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INTERNATIONAL LABOR MIGRATION AND FINANCIAL CRISIS IN KOREA*

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As the Korean economy became severely depressed due to the eruption of the financial crisis in November 1997, most foreign migrant workers in the country were expected to return to their home countries. However, only one quarter of them moved out of the country, and recently this number has begun to increase. This study uses government statistics and survey data to explore causes of their relative immobility at both the macro- and micro-level. Main findings from the study are: (1) the amnesty measure, which was a major government policy to reduce the number of illegal sojourners, exerted some positive effect in the first few months after the crisis, but did not in later periods; (2) the migrant workers' return rates are negatively associated with the economic development levels of origin countries, indicating that employment and income opportunities at origins are important factors determining mobility; (3) small- and medium-size manufacturing companies still prefer to hire migrant workers over native workers, due to cheaper wages for the former as well as difficulties in recruiting native workers in 3D jobs; and above all (4) most migrant workers, regardless of their sojourn status, desire to stay in the country since their total earnings are less than their migration costs or not as much as they planned, or since they cannot get a job in their home country. With these findings we can hardly expect a massive return of migrant workers. On the contrary, it may well be suggested that the number of immigrant workers will continue to increase as the country's economy recovers from the depression.

INTRODUCTION

A financial crisis erupted in November 1997, plunging the entire Korean economy into a deep bog. During the first two months of the crisis, national holdings of the US dollar dropped from 35 billion to 7 billion and the Korean currency was at one point devalued to about half its original value against the US currency. The IMF relief fund saved the country from possi-

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ble financial collapse, but the national economy had already entered a deep depression. Numerous business firms had to close their doors or cut production, resulting in a hike in the unemployment rate. The financial crisis damaged the country's economy so severely that recovery from the depression is projected to take about five years.

When it became likely that the economy would not recover in the near future, some scholars forecast that labor migration into the country would come to a halt and that most migrant workers would return to their home countries. At that time, the government was working to reduce the number of migrant workers in the country, as unemployment increased steadily among native workers. But these forecasts turned out to be incorrect, and the government's attempt to send migrant workers back to their home countries did not succeed as much as expected. Ten months into the financial crisis, about fifty-six thousand migrant workers, corresponding to about one quarter of the total migrant workers, had moved out of the country. However, the rest of them, about 169 thousand workers, still remained in the country. Immigration continued to flow from a number of countries,[1] although the total volume of the flows decreased considerably after the financial crisis.

These phenomena imply a number of research questions. Among others, the question of why most migrant workers did not return to their home countries may be of interest. Few research reports deal with this problem. One report (Seol, 1998), suggests that the development of social networks among migrant workers may be an important reason for their continuous stay in Korea. According to this explanation, the expansion of the migrants' social networks has the effect of reducing the risks of failure at their destination. Hence the migrants tend to stay despite relative decreases in their earnings. In this study, however, we assume that, during a period of economic prosperity, the migrants' social network may have significant effects upon employment, but this may not be the case under economic depression. Instead, we propose that their stay or return would depend largely upon government policies, labor market conditions, and cost-benefit calculations.

Research on the relationship between immigration and business cycles guides this study. Since the pioneering studies by Jerome (1926) and Thomas (1941), many economists have tried to assess the relative strength of "push" at origin and "pull" from destination, on the one hand, and of the two types of variables, earnings and employment opportunities at both ori-

[1] Note that a considerable number of migrant workers, mainly from China, are still entering Korea.

gin and destination, on the other. Some have found pull factors to be more important (Kelly, 1965; Gallaway and Vedder, 1971; Richardson, 1972), while others have found push factors to be more important (Wilkinson, 1970; Quigley, 1972; Magnussen and Sigveland, 1978). In some studies, wages were less important than unemployment rates (Kelly, 1965; Pope, 1981; Richardson, 1972), whereas other studies found the reverse to be true. (Wilkinson, 1970; Quigley, 1972). In this study we do not attempt to appraise these different findings, but take into consideration all the possible factors affecting labor immigration. We expect fresh empirical findings from this study, in that the study investigates immigration flow in relation to the Asian financial crisis, not the flows to advanced countries over time as the above studies have investigated.

The first question we raise concerning the phenomena under investigation, is why most migrant workers have not returned to their home countries, even though a fairly long time has passed since the financial crisis began. This is an important question, since scholars projected that most migrant workers would return home due to the economic depression. The second important question is a simple extension of the first, but perhaps a more important one: that is, whether most of the migrant workers who have remained thus far will return to their homes or continue to stay in Korea. The inquiry into these questions demands that we conduct an investigation of the phenomena on three levels. First, the in-and out-flows of migrant workers in relation to changes in labor market conditions. Second, the effects of the crisis on companies employing migrant workers, and third, the response of migrant workers to changing employment conditions resulting from the crisis.

In the first section of the study we will explore in-and out-flows of migrant workers in relation to labor market conditions and government interventions before and after the financial crisis. In the second section we will inquire into the effects of the crisis on the companies employing migrant workers, focusing on the effects on employment of the migrant workers. In the final section we will investigate the effects of the crisis on migrant workers, focusing on the response of migrant workers to changing employment and economic conditions resulting from the financial crisis. Although this study covers all important aspects of the effects on labor immigration, its emphasis will be placed on the analysis of effects on migrant workers. The analysis at the individual migrant level will offer some answers to questions such as who will return home or stay in the country and their reasons for doing so.

For the exploration of in- and out-migration of foreign workers, govern-

ment statistical data were utilized and for the analysis of the financial crisis on the migrant workers and their employing companies we used two data sets drawn from questionnaire surveys on migrant workers and their employers, conducted during July and August 1998.[2] The surveys were designed mainly for a cross-cultural study of labor relations and social adjustment among five different ethnic groups of migrant workers (Korean-Chinese, Chinese, Vietnamese, Indonesian, and Filipino workers) in Korea. The financial crisis took place while the survey design was being developed, so a number of questions were added concerning the effects of the crisis. In the questionnaire for migrant workers, questions concerning discharge experience, unpaid wages, changes in wages and working hours, possibility of discharge from current job, possibility of deportation from Korea, desire to remain in Korea or return home, and the reasons for their desire were added. In the questionnaire for companies employing migrants, questions about discharges, wage-cuts, changes in working hours, and plans for discharge or employment of migrant workers were added. Since the questionnaires contained many questions concerning characteristics of migrants and their employers, the data drawn from the surveys provide a good basis for exploring the effects of the financial crisis both on migrant workers and their employing companies.

LABOR IMMIGRATION AND GOVERNMENT POLICIES

The Korean economy grew rapidly until the late 1980's, recording an average annual growth rate of 9.4 percent in 1981-1988. The growth rate then fell to a moderate level — 6.7 percent on the average in 1989-1997. Referring to this change in the rate of economic growth, some scholars insist that the Korean economy entered its 'mid-growth stage' around 1989 and that its structure began to adjust to the 'transition' (Uh, 1998). In this transition period, per capita GNP doubled from about five to about ten thousand

[2]Samples of the surveys were obtained by the following procedures. First, we sampled a total of twenty survey areas in the Kyonggi province by PPS method. In doing this we used the distribution of the industrial trainees by 'Dong' (the lowest level administrative district of city) and 'Myun' (the lowest administrative district of rural county) in the province as its sampling frame, assuming that the distribution of industrial trainees represents the entire population of migrant workers, including the illegally employed. We then visited the sampled areas and identified all of the manufacturing companies employing migrant workers from China, Vietnam, Indonesia, and the Philippines. Three different sets of questionnaires were self-administered to the three different subjects in the companies at the same time: managers representing the companies, migrant workers employed by the companies, and their Korean fellow workers and supervisors.

TABLE 1. LABOR PARTICIPATION AND UNEMPLOYMENT RATES IN 1970-1995

	1970	1975	1980	1985	1990	1995
Labor force Participation	57.6	58.6	59.0	56.6	60.0	62.0
Unemployment	4.4	4.1	5.2	4.0	2.4	2.0

Source: Economic Planning Board, *Annual Report on the Economically Active Population*, each issue.

TABLE 2. LABOR SHORTAGE RATES FOR PRODUCTION AND NON-PRODUCTION WORKERS IN 1985-1995

	1985	1988	1990	1993	1995
Total workers	1.8	3.5	4.3	3.6	3.7
Non-production	0.9	1.2	1.3	1.8	1.8
Production	2.4	5.2	6.9	6.0	5.8
Skilled	2.0	3.9	5.3	5.1	5.0
Unskilled	4.9	12.3	16.2	14.7	11.4

Note: The rates are measured in terms of unfilled job ratio to the employed population multiplied by 100.
Source: Uh(1998:10), originally from Ministry of Labor, *Employment Forecasting Survey*, each issue.

dollers, wages for production workers more than doubled, and the service sector grew faster than other sectors. These changes were accompanied by labor shortages in the production industries, especially in the manufacturing sector.

The so-called economic 'transition', however, was prematurely terminated by the financial crisis, which occurred late 1997. The IMF relief fund saved the country from possible moratorium, but Korean banks were unable to finance ailing business firms. As a result, during a ten-month period after the outbreak of the crisis over twenty thousand business firms went bankrupt and about 1.1 million workers became unemployed. In this section we will investigate the in-flows and out-flows of migrant workers in relation to changing labor market conditions and government policy interventions.

Table 1 presents labor force participation and unemployment rates for the twenty-five-year period of 1970-1995, during which the national economy grew remarkably. The table shows that employment conditions for native workers improved steadily as well. This in turn means that the labor market became increasingly tighter for employers. Table 2, presents the rates of labor shortage for the post recent ten year period (1985-1995) and shows that greater shartages have corresponded to lower skill levels among workers, and that the shortages reached a peak around 1990. Many studies

(Abella and Park, 1994; Park, 1994; Seon, 1996; Seol, 1996; Kim, 1996; Kang, 1996 and 1998; Lee, 1994, 1997, and 1998; Seok, Chung, and Chang, 1998) have attributed the earlier influx of migrant workers to labor shortages, particularly in elementary occupations.

The labor shortages can be attributed partly to the improvement of household income and partly to the development of various service businesses such as sales, restaurants, and travel agents. With economic improvements, native production workers tended to avoid not only extended work during the night and on Sundays and holidays, but also what we call '3D jobs', — jobs that are difficult, dirty, or dangerous. Those who had no skills tended to take jobs in the service sector, which are less difficult than production work. As a result, most small- and medium-size manufacturing companies had difficulty filling the demand for 3D jobs.

Underlying causes of international labor migration, in the absence of some sort of coercive power, are not much different from the causes of internal migration. In general, both types of migration take place in response to changing employment and income opportunities, in relation to migration costs. The influx of migrant workers into Korea has not been an exception. It has taken place in response to newly emerging employment and earning opportunities in the country. The opportunities developed suddenly, due not only to labor shortages but also to wage hikes. Wages for production workers increased unusually as labor unions gained strong power in collective bargaining after the liberalization of union activities in 1987. The costs of migration to the country were not negligible, but surely far smaller than the possible benefits from earning differentials. In this regard it may be also noteworthy that during the 1988 Seoul Olympic Games the Korean government greatly liberalized the entrance of aliens into the country.

Before migrant workers in elementary occupations started to flock into the country, there were only a few thousand alien workers. All were professional and technical workers with permits to work in the country. The Korean Immigration Law allows work visas to aliens who have job skills native workers rarely possess. Therefore, all alien production workers who were employed in Korea before the government implemented the 'Industrial Training Program for Aliens'[3] in 1992 were those who had entered Korea with short-term visiting visas.

Needless to say, those who entered the country without a work permit and are employed by any company are illegal sojourners and, at the same time, illegally employed workers. Aliens who violate the country's immi-

[3] As for the Industrial Training Program, see Seok (1998a and 1998b) and Kang (1998).

gration law on sojourn status are subject to deportation with a maximum penalty of ten million Korean *won*. However, government authorities have rarely applied the law to the illegal sojourners. Instead, the government has repeatedly offered them opportunities to return home without monetary penalty.

In 1992, when the number of illegally employed migrant workers exceeded sixty thousand, the government implemented an industrial training program for the importation of an alien labor force, and at the same time offered the illegal workers amnesty opportunities in order to promote their return home. Both government measures failed to reduce illegal migrant workers. The industrial training program helped to mitigate, to some degree, the labor shortage. However, the program failed to cut down the number of illegal migrant workers. It has instead contributed to the increase in their number, as a considerable number of industrial trainees desert their work places illegally (Seok, 1998a and 1998b).

Other governmental measures, including amnesty, also failed to reduce the number of illegal sojourners, as it failed to induce their returns. The first amnesty act of June 1992 stipulated that, if illegal workers report themselves and return to their homes by the end of 1992, they will be free from monetary penalty. A total of 61,125 illegal workers reported themselves in response to this action, but only about twelve percent of them (6,705 persons) departed the country under government arrangements. The government, however, did not take any compulsive action to deport the illegal migrant workers.

On the contrary, in response to appeals from employers, the government extended the departure date for illegally employed workers until the end of June 1993, and asked illegal workers to apply for extensions. About twenty-nine thousand workers applied for the extension, yet very few left the country by the postponed deadline, due to additional requests for postponement made by employers. This time the deadline was postponed to mid-July 1994. Responding to the second postponement action, only thirteen thousand illegal workers applied for an extensions. The government allowed them to stay for six months and announced its intention to deport all illegal workers not reporting their residence. The government, however, took no noticeable action in this regard. Thereafter, few illegal workers worried about deportation or penalties due to illegal sojourn. As a result, immigration routes and the labor market of migrant workers became well developed, and the number of illegal workers tripled from about 48,200 to 148,000 during the period of 1994-1997.

Table 3 shows the number of migrant workers by sojourn status in 1991-

TABLE 3. NUMBER OF MIGRANT WORKERS BY SOJOURN STATUS IN 1991-1997

	1991	1992	1993	1994	1995	1996	1997
Legally employed	2,973	3,395	3.767	5,265	8,228	13,420	15,900
Illegal sojourners	41,877	65,528	54,508	48,231	81,866	129,054	148,048
Industrial Trainees	-	4,945	8,744	28,328	38,812	68,020	69,052
Total	44,850	73,868	66,919	81,824	128,906	210,494	233,000

Source: unofficial government report.

1997. From the table we can see that both the number of industrial trainees and that of illegally employed migrant workers (illegal sojourners) have continuously increased. In 1992, when the industrial training program was implemented for the first time, the country received about five thousand trainees, increasing to sixty-nine thousand in 1997. On the other hand, illegally employed migrant workers increased from about forty-two thousand in 1991 to about 148,000 in 1997. The number of legally employed workers increased from about three thousand to about sixteen thousand in the same period. Note that a relatively moderate increase of migrant workers in 1996-1997 is deu primarily to the reduced acceptance of industrial trainees, not to the effects of the financial crisis.

The economic depression following the financial crisis led to government action to reduce the number migrant workers, especially illegal sojourners. Three measures were taken. The first was to restrain the import of the alien work force in the name of industrial trainees. The second was to substitute native workers for the illegal migrant workers by means of a special financial support program,[4] and the final measure was to promote return migration of tillegal workers through the same amnesty measure adopted in 1992.

Effects of the first two measures appear to have been negligible. At the beginning of the financial crisis the government announced that it would cut the quota of industrial trainees. Accordingly, it postponed a plan to import a total of 2,500 construction workers. Thereafter, the government allowed the entry of a significant number of trainees, resulting in a considerable increase in the total number of trainees from about sixty-nine thousand at the end of 1997 to about seventy-six thousand as of August 1998. The second measure — the substitution policy — showed no observable direct effects of any significance.

[4] According to the measure, companies employing migrant workers for more than three months can receive a low interest rate business fund from the government, for substituting native workers for migrant workers.

Amnesty from the monetary penalty, announced one month after the financial crisis (December 1997), seems to have exerted a significant effect on the return of illegal sojourners to their home countries. In implementing this measure, the government promised that those who leave the country by the end of April 1998 would not be subject to any monetary penalty. The effect of this measure may well be demonstrated by the fact that during the five month period from the financial crisis to the deadline date of amnesty (December 1997 - April 1998), a total of 53,389 migrant workers left for their home countries. To be sure, industrial trainees are included in the total, but the number of returnees among them is known to be relatively negligible. Industrial trainees had less reason to leave the country, since their training terms and allowances were guaranteed by a written contract with their training company.

We can imagine that the government officials responsible for the matter were hardly satisfied with the figure for the return movement. Hence they postponed the amnesty deadline to July 27 and then again to the end of August. It is known, however, that during the extended amnesty period, only a few thousand migrant workers departed the country. This fact strongly suggests that most of the remaining migrant workers may have no intention of leaving the country for the time being. As of the end of August 1998 — the final date of amnesty — a total of 168,690 workers remained in the country, of which 92,686 were illegal sojourners.

Concerning the effects of the amnesty on return movement, it is also important to note that most returnees left the country around the end of April — the final date of the first amnesty. This means that the returnees had stayed in the country for a maximum period of time to earn a maximum amount of money. Based on this observation we may argue that returnees left the country not only because of worsened employment conditions but also because of the monetary benefits from the amnesty, i.e., exemption from possible monetary penalty. It is generally known that most returnees were those who had stayed for a fairly long time and earned enough money. The amnesty offered then a good chance to return home without any loss from the possible penalty. In the absence of this amnesty, many would not have left the country. In other words, a considerable number of migrant workers returned to their countries not because of unemployment or declines in earnings, but because of the monetary benefit resulting from the amnesty.

Table 4 presents the number of illegal sojourners (illegal migrant workers) by nationality with two points of time reference, December 1997 and August 1998, in order to approximate return migration rates after the finan-

TABLE 4. NUMBER OF ILLEGAL SOJOURNERS AND THEIR RETURN RATES BY NATIONALITY OF MIGRANT: DECEMBER 1997 AND AUGUST 1998

Nationality	No. of illegal sojourners		(3) Net out-mig	Return rate*
	(1)Dec. 1997	(2) Aug. 1998	(1) - (2)	(3) / (1)100
China	57,772	52,729	5,043	8.7
Bangladeshi	9,033	6,654	2,379	26.3
The Philippines	13,909	6,080	7,829	56.3
Mongol	7,644	3,854	3,790	49.6
Vietnam	6.389	3,154	3,235	50.6
Pakistan	5,935	3,136	2,796	47.1
Thailand	8,200	2,245	5,955	72.6
Sri Lanka	2,171	1,154	1,017	46.8
Uzbekistan	1,921	1,097	842	42.7
Myanmar	2,670	1,079	1,591	59.6
Others	32,048	11,508	20,540	64.1
Total	148,048	92,686	55,362	37.4

*In the computation of the return rates it is assumed that the volume of in-migration is negligible.
Source: unofficial government report.

cial crisis. From the table, we can observe, above all, that nearly two-thirds of illegal migrant workers did not return to their countries. This simple fact indicates that most illegal migrant workers remained in the country, since there was no fear of possible deportation or monetary penalty due to their illegal sojourn status.

From the same table we can observe that the return rate for all illegal sojourners is about thirty-seven percent. This relatively low return rate is largely due to the exceptionally low rate for the Chinese illegal sojourners. Chinese illegal sojourners, who made up about forty percent of the total at the end of 1997, did not decrease much during the eight month period following the financial crisis, whereas the numbers for other nationality groups, taken together, decreased by more than half. As a result, Chinese workers became a dominant migrant group in the country.

The exceptionally low rate for Chinese migrant workers is largely due to the very low return rate for Korean-Chinese workers, who comprise more than half of all Chinese workers, and partly due to the underdevelopment of the Chinese economy. The return rate for Korean-Chinese is very low since they are the most advantaged migrant ethnic group.[5] Bangladeshi

[5] Korean-Chinese Migrants are the most advantaged or privileged ethnic groups, not only because they are in the same ethnic group, but also, and perhaps more importantly, because they can speak Korean.

workers show the second lowest return rate, while the rate for Thai workers is the highest. This difference can be attributed to the differences in employment and earning opportunities between the two countries, indicating that the return rates are, to some extent, positively related to the levels of economic development at countries of origin.

In this section we observed that, with the financial crisis, one-fourth of all migrant workers returned to their countries, but projected that most of the remaining workers will not leave the country for the time being. The amnesty from monetary penalty for illegal sojourners is perceived to be one of the main factors stimulating their return. This does not mean that the changing employment and earning opportunities due to the financial crisis had no effect on return movements. We will explore the effects of the crisis on the changing conditions of migration in the next two sections.

EFFECTS OF THE FINANCIAL CRISIS ON COMPANIES EMPLOYING MIGRANT WORKERS

During the time of economic prosperity, small- and medium-size manufacturing industries offered the greatest employment opportunities to migrant workers. This is partly because native workers tended to avoid 3D jobs in the manufacturing industries, and partly because most of those industries were unable to hire native workers, who demanded relatively high wages. With the financial crisis a large number of manufacturing companies went bankrupt and many of those that did survive had to reduce the number of their employees. The companies employing migrant workers could hardly be an exception from the economic recession. This chapter provides an overview of the general characteristics of manufacturing companies employing migrant workers, and explores the effects of the financial crisis on the companies.

Most manufacturing companies employing migrant workers are relatively small, not only in the number of employed workers but also in capital assets. Of the total number of companies (189) surveyed, about eighty-three percent had less than one hundred employees, and about eighty percent held capital assets less than ten billion won (about 11.7 million US dollars when the exchange rate before the financial crisis is applied). The average number of employed workers including migrant workers was sixty-nine, and the average capital asset was about forty-one million *won* (about 4.8 million US dollars). Most of them consist of recently established textile, metal, rubber, and chemical manufacturers. Of the total companies surveyed 75.5 percent were established after 1980. Textile manufacturers com-

prised about twenty percent of the total companies and the percent shares for the other three major industries employing migrant workers ranged from thirten to fifteen percent of the total.

The total number of migrant workers employed by the 189 companies we surveyed was 1120, around six persons on the average. About half of the companies hired four migrant workers or less, while only nineteen percent employed ten or more. The rest (thirty-one parcent) hired five to nine migrant workers. Needless to say, smaller companies tended to employ a smaller number of migrant workers. Yet the ratio of migrant workers to native workers tended to be larger with the decreasing size of the companies, indicating that smaller companies prefer to employ migrant workers. For this reason the ratio of migrant workers varies greatly among companies.

Our survey asked company managers about their main reasons for employing migrant workers. Responses to the question were as expected. About forty-six percent indicated "failure to recruit native workers," and forty-one percent indicated "cheaper wages for the migrants." The two reasons are not mutually exclusive in the sense that some employers could not hire native workers because they demanded higher wages, while others employed migrant workers because their wage level was lower than that of natives. However, we presented the two reasons in the questionnaire at the same time, since the first reason reflects more of the labor shortages in 3D jobs while the second bears on more of the higher wages of native workers.

Smaller companies are more likely to employ migrant workers for the first reason, while larger ones for the second reason. Textile industries, in which most jobs are 3D jobs, tend to employ migrant workers primarily for the first reason. About seventy percent of the textile manufacturers indicated that they employed migrant workers because they failed to recruit native workers. The figures for rubber and metal product manufacturers are fifty and forty-five percent, respectively. Among the chemical product manufacturers only twenty-nine percent replied that they employ migrant workers because of recruitment difficulties, while fifty-four percent said they did it because of cheaper wages.

The working hours of migrant workers are longer than the hours of native workers but their wages are significantly lower. About thirty-five percent of the managers answered that the migrant workers they employed were working longer than their native workers, and nearly eighty percent responded that migrant workers were paid less than the native workers. Therefore, those who employ more migrant workers get a greater benefit from their employment than those who employ fewer migrants. About

eighty-four percent of company managers believe that the employment of migrant workers has helped their business greatly.

No company can employ migrant workers without having any problems. Since they pay the migrant workers significantly lower wages, some demand wage increases. About two-thirds of the companies reported that the migrant workers' demand for wage increases was serious, that they were faced with serious collective protests, and that some had deserted their companies. The total number of migrant workers deserting their companies amounted to 462 persons, corresponding to forty-one percent of the total number of migrant workers currently employed by the companies. The rate of desertion is very high, because the migrant workers have no strong commitment to their employers and hence always look for better paying employers.

Most business firms in Korea have suffered from the financial crisis. The manufacturing companies we surveyed were no exception. A total of 140 companies, or seventy-nine percent of the total sample, reported that their profits had decreased, while those whose profit increased amount to only twenty companies, corresponding to twelve percent of the total. Forty-nine companies, corresponding to twenty-six percent of the sampled companies, discharged a total of 361 native workers, while thirty companies, or sixteen percent of the sample, dismissed a total of one handread fifteen migrant workers. The absolute number of discharges of native workers was greater than that of migrant workers. However, in relative terms the latter was far greater than the former. The discharge rate for migrant workers was about ten percent, while the rate for the native workers was only three percent.

As observed above, a considerable proportion of our sample companies had discharged a noticeable number of employees, both migrants and natives. Yet our survey revealed that there would be more layoffs — twelve companies planned to discharge a total of sixty-two native workers, while fourteen companies planned to discharge a total of fifty migrant workers. In the discharge plan, as in the case of actual discharges, the number for the native workers was greater than that for the migrant workers, but the rates showed that the reverse is the case. That is, the rate for the latter (4.5%) is far higher than the rate for the former (0.5%). These facts clearly indicate that migrant workers are far more vulnerable to the risk of discharge.

We presume that the higher risk of discharge for migrant workers, either actual or planned, is largely due to the nature of jobs in which they are engaged, not only because of possible racial discrimination. The risks of discharge is very high not only because they are temporarily employed workers for whom employers have less responsibility, but also because they are

TABLE 5. PLANS FOR DISCHARGE AND EMPLOYMENT OF MIGRANT WORKERS AND NATIVE WORKERS

	Migrant workers		Native workers	
	Discharge	Employment	Discharge	Employment
No. of companies (%)*	16 (8.5)	22 (11.6)	12 (6.3)	38 (20.1)
No. of workers (%)*	50 (4.5)	87 (7.8)	62 (0.5)	145 (1.2)

*Figures are based on the total number of sample companies and their migrant or native workers.

engaged in the kind of jobs that can be performed by any unskilled or low-skilled workers.

The argument that the difference in the discharge rates between migrants and natives is not only due to racial discrimination can also be supported, to some extent, by the following fact: companies' employment plans favor migrant workers more than native workers. As shown in Table 5, thirty-eight companies (twenty percent), taken together, planned to hire a total of 145 native workers, while twenty-two companies (twelve percent) planned to employ a total of eighty-seven migrant workers. The absolute number of native workers in demand was somewhat greater than the number for migrant workers, but not in relative terms. The rate of planned employment for migrant workers (7.8%) was far greater than that for native workers (1.2%).

In regard to the companies' discharge and employment plans it may be important to note that the number of companies planning to discharge their employed migrant workers was relatively small (8.5%). Furthermore, the number of companies planning to employ migrant workers (twenty-two) was greater than the number of companies who planned to discharge their employed migrant workers (sixteen), and the total number of migrant workers the companies planned to employ (eighty-seven) also exceeded the number of migrant workers planned to be discharged (fifty). These observations were drawn from a small sample survey, but indicate clearly that there will not be massive return migration due to layoffs.

We should, however, make it clear that this inference does not tell us whether most migrant workers, will return or remain. For individual migrant workers, employment opportunities may be a necessary but insufficient condition for staying. Their earnings compared with the costs of migration may be a more important factor in their decisions. We will explore this and other plausible factors associated individuals' decision to return or stay, in the next section.

EFFECTS OF THE FINANCIAL CRISIS ON MIGRANT WORKERS

The financial crisis had various impacts on migrant workers. Some had their working hours and wages reduced, while others were laid off. Among the discharged workers, some got new jobs, while others returned to their home countries. Regardless of their employment status, some of them desired to stay in the country while others wanted to return home.[6] In this section we will explore the effects of the crisis on the migrant workers and their responses to the changing conditions of migration, utilizing data from the questionnaire survey on migrant workers employed at the sample companies.

We surveyed a total of 740 migrant workers consisting of five ethnic groups: Korean-Chinese (122), Chinese (108), Vietnamese (147), Indonesian (222), and Filipino (141).[7] Of the total sample, seventy-six percent were male, eighty-six percent were under age thirty-five, and fifty-five percent had never married. They had about ten years of school education on the average and eighty-two percent had more than nine years of education. Perhaps one of the most interesting characteristics of the sample was that the migrant workers were from countries with different religious compositions. Nearly all Chinese have no religion, while the majority of Indonesians were Muslim. Most Filipinos were Christian, while most Vietnamese were either Christian or Buddhist. The workers' occupations before immigrating to Korea were also diverse. Unemployed persons camprised seventeen percent of the total. About thirty-three percent used to be skilled workers, while about eleven percent were unskilled workers. The rest used to be farmers (ten percent), sales and service workers (nine percent), clerical workers (eight percent), professional or managerial workers (seven percent), and others (five percent). They earned, on average, about 132 US dollars a month.

The workers we surveyed had spent a considerable amount of money in order to immigrate to Korea and get a job in the country — about 3,030 US dollars on the average, corresponding to twenty-three-months earnings at their home countries. The main reason the workers moved to Korea was to earn better wages. About seventy-seven percent of the sample said that they

[6] Reportedly, several thousand unemployed migrant workers who were laid off after the financial crisis are staying in Korea. However, we do not have exact figure for them.

[7] We limited our subjects of study to these five groups, since they are among largest migrant groups in Korea and within the sample, the size of racial groups should be large enough for the cross-cultural analysis.

moved to Korea for the reason of "higher wages." Those who pointed to other reasons such as "easy to get a job" and "better working environment" were relatively small. Most of them (eighty-four percent) entered the country in 1996 or later. Yet it is noteworthy that a significant proportion of them (twelve percent) entered the country even after the financial crisis. About ninety percent of respondents said they entered with an industrial trainee visa.[8]

No matter what kind of jobs they held before coming to Korea, most migrant workers in the country were engaged in elementary occupations — unskilled or lower level skilled jobs. Of the total sample, about fifty-three percent identified themselves as "skilled workers," and thirty-four percent as "unskilled workers." The rest indicated "other." Note that a consisiderable percent of those identified as "skilled workers had, in fact, either unskilled or low-level skilled jobs. This can be evidenced by the fact that most of the workers (seventy percent) said that it took only one month or less for them to acquire the skill needed for their current job. In fact, their employers regarded more than ninety-three percent of them as unskilled or low-level skilled workers.

On average, the workers worked about sixty-one hours per week, earned about 569,000 *won* (or about 670 US dollars when the exchange rate before the financial crisis is applied) per month,[9] and spent about twenty-four percent of the monthly earnings for living expenses in Korea (about 140,000 *won* per month). Their living expenses were relatively low, since their employers provided them with housing. On average, they had remitted 2,195,000 *won* (about 2,580 US dollars) and had savings of 1,141,000 *won* (about 1,340 US dollars) in Korea. Their working hours were fairly long, but relatively few complained about it. Only twenty-two percent were dissatisfied with their working hours. Although their wages in Korea were far greater than the earnings at home, even if we apply the exchange rate for US dollar after the financial crisis, about forty-two percent were dissatisfied with their wages. Nonetheless, relatively few workers (twenty-one percent)

[8] We suspect that this figure is inflated, since most of those who entered the country with visiting visas would be motivated to conceal their illegal sojourn status by saying that they are industrial trainees. The fact that the percent of those who have been in Korea over two years (thirty-five percent) is far greater than the percent of those who have entered the country as industrial trainees indicates that at least twenty percent conceal their sojourn status. According to the government stipulation, no industrial trainee can stay in the country over two years.

[9] This average figure reflects the earnings after the financial crisis. Their average earnings before the crisis are estimated at about 650,000 won. The average figure before the crisis is obtained by adding average decrease in monthly earnings.

said they were dissatisfied with their life in the companies.

About thirty percent of the sample had changed employers at least once, mainly because their wages were too low (eight percent of the total sample) or because their job was dirty, difficult, or dangerous (taken together, also eight percent). A considerable proportion of them (about forty-one percent) wanted to change employers, mostly because of low wages (twenty-five percent of the total sample) or the 3D nature of their job (eight-percent). When we compare the reasons for actual job transfers with the reasons for desiring job transfers, it clearly appears that wages became an increasingly important reason for job transfers after the financial crisis. This seems to be primarily due to the worsened employment conditions, that is, a decrease in wages. This argument may well be demonstrated by the fact that about forty-two percent of the workers were dissatisfied with their wages, while only about 15 percent were dissatisfied with their jobs, and the proportion of those who were not satisfied with their working hours also was relatively small (twenty-two percent) despite their working hours being much longer than those of native workers.

Effects on Earnings

Out of the total sample migrants, about forty-five percent reported that their earnings decreased after the financial crisis, while only five percent reported increases. The remaining half reported no change in earnings. The average amount of wage decrease for the total sample workers is estimated at about 65,000 *won* per month. Perhaps worse than the earning decrease may be overdue wages. About twenty-four percent of the sample or 164 workers reported they had overdue wages. Among them, eighty-five workers replied to the questions on the duration and amount of overdue wages. On the average they were unpaid about 2,732,000 won for about four months.

Incidents of both wage decrease and overdue wages appear to be most frequent among migrant workers from China (see Table 6). About sixty-fight percent of the Chinese workers reported that their monthly wages decreased after the crisis, while the figure for the Korean-Chinese was about fifty-two percent. For other groups of migrant workers the figures ranged from thirty-two to forty-six percent. The incidences of overdue wages were also highest among Chinese workers (fifty-one percent), followed by the Korean-Chinese (thirty-five percent), while lowest was among Vietnamese workers (eleven percent). The overdue incidences for Indonesian and Filipino workers show a moderate proportion (fifteen percent and twenty

TABLE 6. CHANGES IN MONTHLY WAGES BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All Workers
Decreased	59 (51.8)	71 (67.6)	62 (45.6)	68 (31.6)	54(40.6)	314(44.7)
No change	50 (43.9)	28 (26.7)	68 (50.0)	137 (63.7)	71(53.4)	354(50.4)
Increased	5 (4.4)	6 (5.7)	6 (4.4)	10 (4.7)	8 (6.0)	35(5.0)
Total	114(100.0)	105(100.0)	136(100.0)	215(100.0)	133(100.0)	703(100.0)

TABLE 7. CHANGE IN WORKING HOURS BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All Workers
Decreased	35 (31.3)	51(48.1)	39 (28.9)	35 (25.9)	35(25.9)	224(31.9)
No change	72 (64.3)	48(45.3)	87 (64.4)	141 (65.9)	87(64.4)	435(62.0)
Increased	5 (4.5)	7 (6.6)	9 (6.7)	9 (4.2)	13 (9.6)	43(6.1)
Total	112(100.0)	106(100.0)	135(100.0)	214(100.0)	135(100.0)	702(100.0)

percent, respectively).

The decrease in migrant workers' wages could have happened with or without a decrease in working hours. However, we presume that the decrease in wages was primarily due to shortened working hours due to the financial crisis. From Table 7, we observe that about thirty-two percent of the migrant workers surveyed reported decreases in working hours after the crisis, while about six percent reported increases. The average decrease in working hours, when calculated for the entire sample, amounts to about four hours per week. By observing decreases in wages relative to decreases in working hours, we can see that decreases in wages following the crisis were primarily due to decreases in working hours. This is perhaps due to decreases in overtime and extended working hours, rather than due to wage cuts per working hour. The decrease in average working hours for Korean-Chinese and Chinese workers were greater than any other groups, indicating that the decrease in wages was largely due to the decreases in working hours. It is interesting to note that the decrease in working hours is not desirable for migrant workers, not only because of its effect on wages but also since it is a sign of declining business which may result in corporate shut-downs or layoffs.

Effect on Employment

Before the financial crisis, most migrant workers who changed employers

did so volumtarily. As we observed, the main reason for change was to get better paying jobs. However, the situation reversed after the crisis. The main reason for the job transfers after the crisis was layoffs. A total of 123 persons or seventeen percent of our sample had been laid off since the crisis. Among them, fifty-four persons were unemployed because their previous companies went out of business and fifty-one were discharged because of work force reductions. As noted in the first section, the government tried to substitute migrant for natives workers. In our sample, however, only eighteen workers lost their jobs because they were substituted. Above all, the fact that a considerable proportion (seventeen percent) of currently employed migrant workers were those who were unemployed after the financial crisis but re-employed thereafter, clearly indicates that their layoffs did not necessarily lead to return migration.

The discharge experience was greatest among Filipino workers (thirty-three percent), followed by the Chinese (twenty-six percent) and Vietnamese (nineteen percent). The ethnic groups that showed a relatively low percent of discharge were Indonesians (ten percent) and Korean-Chinese (nine percent). For Filipinos the most prevalent reason was company downsizing, while for the Chinese the main reason was business closure. For other groups of workers both reasons caused relatively similar numbers of unemployed workers (see Table 8).

We have tried to identify individual attributes that may contribute to differential discharge rates, but found only one plausible variable: visa status. Migrant workers entering the country with industrial training visas were less likely to be discharged by their employers. This is because the government allowed only qualified companies to use industrial trainees. The percent of those entering the country with training visas was smallest among Filipino workers. Among them, the number of illegally employed workers was greater than that of industrial trainees, resulting in high discharge rate. A notable exception from this observation was the figure for the Korean-Chinese. For this group, the discharge rate was very low despite of a very

TABLE 8. REASONS FOR DISCHARGE BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All Workers
Co. closing-out	4 (44.4)	20 (76.9)	8 (38.1)	11 (57.9)	8(18.6)	51 (43.2)
Co. down-sizing	3 (33.3)	5 (19.2)	12 (57.1)	6 (31.6)	28 (65.1)	54 (45.8)
Substitution for	-	1 (3.8)	1 (4.8)	-	1 (2.3)	3 (2.5)
Other reasons	2 (22.2)	-	-	2 (10.5)	6 (20.0)	10 (8.5)
Total	9 (100.0)	26 (100.0)	21(100.0)	19(100.0)	43(100.0)	118(100.0)

TABLE 9. PERCEIVED RISKS OF DISCHARGE FROM EMPLOYER BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All Workers
Not at all	74 (66.1)	65 (63.7)	103 (79.8)	157 (74.4)	53 (41.7)	452(66.4)
Some	31 (27.7)	31 (30.4)	22 (17.1)	50 (23.7)	48 (37.8)	182(26.7)
Very much	7 (6.3)	6 (5.9)	4 (3.1)	4 (1.9)	26 (20.5)	47(6.9)
Total	112(100.0)	102(100.0)	129 100.0)	211(100.0)	127(100.0)	681(100.0)

high proportion of illegal employment. This group was an exception, since they were the most advantaged migrants. They have advantages in employment becaus they can speak Korean.

In addition to the question of lay-off experience, we asked about the possibilities of lay-offs from their current job within two or three months. To the question, about two-thirds of all respondents answered that they were not at risk of discharge. About twenty-seven percent of the total replied they were at some risk, but the number of those who replied that they were at a very high risk amounted to only six percent of the total.

Filipino workers were not only most vulnerable to actual discharge, but among them the proportion of those who were worried about discharge within two or three months was also greater than any other ethnic group. As shown in Table 9, about fifty-eight percent of Filipino workers thought that discharge was possible, at least, to some extent. The next was Chinese (forty-six percent), followed by Korean-Chinese (forty-four percent). Vietnamese and Indonesian workers showed far lower figures (twenty-six percent and twenty percent, respectively) than other groups. Among Filipino workers the proportion of those who perceived the discharge risk as being “very much” was unusually high (twenty-one percent) compared to the figures for other groups (two percent to six percent). In search of plausible factors affecting the differential perception, we have found only the visa status factor, as is the case for the actual discharge. That is, those who have a visiting visa are more likely to perceive that they have a great risk of being laid off.

Return or Stay?

In the last part of the questionnaire for migrant workers, we asked about their desires to extend the duration of their employment in Korea and if so, how long and why. About eighty percent of all workers desired to extend

the duration of their stay in the country, while twenty percent did not. On average, those who desired the extension of employment wanted to stay in the country for about twenty-seven months. This is a simple figure, but provides a clue to a question raised in the beginning of this paper: whether most migrant workers will return to their home countries. Our answer to the question is a cautious "no." Most will remain in the country, if there is no further significant change in their employment conditions.

The argument that most migrant workers will remain in the country for the time being is also supported by the fact that, even among migrant workers who do not desire to employment extension, a considerable proportion are going to stay for months or even years. On average, the workers said that they were going to stay for eight months. Most of the migrant workers who planned to stay for longer time are industrial trainees, who are allowed to in the country for two years at maximum.

The proportion of workers desiring employment extension differed only slightly across demographic categories, but the following differences were observed. Migrant workers aged thirty to thirty-nine (eighty-four percent) were most likely to desire an extension, while those aged over forty were the least likely to do so (seventy percent). The percent figure for the age group under thirty is in-between (seventy-eight percent). Female workers were more likely to desire extension than male workers (eighty-three vs. seventy-eight percent). Married persons were more likely to desire as extension than those who had never married (eighty-five vs. seventy-six percent). This difference by marital status can be attributed to the economic responsibility of the married for their family. Educational attainment was negatively related to the desire to stay. Those whose income decreased were more willing to move out of the country, whereas those who were satisfied with life in the workplace and the jobs assigned by their employers tended to desire extensions.

Workers spending greater amounts of money on migration are more likely to stay in the country. Their desire to stay was due to the fact that they would have to earn more than the cost they paid for migration. It is noteworthy that the main sources for the migration expenses (for about sixty percent of migrant workers) were loans that have to be paid back with earnings in Korea.

By nationality, Vietnamese workers appear most likely to desire extension, while Indonesians are the least likely. About ninety-three percent of the former desired an extension, while about sixty-seven percent of the latter did so. For other groups, the percent figures of those who wanted continuous employment were almost the same — eighty-seven percent for both

Korean-Chinese and Chinese and eighty-five percent for Filipinos. In regard to these figures, we may raise the question of why the figures for Indonesian and Vietnamese workers deviate so much from the average.

Table 10 gives reasons for desiring continuous employment by nationality of migrant workers and Table 11, the reasons for desiring return home. Table 10 indicates that the desire for extending the duration of employment is more closely related to earnings than employment opportunities. About sixty-eight percent of migrants desiring extentions indicated such earnings-related reasons as "earned less than migration cost" (twenty-three percent), "not earned as much as planned" (thirty-two percent), and "better earnings in Korea" (fourteen percent), whereas those who indicated employment-related reasons such as "cannot get a job at home" (twenty-three percent) and "cannot get a job in other country" (six percent), consisted of thirty-one percent altogether. On the other side, Table 11 shows that in the case of not desiring an extension of employment, the reason of "homesickness" (fifty-two percent) appears to be far greater than either earnings-related reasons such as "earned as much as planned (twenty-two percent) and "decrease in wages" (seven percent) or such employment-related reasons as "can get a job at home (seven percent) and "can get a job in other county" (thirteen percent).

By nationality, the desire for extension of employment for earnings-related reasons appears highest among Vietnamese workers. On the other side, the proportion of those not desiring extension for reasons of homesickness is the greatest among Indonesian workers (sixty-four percent). The former can be explained by the fact that most Vietnamese workers are latecomers and hence have a strong desire for earnings. For the latter we speculate that a big difference between Indonesian and Korean cultures causes Indonesian workers to experience homesickness more. In this regard, however, the actu-

TABLE 10. MAIN REASONS FOR DESIRING EMPLOYMENT EXTENSION IN KOREA BY NATIONALITY OF MIGRANT WORKERS (%)

Reasons for desiring extntn	Kor.-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All workers
Earned less than costs	9 (9.1)	7 (8.0)	53 (44.5)	27 (21.4)	28 (25.0)	124(22.8)
Not earn'd as much as plned	16 (16.2)	6 (6.8)	39 (32.8)	43 (34.1)	68 (60.7)	172(31.6)
Better earnings in Korea	8 (8.1)	6 (6.8)	18 (15.1)	35 (27.8)	8 (7.1)	75(13.8)
Cannot get a job at home	49 (49.5)	55 (62.5)	4 (3.4)	13 (10.3)	6 (5.4)	127(23.3)
Can't get a job in other ctry	17 (17.2)	14 (15.9)	2 (1.7)	-	-	33(6.1)
Other reasons	-	-	3 (2.5)	8 (6.3)	2 (1.8)	13(2.4)
Total	99(100.0)	88(100.0)	119(100.0)	126(100.0)	112(100.0)	544(100.0)

TABLE 11. MAIN REASONS FOR NOT DESIRING EMPLOYMENT EXTENSION BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor.-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All workers
Earned as much as planned	1(6.3)	2 (14.3)	-	14 (17.5)	3 (15.8)	20 (14.6)
Decrease in wages	1(6.3)	2 (14.3)	-	2 (2.5)	5 (26.3)	10 (7.3)
Can get a job at home	2 (12.5)	2 (14.3)	1 (12.5)	1 (1.3)	1 (5.3)	7 (5.1)
Can get a job in other ctry	9 (56.3)	4 (28.6)	2 (25.0)	3 (3.8)	-	18 (13.1)
Homesickness	3 (18.8)	4 (28.6)	5 (50.0)	51 (63.8)	8 (42.1)	71 (51.8)
Other reasons	-	-	-	9 (11.3)	2 (10.5)	11 (8.0)
Total	16(100.0)	14(100.0)	8(100.0)	80(100.0)	19(100.0)	137(100.0)

al rate of return migration Indonesian workers may not be as high as expected, since homesickness is not a crucial factor in returning home (Chung, 1998).

Another interesting observation regarding differences in the desire to stay is that migrant workers from Southeast Asian countries, including Vietnamese workers, are more likely to stay in the country for earning reasons, while Chinese workers including Korean-Chinese are more likely to respond to employment opportunities. That is, for the former, factors related to earnings are more important than factors related to employment, while for the latter the reverse is the case. A similar pattern is evident among workers' reasons for returning home. Workers from China are more likely to indicate employment- related reasons such as "can get a job at home" and "can get a job in other countries," whereas those from South-east Asian countries more frequently point to "homesickness" than reasons related to earnings such as "earned as much as planned" and "decrease in wages."

We have observed the migrant workers' desire to stay in the country as well as return to their home countries in order to figure out the possible extent of return migration. By this observation we have learned that most of the migrant workers do not want to return to their home countries, mainly because of better earning and employment opportunities at the destination country.

However, their stay in the country is not exclusively determined by their free will. There exists some risk of deportation for illegal sojourners. In our survey, about thirty-three percent perceived that they were at risk of deportation. When we broke the number down by ethnic group, Filipino workers showed an exceptionally high percentage — over sixty percent of them perceived a danger of deportation, at least to some extent. The figure for the

TABLE 12. PERCEIVED RISKS OF DEPORTATION BY NATIONALITY OF MIGRANT WORKERS (%)

	Kor-Chinese	Chinese	Vietnamese	Indonesian	Filipino	All Workers
Not at all	76 (71.7)	82 (78.8)	98 (74.8)	155 (73.8)	47 (39.2)	458(68.3)
Some	22 (20.8)	20 (19.2)	28 (21.4)	49 (23.3)	50 (41.7)	169(25.2)
Very much	8 (7.5)	2 (1.9)	5 (3.8)	6 (2.9)	23 (19.3)	44(6.6)
Total	106(100.0)	104(100.0)	131(100.0)	210(100.0)	120(100.0)	671(100.0)

Filipinos was high, not because they were especially anxiety-prone, but because most of them were staying in the country illegally. We suspect that the proportion of illegal sojourners among Korean-Chinese workers also was very high, perhaps second only to the Filipinos, but the perceived deportation risk was not so high since they could conceal their sojourn status easily.

SUMMARY AND CONCLUSION

Following the financial crisis, about one quarter of the migrant workers employed in Korea returned to their home countries. The decline of employment and income opportunities due to the crisis and the government policy to send back illegal sojourners are considered the main factors of the return movement. The main policy measure was the amnesty from monetary penalty for illegal sojourners. The policy was very effective initially since it provided illegal sojourners monetary benefits. The effect was diminished, however, in the later amnesty period, indicating that most migrant workers who wanted to return to their countries left, and hence there will be no massive return movements.

Return migration rates appeared to vary considerably from one ethnic group to another. The return rate for Chinese workers, the largest ethnic group among all the migrant groups, was lowest, while the rate for Thai workers was highest. This difference was attributed primarily to the difference in the levels of economic development among countries of origin.

The second section of this paper dealt with the effects of the financial crisis on companies employing migrant workers. We found that not only the actual discharge rate but also the planned discharge rate for migrant workers was far higher than that for native workers. This clearly indicates that the risks of layoffs for migrant workers are far higher than those risks for the native population. We argued that differences in unemployment rates

between migrants and natives, are not entirely due to racial discrimination. The argument was based on the observation that employers prefer to hire migrant workers than the natives for reasons of labor cost, and that more frequent layoffs for migrant workers are largely due to the kind of labor they provide — unskilled work — and their working status — that is — their temporary working status. Perhaps the most important inference we made from the investigation into migrants' employers may be that there will be no more massive discharges of migrant workers. This inference is grounded in the fact that the number of companies planning to employ migrant workers is greater than the number of companies planning to discharge the migrant workers they currently employ. Additionally the total number of migrant workers the former plan to employ is greater than the number the latter plan to discharge.

In the final section we inquired into the effects of financial crisis on the migrant workers and their responses to the changing conditions of migration. Perhaps the worst effect of the crisis may be overdue wages, not because of the multitude of cases, but the amount, which often exceeded several months of wages. The next significant effect was a decrease in wages. The percentage of those reporting wage decreases was far greater than those reporting overdue wages, but the average amount was not so great. We found that the main cause of wage decreases is not cuts in a decrease in actual wage rates, but a decrease in actual working hours, especially overtime and extended work.

Finally, to identify the possible extent of return migration we investigated the migrant workers' desire to stay in the country as well as return to their home countries. In this investigation we found that most migrant workers do not desire to return to their home countries, mainly because earning and employment opportunities are better in Korea. On the other hand, the most frequent reason given for returning is neither earnings nor employment opportunity related, but "homesickness", which may exert a relatively weak effect on the decision to return. In addition most perceive they are not at a risk of compulsory return through deportation by government authorities.

The findings above strongly suggest that there will be no massive return movement of the migrant workers. Although employment conditions have worsened considerably due to the financial crisis, most migrant workers do not want to return to their homes, since conditions are still better in Korea. The earlier return movements took place largely in response to changing conditions of employment and earnings due to the financial collapse and were stimulated by opportunities for amnesty. The return movement has slackened as the financial crisis spread throughout Asia. From now on,

labor immigration to Korea will depend not only on the country's ability to overcome the financial crisis but also on the changing conditions of the countries due to the Asian Crisis.

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