



National Report – Full year 2006

Country : The Republic of Korea
 Name of Federation : KOSA(Korea Staffing Association)
 Telephone number : +82-2-553-1661
 Fax number : +82-2-553-1663
 E-mail address :

Postal address : #1413, Taeheran Officetel 707-38,
 Yeoksam-Dong, Gangnam-Gu, Seoul,
 Korea 135-918

Name of President : Yong Hoon, Lee
 Name of Secretary General : Moon Seok, Yang
 Name of Ciett / Eurociett representative:
 Is your federation member of the national employers federation?
 (please give the name) : Korea Employers Federation
 Name of reporter :

I - Legislative and Policy Developments

1. **Could you describe the most important changes of national legislation that have affected your activities in the last 12 months?**
 - In May, 2007, the revised bill of agency work(Enforcement Ordinance) was carried in a plenary session

	Former	Revised bill(current)
Occupational category	26 categories	32 categories
Period	Max. 2 yrs : a contract within a year, one more contract may be extended	Max. 2 yrs: a contract within a year. No. of contract extension is not limited
		No restriction of period for 55 yrs and older
Application of non-discrimination	None	No discrimination to temporary agency work services such as wage and other working conditions



2. Please characterise the evolution of the relationship to your national government in the past 12 months.

- Partially reflect the occupational categories requested for temporary agency work (into the revised bill)
- Grant financial support to the temporary work agency owner if allowing re-contract with a temporary agency work service during maternity leave
- Execute <employment promotion consultation for the aged> to (government-supported) temporary work agency
- Submit the subject of restriction improvement in the field of private employment service

3. For which sectors is it still prohibited to use agency work in your country (tick as appropriate)

- The Republic of Korea still specifies occupational categories of agency work as positive system(32). At present, the agency work categories are as follows.

Computer-relating experts and quasi-experts / administrative, management or financial experts / patent experts / record keepers, librarians and the related experts / translators and interpreters / creative and artistic performers / film, play and broadcasting experts / other electric engineers / telecommunication engineers / drawing engineering workers / optical and electronic device engineers / non-regular education sector quasi-experts / other education sector experts / arts, entertainment and sports quasi-experts / management quasi-experts / assistant office workers / books, post service and other related workers / telephone operators and staffs / customer service workers / privacy and the related workers / cooks and food industry workers / travel guide / filling-station attendant / other retailing salesperson / telephonic seller(salesperson) / occupational drivers / building cleaners / car park and security guards / delivery, courier and metering(metermen) workers

4. What are the 3 main policy priorities / dossiers you have identified as being most important for your federation in the forthcoming year?

- Improve the countermeasure and recognition of temporary work agency to the revised bill of agency work
- Request the promotion of the right functions of lawful and sound temporary work agency and the institutional support
 - ? Accreditation system of excellent temporary work agency
 - ? Operation of regular training program for the staff in charge of the temporary work agency



- Expand the role of KOSA for the industrial purification and improvement of competitiveness
 - ? Easiness of uncomfortable restrictions and directives, expansion of ethics charter and others

II – Restrictions to temporary agency work services

The Ciett Board agreed in February that the Ciett Secretariat should gather information on restrictions faced by temporary work agencies for non-EU countries.¹ In order to obtain the required information from its members, the Secretariat has set up this new section in the national reports. The information provided by Ciett members will be compiled and made available to all Ciett members on the Ciett intranet, which will be launched in the coming months.

- 1. Is there a licensing system or authorisation scheme in place for temporary work agencies? If yes, is this system linked to disproportionate or unjustified obligations or requirements?**
 - Temporary work business is subject to licensing system and there are no disproportionate requirements.
- 2. Do agencies have to provide financial guarantees? How do you assess these obligations?**
 - Financial guarantees are not obligatory.
- 3. Are there restrictions with regard to reasons for use of temporary agency work services?**
 - There are no restrictions with regard to reasons.
- 4. Are services provided by agencies restricted to temporary work activities or are they allowed to offer also other HR services (e.g. recruitment, outplacement)?**
 - Temporary or intermittent work is allowed up to 3 months(max. 6 months)
 - There is no separate restriction for running employment agent, head hunting, outsourcing business together
- 5. Is a maximum length of assignment for agency work services applicable in your country?**
 - Please refer to No.1 and 3 of I – Legislative and Policy Developments
- 6. Which other restrictions apply with regard to the contracts of agency workers (e.g. prohibition to offer open-ended contracts, limitation on temporary contract renewals or waiting periods)?**

¹ Eurociett has collected information on this topic in the framework of its public affairs actions on the Agency Work Directive. The Eurociett list of restrictions is available at the Secretariat upon request.



- Temporary agency work contract is allowed; max. 2 years for regular work or max. 6 months for temporary/intermittent work
? The no. of contract renewal within the above period is not limited.
- There is no limitation for waiting period.

7. Please specify further restrictions faced by temporary work agencies in your country!

- Employment obligation is imposed on the using company owner if temporary contract period is longer than 2 yrs.
- Comparing to the wage and other working conditions of the same or similar occupational categories employed by a using company owner, any discrimination against agency worker is strictly prohibited.

? - Market Developments

1. Please indicate the economic development of your national market (including especially the top 5 companies in the market and information on revenue & sales figures for the total market)

- The entire sales of lawful temporary work agency market is 1.4 trillions won(net profit amounting from 110 ~ 130 billions won)
- **The no. of temporary work agencies** tended to be continuously reduced since 2000 and it temporarily increased in 2005(1,153) but based on December, 2006, the no. of temporary work agencies(1,076) is **decreased** about 6.7%(77 agencies), compared to the previous year
- **The no. of using companies** tends to increase every year since the legislation. Based on December, 2006, the no. of using companies (10,055) **increased** about 11.0%(999), compared to the previous year.
- **The no. of agency workers** also turns to be increased in 2005(57,384), and based in December, 2006, the no. of agency workers(66,315) **increased** about 15.6%(8,931 persons), compared to the previous years.

2. Please characterise the evolution of the private employment agency sector in comparison to the general, economic development in your country.

- Since the non-discrimination and employment obligation against agency workers service was enforced, it is actively promoted to convert to outsourcing.
- In the future, the keys of the industry will be the operation capability of lawful contract and the capability to open up new market of temporary work agency
- It is expected that the government would frame the policy to gradually extend the lawful temporary work and prepare the grounds to punish unlawful contract.

III - Statistics

The Ciett Secretariat collects on a regular basis general economic indicators (unemployment rates, GDP, developments in selected economic sectors etc.) that are published by international organisations (OECD, Eurostat, World Bank etc.). In order to complete them with sector specific information, please complete the following table. In case you use figures of the mentioned international organisations, please refer to the source.

Number of Private Employment Agency (PrEA) companies active in your country, irrespective of whether they are member of your national federation or not (N.B.: one company can have several branches)	1,076
Number of PrEA companies that are member of your national federation (N.B.: one company can have several branches).	93
Number of branches of all PrEA companies	1,650
Number of branches of all PrEA companies belonging to your federation	660
Number of Agency Workers (full-time equivalent) employed through all PrEA companies (members & non-members of your national federation)	66,315
Number of Agency Workers employed through all PrEA companies being member of your national federation (full-time equivalent)	45,000
Number of permanent staff employed by all PrEA in your country	1,800
Agency Workers as a percentage of total workforce (members of your federation)	0.29
Agency Workers as a percentage of total workforce (all PrEA companies)	0.43
Total national workforce (including public sector)	15,350,000
Turnover of the sector in 2006 (million €)	

Note : December 2006 Statistics