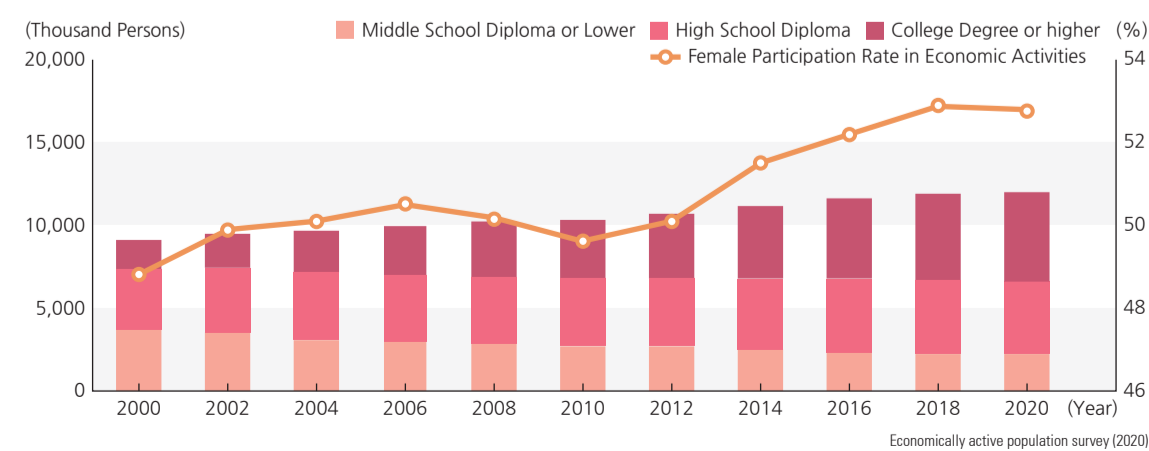
Female Employment by Age (2000-2020)



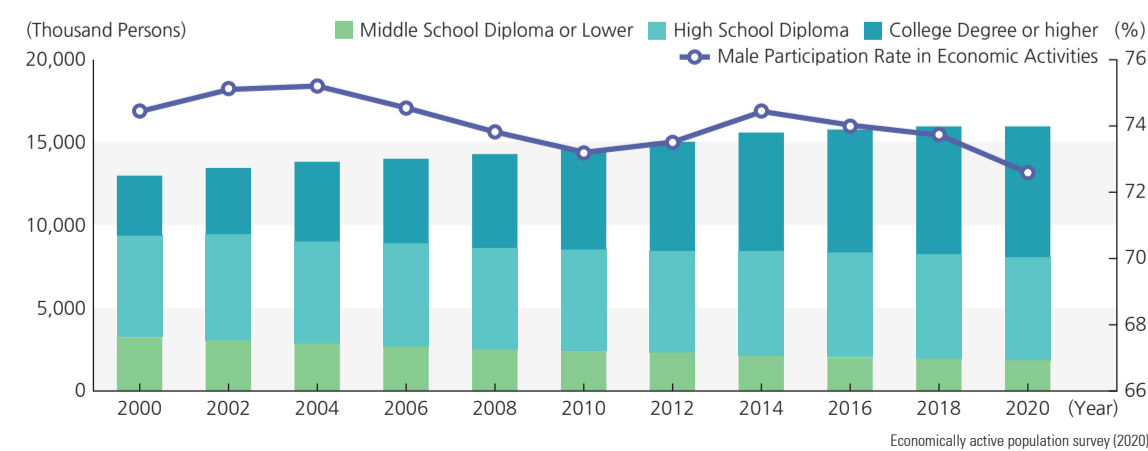
Male Employment by Age (2000-2020)



Female Labor Force Participation Rate by Education Level



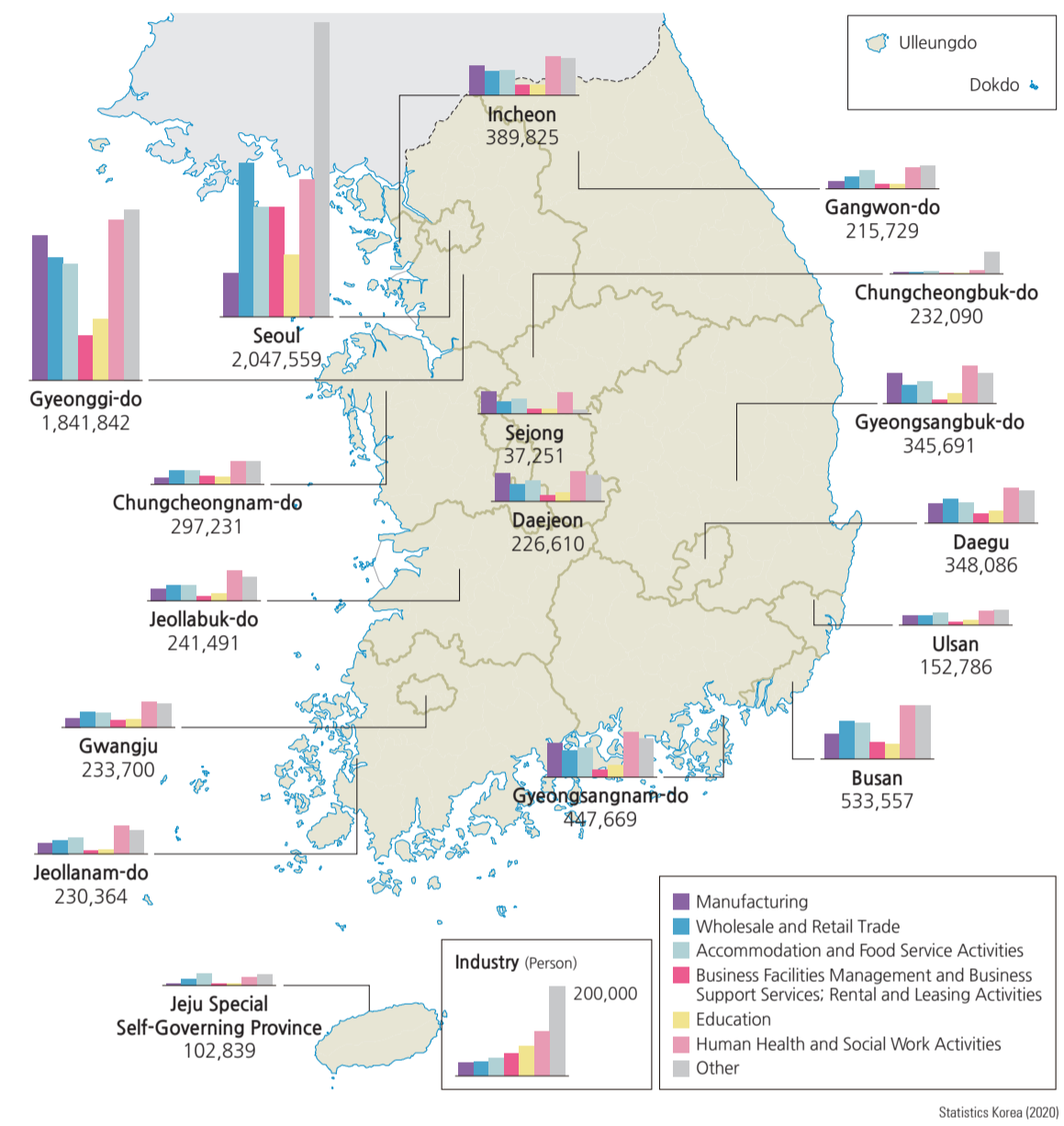
Male Labor Force Participation Rate by Education Level



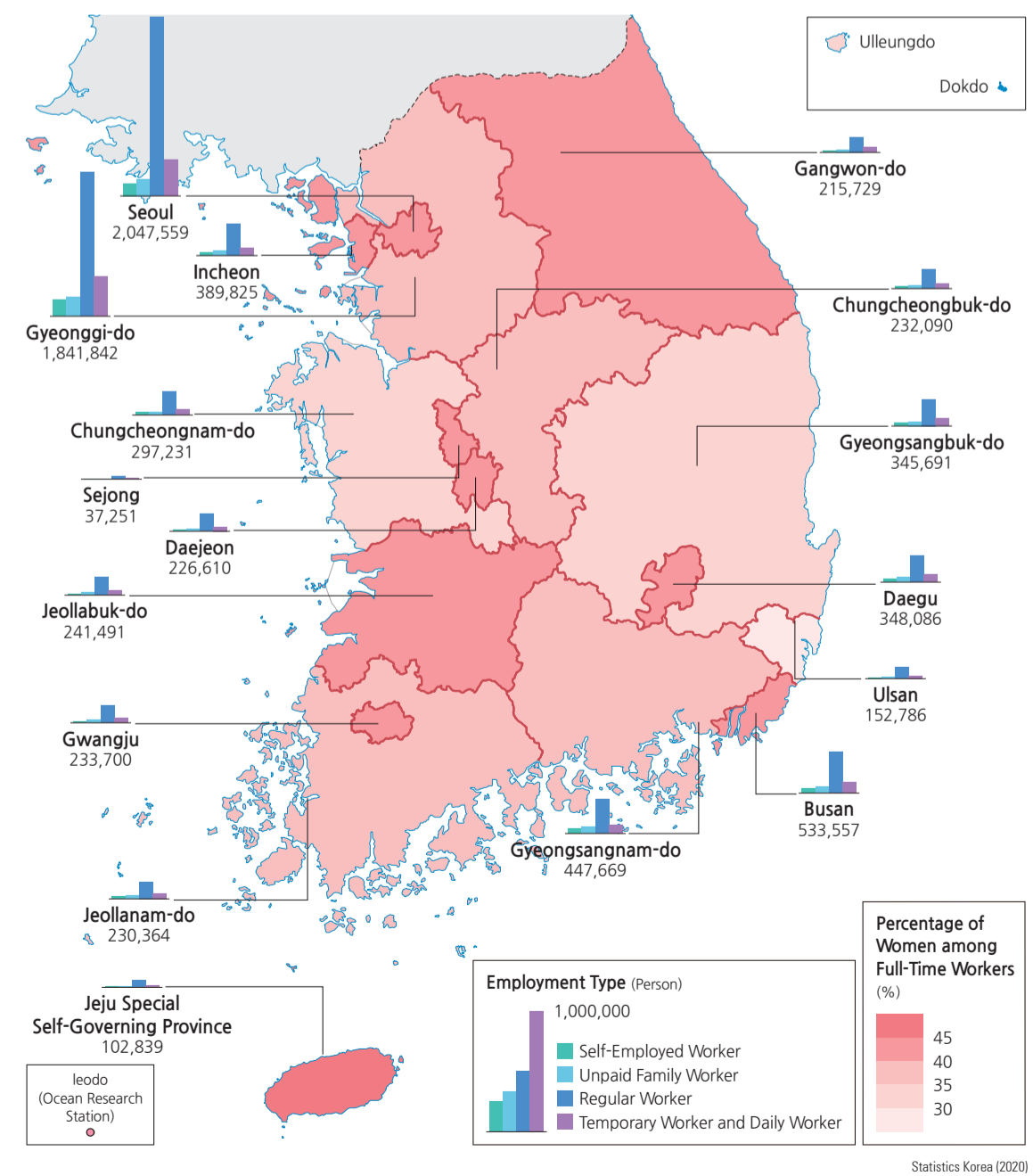
Among women aged 15 and over, the labor force participation rate was only 37.0% in 1963, but in 2004, it was 50.1%, exceeding half for the first time in history. Following the global financial crisis in 2009, the rate fell to 49.2%. However, the rate again exceeded 50% in 2012 and increased to 52.8% in 2020. For the past 10 years, women's labor-force participation rate has hovered around 50%, significantly lower than men's (72.6%). However, the number of economically active women steadily increased from 9.1 million in 2000 to 12.0 million in 2020. Looking at the age distribution of women participating in economic activities, 45-59 years old (35.7%), 30-44 years old (28.2%), 60 years old or older (19.2%), and 15-29 years old (16.8%) are the most common. Women aged 30 to 44 have a lower economic participation rate than men because they are burdened with birth-giving and child-rearing.

A large proportion of female workers are engaged in service industries such as health and social welfare services, wholesale and retail, lodging and restaurants, business facility management, business support and rental services, and education services. Accordingly, the proportion of women employed to the total employed is higher than the national average in large cities where the service economy has progressed,

Female Employment by Industry (2019)



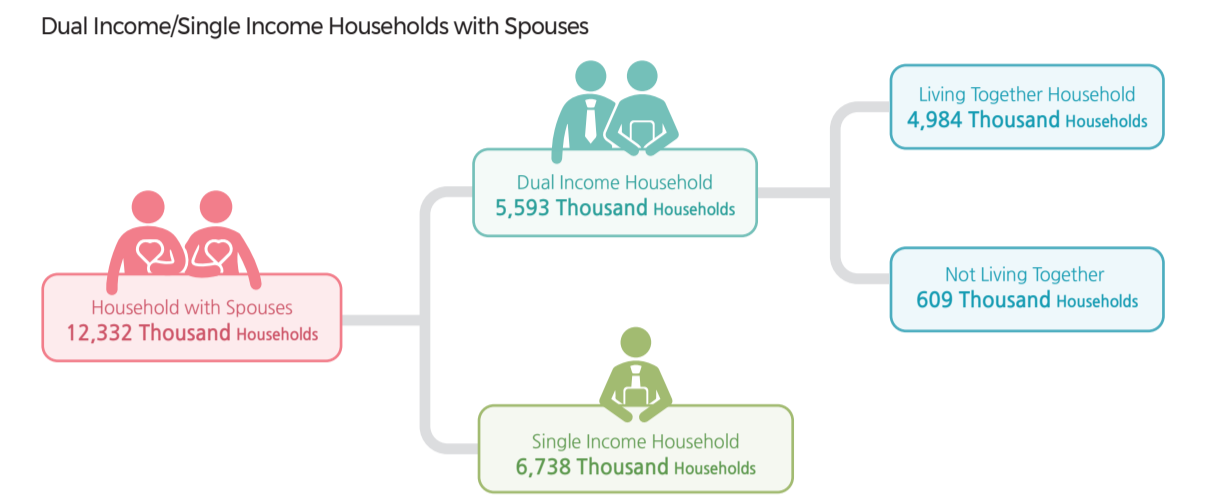
Female Workers by Employment Type (2019)



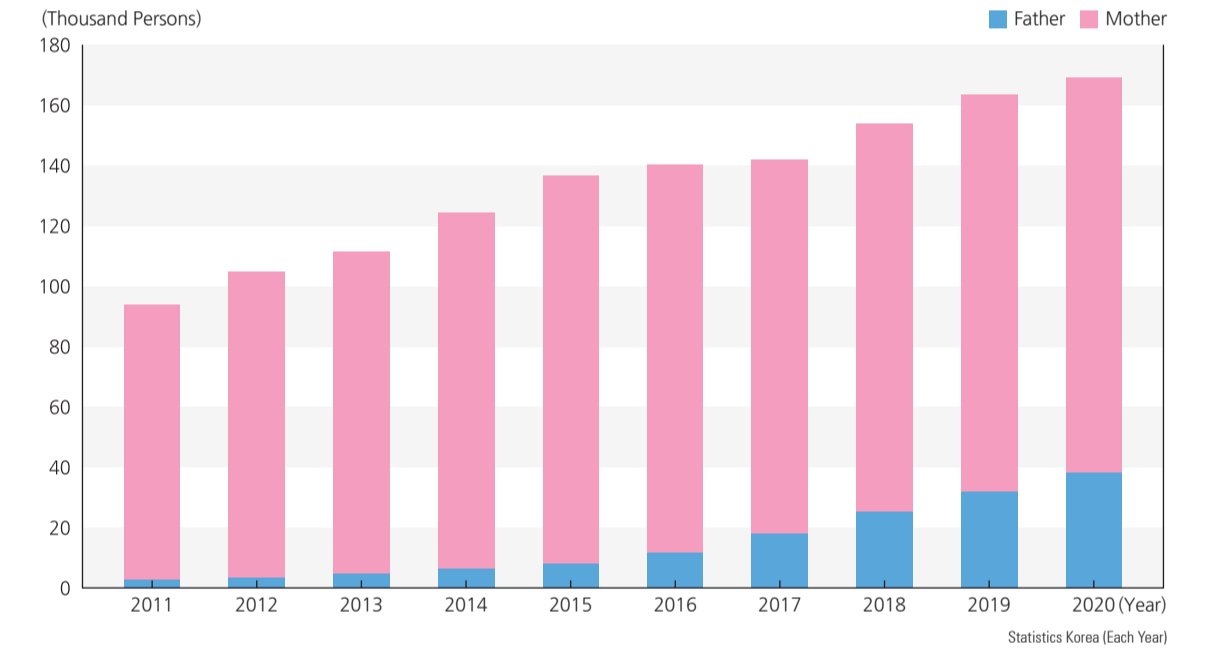
and the proportion of men is higher in cities and provinces specialized in manufacturing, such as Ulsan. As of 2019, the proportion of women employed in small businesses with nine or fewer employees is higher than that of men, while the proportion of women employed in medium and large businesses with 100 or more employees is somewhat lower. In terms of occupational status, the proportion of regular workers among employed women was 66.8%, which was lower than the proportion of men, and the proportion of temporary and daily workers was slightly higher.

The proportion of dual-income households among married households was 45.4% in 2020, remaining in the mid-40% range for the past 10 years. Therefore, the Korean government encourages female workers to balance their work and family and prevent job turnover due to childbirth by implementing maternity support policies such as maternity leave and parental leave. The Korean government also supports female job seekers who have had their careers cut off due to marriage, pregnancy, childbirth, or family caregiving or who have never had a job.

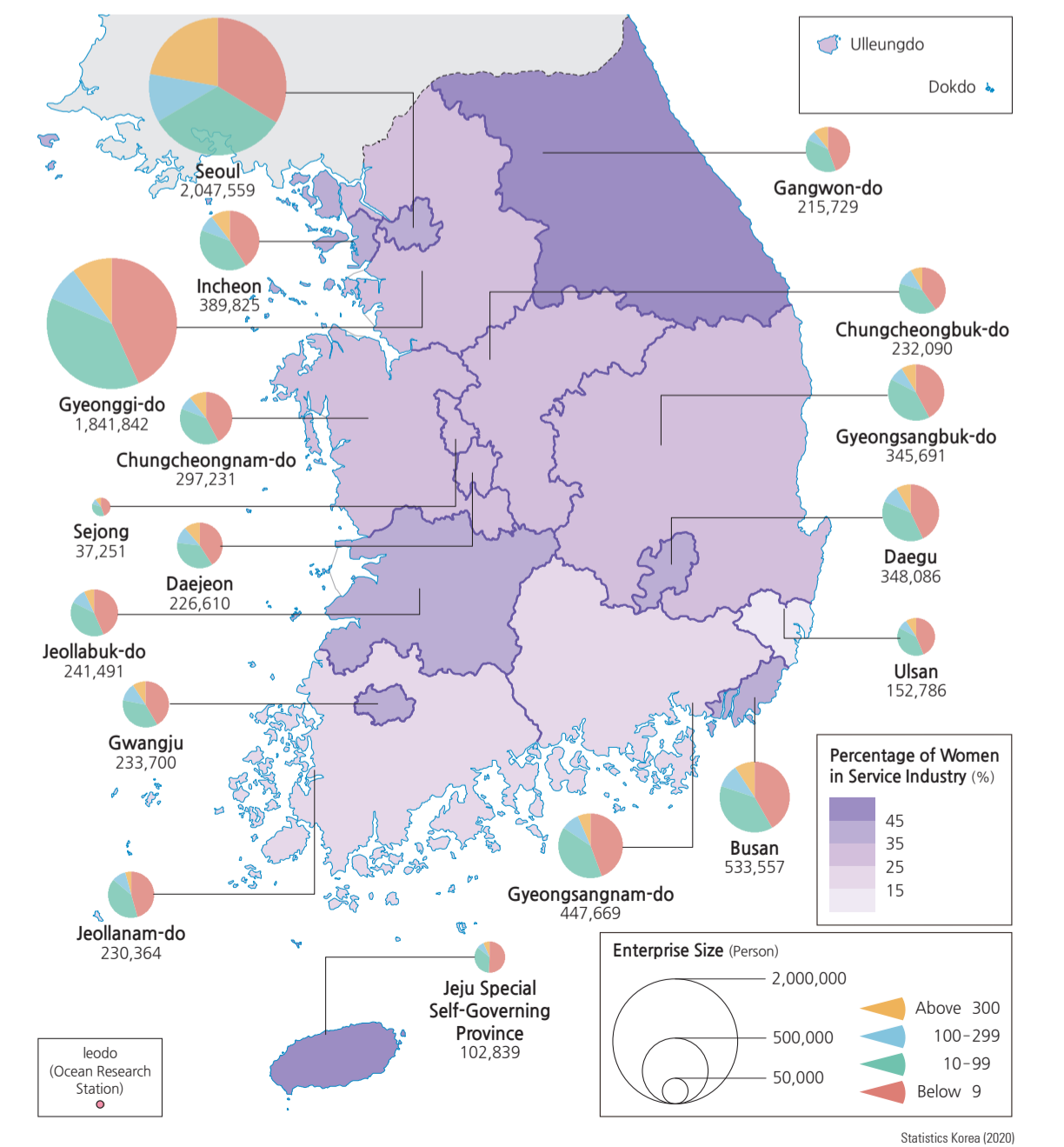
Dual Income Households and Maternity/Parental Leave (2020)



Maternity/Parental Leave (2011-2020)

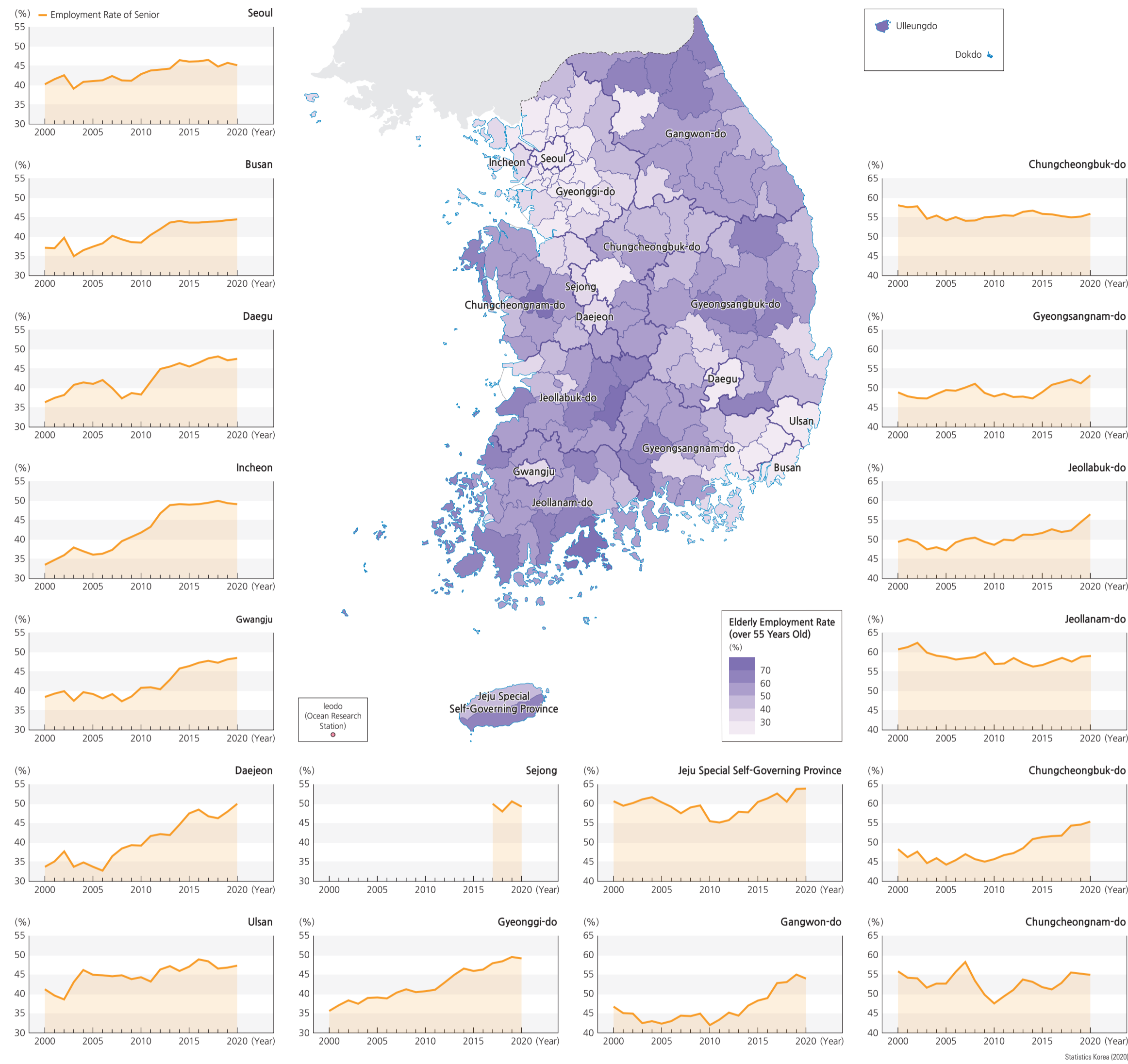


Female Employment by Enterprise Size (2019)

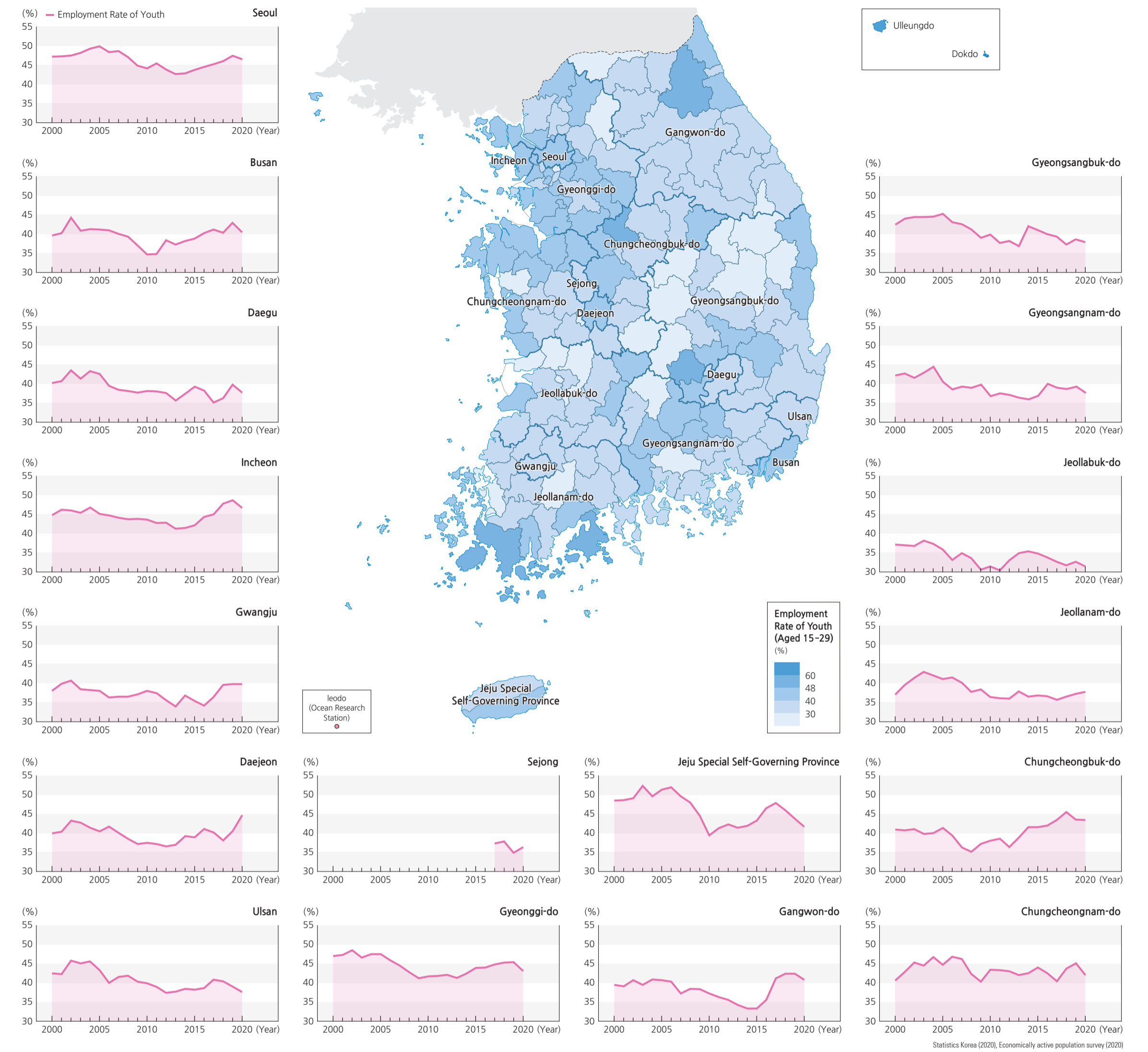


Elderly Labor and Youth Labor

Elderly Employment (2020)



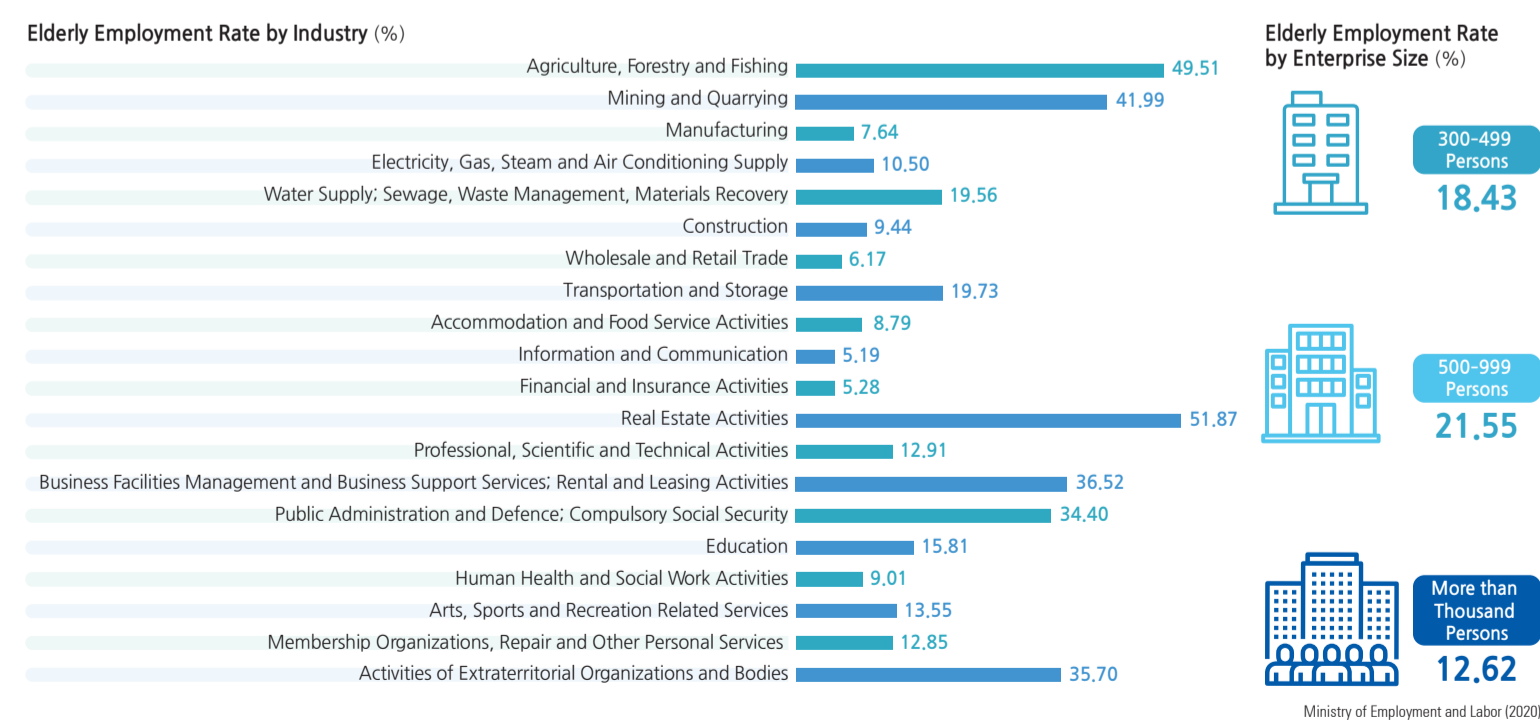
Youth Employment (2020)



The rapid aging of Korean society is being driven by the large-scale retirement of the postwar baby boomers (born between 1955 and 1963). As the economy grows stably, the general state of health has improved, and life expectancy has increased. Many elderly workers want to continue working to better prepare for old age as their life expectancy increases. The government provides education to improve job skills for the so-called young elderly (50-69 years old), helps searching jobs, and supports companies that hire them. Also, it supports retired professionals so that they can get re-employed or contribute to the local community by utilizing their experience and skills.

In 2019, the number of employed young people (15-29 years old) was about 4.0 million, which is maintained despite the population size of that age group declining. The youth unemployment rate, on the other hand, was 8.9%, which was higher than the overall unemployment rate. It is necessary to pay attention because persistent high youth unemployment undermines growth potential both personally and nationally. Youth unemployment is the result of various structural factors. First, economic growth slowed due to a presumed shrinkage in domestic consumption caused by a low birth rate and an aging population. Second, retirement decreased due to the extension of the retirement age. Third, job creation power fell due to the spread of online businesses and unmanned stores. In addition, when the generation, the children of the baby boomers, became young people,

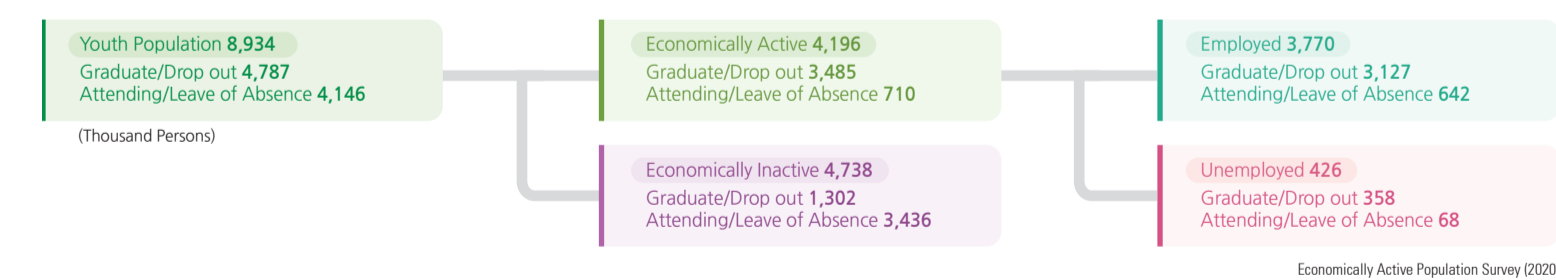
Elderly Employment Rate (2019)



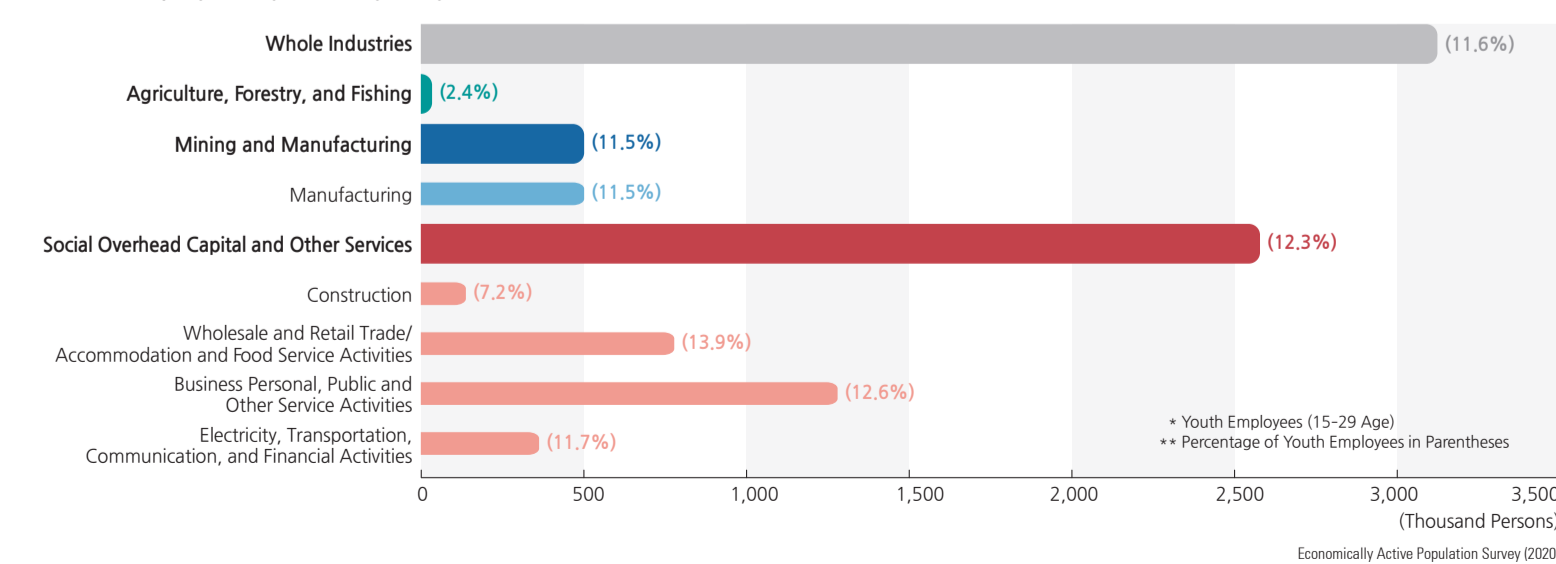
the labor supply increased. These generations have a higher college entrance rate than in the past, and competition for high-quality jobs is fierce. To increase the youth employment rate, the Korean government not only encourages companies to hire young people but also helps

job-seeking young people more easily obtain job information in Korea and abroad, develop job skills, gain job experience, and further encourage them to work long-term after employment by implementing various youth employment-related policies.

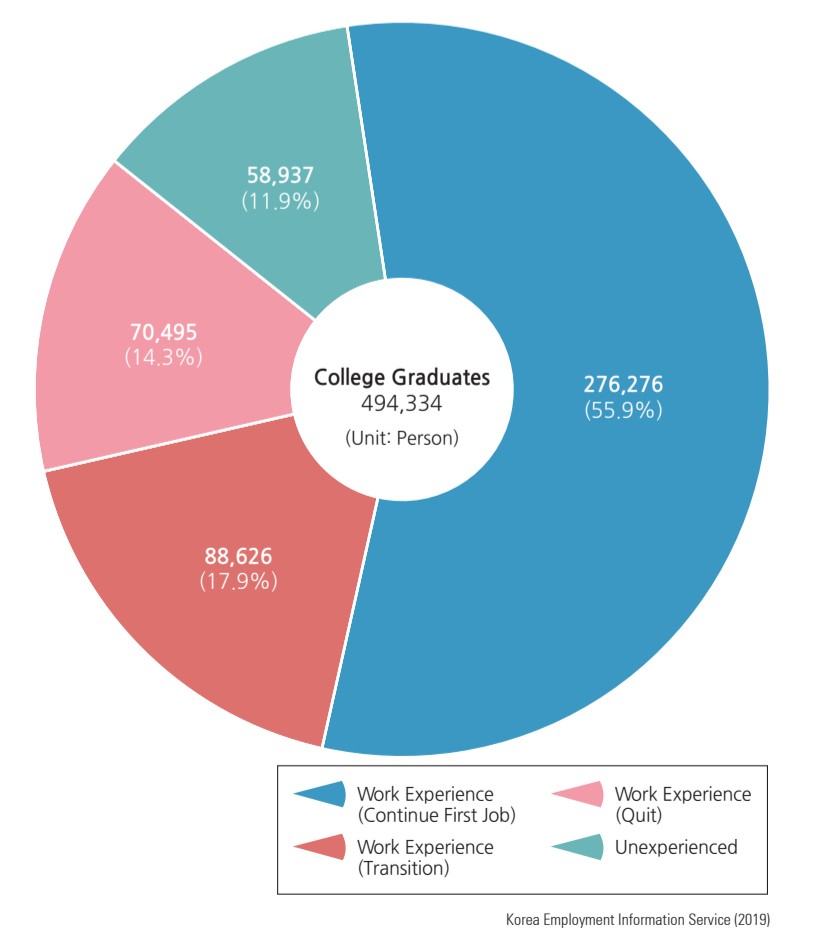
Youth Population (15-29 age) Economic Activities (2020)



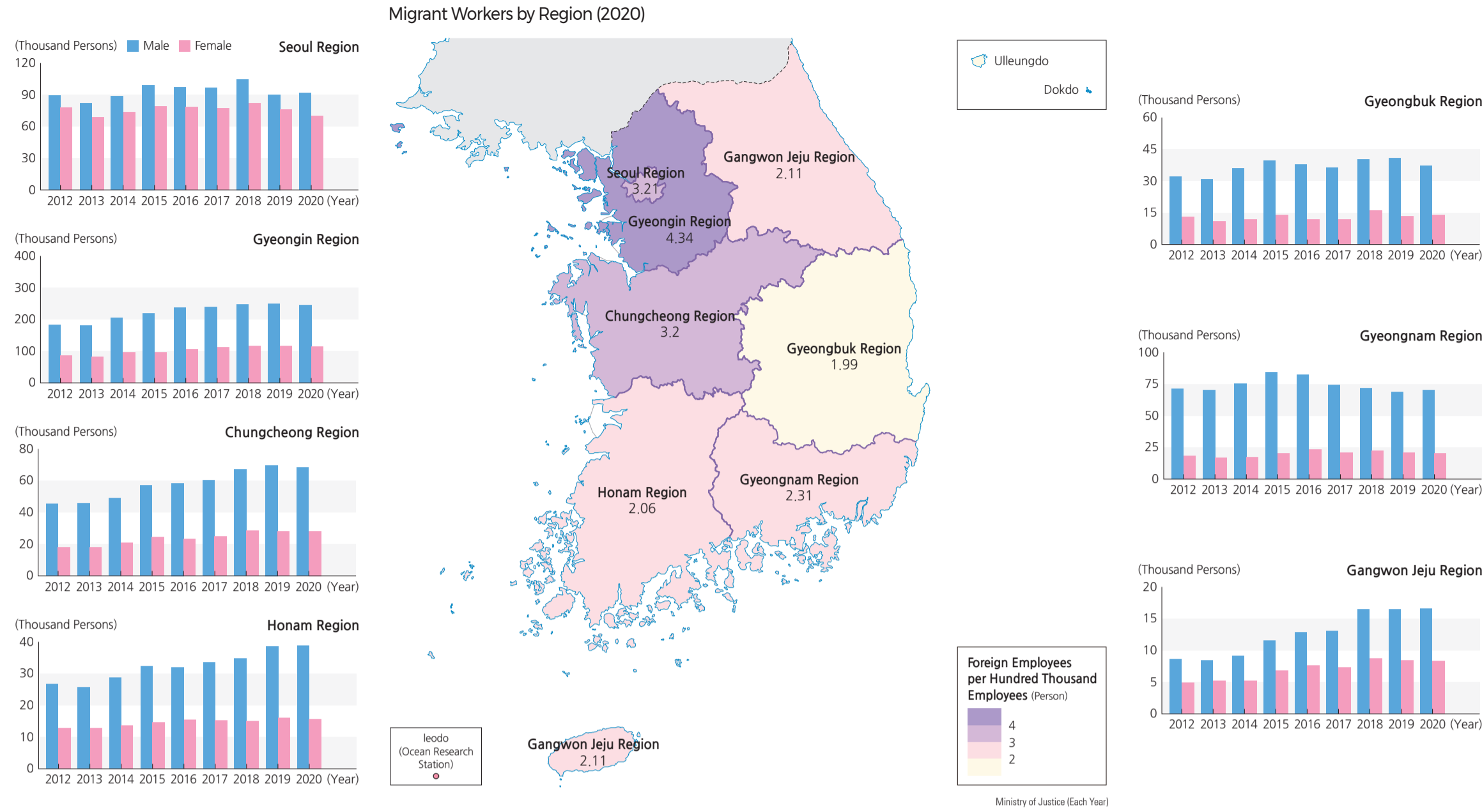
Youth Employees by Industry (May 2020)



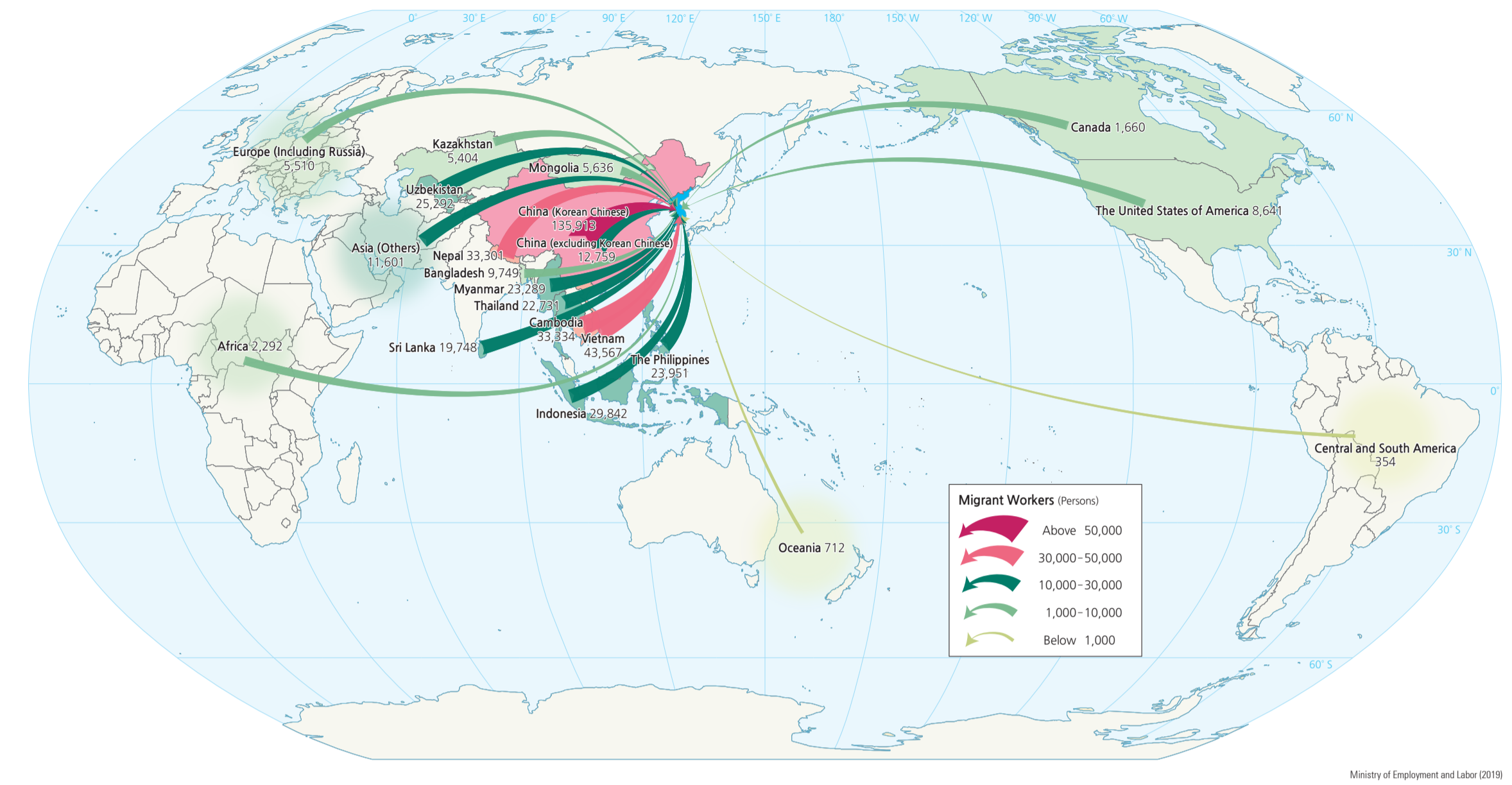
First and Present Job of Youth Employment (2019)



Migrant Labor



Inflow of Migrant Workers (2019)



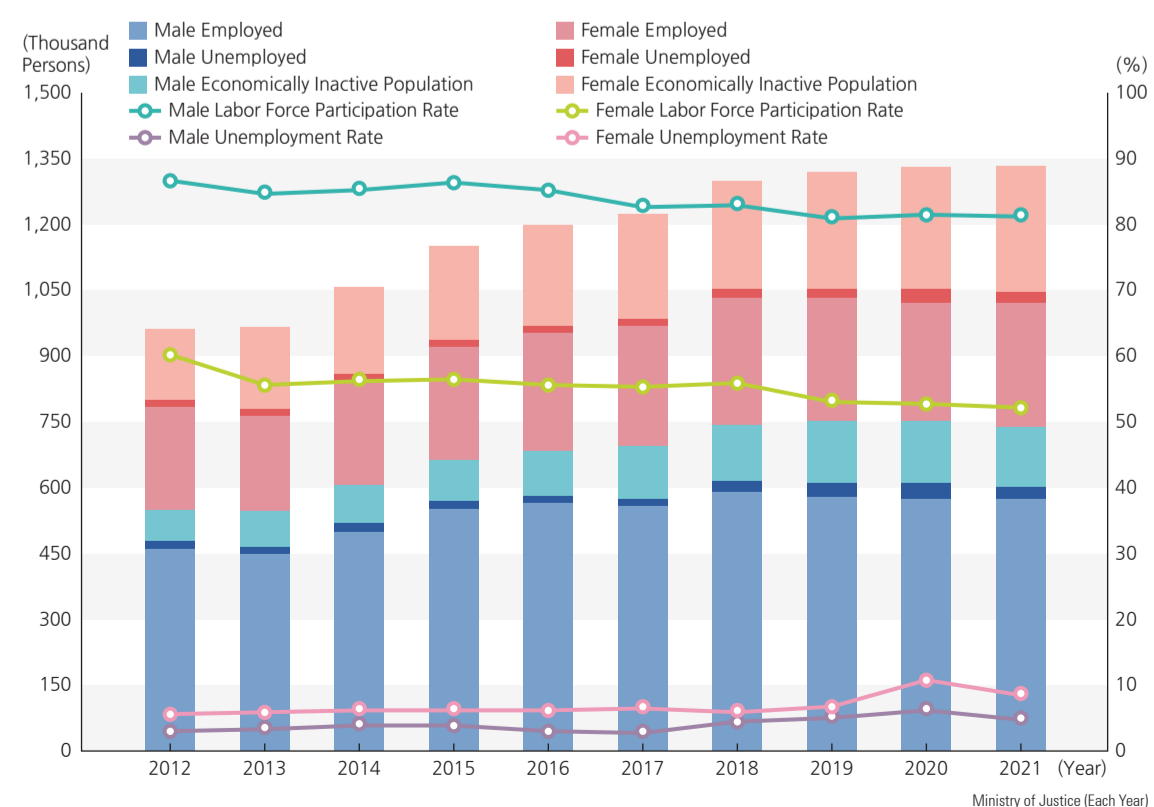
The number of foreigners residing in Korea was only about 0.3 million in 1998. However, it increased dramatically to 2 million (3.9% of the total population) in 2020, thanks to a large influx of foreign workers, marriage migrants, international students, and overseas Koreans. This increase is the result of various factors. First, as the Korean economy grows, the wage gap with neighboring Asian countries becomes clear. Second, the industrial structure shifts to the service industry, exacerbating the labor force shortage in the agricultural, livestock, fishing, construction, and small and medium-sized manufacturing industries. Third, the demand for care services has also increased due to the aging of the population and the increase in dual-income households.

As of 2020, about 1.4 million immigrants aged 15 and over reside in Korea, of which 1.3 million are foreigners, and the rest are naturalization permits. The economically active population among immigrants is about 950,000, and a labor force participation rate of 68.7%. There are 880,000 immigrants working, with a 63.5% employment rate and a 7.6% unemployment rate.

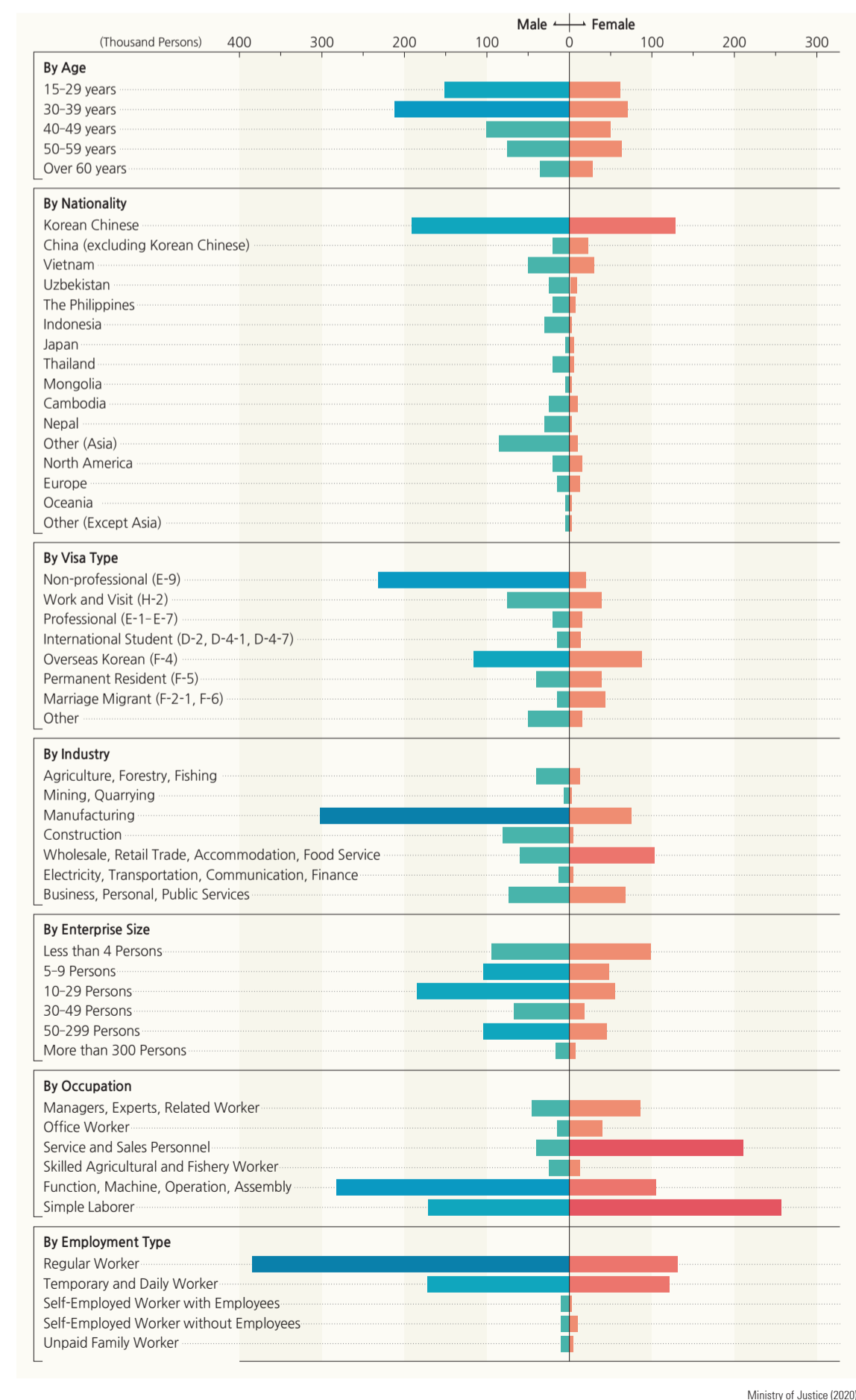
Approximately two-thirds of the 850,000 foreign workers are men, with 58.4% of them in their 20s and 30s. The majority are from Asia, with 320,000 Korean-Chinese, 44,000 Han Chinese, and 85,000 Vietnamese. Most of them entered Korea on a non-professional employment visa (E-9), an overseas Korean visa (F-4), and a visiting immigrant (H-2) visa. The proportion of residents living in the Seoul Metropolitan Area reaches 60%, and they mainly work in manufacturing, wholesale and retail, food and lodging, and personal service businesses.

The Employment Permit System, first introduced in 2003, is divided into the general system, which issues non-professional work visas (E-9) to foreign nationals, and the special system, which grants visiting work visas (H-2) to compatriots with foreign nationality. As of 2019, the 16 countries that have signed a memorandum of understanding (MOU) for labor force transfer are the Philippines, Thailand, Indonesia, Sri Lanka, Vietnam, Mongolia, Uzbekistan, Cambodia, Pakistan, China, Bangladesh, Kyrgyzstan, Nepal, Myanmar, East Timor, and Laos. The workers under the Employment Permit System are engaged in five industries: manufacturing, construction, agriculture and livestock industry, service industry, and fishing industry.

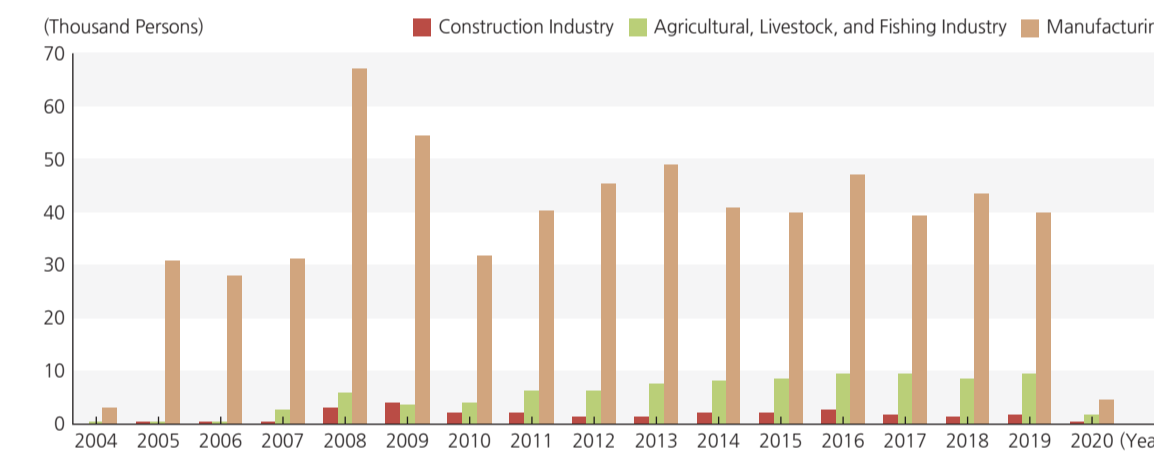
Foreign Labor Force Participation (2012-2021)



Distribution of Migrant Workers by Type (2020)



Migrant workers under the General Employment Permit System by Industry (2004-2020)



Migrant Workers under the General Employment Permit System by Nationality (2004-2020)



Migrant Workers under the Employment Permit System (2020)

