

THE LABOR FORCE APPROACH AND THE KOREAN LABOR FORCE DATA

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I

There have been basically two conceptual approaches to the regular economic activities of the population in the working ages, roughly 15-64, in censuses or related surveys in various countries. The first type, called the gainful worker(or gainfully occupied) approach, is primarily concerned with the usual economic activity or status of a person of working age while the second type, called the labor force approach, is with the economic activity in any specified time period, considering whether the person is working(employed) or unemployed at the time of the census.¹⁾

A gainfully occupied worker refers to a person who actually, for a large part of the time, works at an occupation through which he earns wages or salary, obtains direct income in other form, or assists in the activity or status.²⁾ This approach has long been in use in various countries where the census collected information on the economic activities of the population. It is relatively simple to apply, and has the advantage of broad coverage.³⁾

The Korean censuses during the colonial period(1910-1945) utilized this approach in the measurement of the work force. While this approach proved to be useful when the major concern was a total count of the working population(without regard to the numbers employed or unemployed at a particular time) and for an inventory of the occupations of that population, it became clearly inadequate when the need arose to measure employment and unemployment in the labor market.⁴⁾ Lacking a specific time reference, the gainful worker approach produced "an occupational return even if the person was not actually working at it."⁵⁾ Furthermore, it failed to include in the work force those persons who were

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1) See Leon E. Truesdell, "Concepts of the Working Population," *Estadística*, Num. 22 (Marzo de 1949), pp. 76-83.

2) *Ibid.*, p. 77.

3) *Ibid.*, p. 77.

4) *Ibid.*, p. 78, and Philip M. Hauser, "A New Approach to the Measurement of the Work Force in Developing Areas" (Unpublished manuscript).

5) *Ibid.*, p. 6.

seeking first employment as they became of working age. This approach may also erroneously include those persons who had long been retired or who were neither working nor seeking work at the time of census enumeration since the related question is directed simply to respondents' occupation.⁶⁾

The labor force approach was developed in the United States in the thirties in order to correct the deficiencies of the gainful worker approach for the measurement of the work force in "the complex, interdependent, highly vulnerable economy of urbanized and industrialized United States."⁷⁾ As indicated above, the labor force approach is based on actual work activities with attention paid to employment status, involving a specific time reference.

The "economically active population" or the "labor force" is a derived concept.⁸⁾ It is the sum of those persons classified as "employed" and those classified as "unemployed."

The employed comprise all persons 14 years old and over (a) who actually worked for wage, pay or profit or worked without pay during the survey reference period in a family business or on a family farm (fully employed); (b) who actually worked for wage, pay or profit or worked without pay while going to school, doing housekeeping or something else during the above specified dates (partially employed); or (c) who did not work during the reference period and did not look for work but had a job or business from which they were temporarily absent because of industrial displacement, bad weather, vacation or other personal reasons (temporarily laid-off). Unemployed persons refer to all persons 14 years and over who did not work for wage, pay or profit during the reference period but are looking for work. A person is considered also as looking for work even if he did not actually try to find work during the reference period because of temporary illness, bad weather, or the belief that no job was available. Those who are not in the labor force are categorized as the economically non-active population, comprising persons engaged in house-keeping, attending school or too old or disabled to do any work.⁹⁾

The Korean censuses conducted after Liberation—in 1955, 1960 and 1966—collected information on the economic activity of the population utilizing the labor force approach.

6) *Ibid.*, p. 6.

7) *Ibid.*, p. 5.

8) See William G. Bowen and T.A. Finegan, *The Economics of Labor Force Participation* (Princeton: Princeton University Press, 1969), pp. 3-15.

9) The labor force approach, as described here, was introduced into Korea without much critical assessment of the situation of labor force with regard to its marketability. As will be shown subsequently, this approach needs further refinement for its usefulness in the Korean context. For general discussions, see Leon E. Truesdell, *op. cit.*, United Nations, *Demographic Aspects of Manpower*, Report 1, Sex and Age Patterns of Participation in Economic Activities (New York: United Nations, 1962) pp. 1-2; Wilbert E. Moore, "Exportability of the 'Labor Force' Concept," *American Sociological Review*, Vol. 18, No. 1 (February, 1953), pp. 68-72 and "Persistent Problems of Labor Force Analysis," *Population Index*, Vol. 17, No. 2 (April, 1957), pp. 78-91; Hauser, *op. cit.*, and "Population Change and Development in Manpower, Labor Force, Employment and Income," paper presented to ODA Conference, Hong Kong, January 10-13, 1972; and Bowen and Finegan, *op. cit.*

The censuses include questions on economic activity status, class of worker, industrial and occupational classification of employment. Responses to these questions are then cross-classified with other relevant factors such as age, sex, education and the like on a sample basis (20% in 1960 and 10% in 1966). Published data are not necessarily consistent throughout the census years in kind and classification. Also, tabulation on a sample basis raises a problem of sampling errors. Analytical difficulties in this respect become acute when we try to analyze the time trends of a cohort in the working age population.¹⁰⁾

Another major source of data is the annual survey of the economically active population which began in 1963. This survey was instituted by the Economic Planning Board, Korea to obtain up-to-date information on economic activities of the population in order to provide effective data for the formulation and implementation of plans and policies. This annual report not only fills up the time gap left by the regular censuses but also supplements the census by providing further information on the labor force, such as the economic activity rate by season, the number of hours worked and the like.

The Board undertakes this survey every season of the year on a sample basis (0.1 percent of the total population aged 14 years and above), but publishes the results of the four surveys one annual report, presenting yearly figures on labor force with the exception of labor force participation rate, employment rate, and the hours of work.¹¹⁾

II

The labor force approach, however, raises a number of conceptual problems when applied to a working population in which the majority is engaged in farming, and where a labor market is not clearly established. It is our aim here to examine the nature of the Korean labor force data in light of the recent criticism against the application of this approach to the working population in less industrialized economies.

Because of the highly seasonal nature of agricultural activities, the labor force participation rate of the Korean working population fluctuates rather widely between seasons. According to the annual report on the economically active population, the participation rate is highest during the busiest months of the year, June, and lowest during the slack period, December. In 1966, the total size of the economically active population in December is less than 70 percent of that in June. Breakdown of labor force participation rates by farm and non-farm households, as presented in Table 1, clearly indicates that wide seasonal variations are apparent only in the farm households. In the non-farm households, fluctuations of participation rates appear to be rather random, not

10) Utilizing the survey data Kwan S. Kim undertook an interesting analysis of the structural characteristics of labor force in the dualistic Korean economy. See his, "Labour Force Structure in a Dual Economy: A Case Study of South Korea," *International Labour Review*, Vol. 101, No.1 (January, 1970), pp.35-48.

11) Perhaps in the future, an arrangement might be worked out with the Bureau of Statistics to make a sample of individual data on cards or on tape available to interested scholars to enable them to perform comprehensive analysis.

Table 1. SEASONAL VARIATIONS OF THE ECONOMICALLY ACTIVE POPULATION (JUNE=100) KOREA, 1963—1966 BY SEX AND FARM AND NON-FARM HOUSEHOLD

Month	All Countries				Farm				Non-Farm			
	1963	1964	1965	1966	1963	1964	1965	1966	1963	1964	1965	1966
	Both Sexes											
March	82.8	80.5	82.3	81.6	76.3	73.4	76.1	73.5	94.8	94.1	93.3	97.9
June	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
September	91.7	91.1	90.6	87.7	84.7	86.7	85.4	82.5	104.5	99.6	99.7	96.8
December	69.3	67.2	69.8	68.2	54.7	55.2	55.6	54.5	100.7	90.3	94.9	92.4
	Men											
March	91.3	88.5	90.0	89.1	88.6	83.5	85.8	84.2	96.1	96.6	96.4	96.3
June	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
September	97.5	99.5	96.9	94.7	93.2	97.9	93.7	90.4	102.7	102.2	101.7	101.0
December	82.4	81.5	81.7	81.8	70.2	72.9	70.8	68.3	102.7	95.5	98.1	101.4
	Women											
March	75.1	68.4	70.4	69.0	66.7	60.2	63.0	59.7	95.1	89.1	87.1	91.4
June	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
September	85.1	74.1	80.9	78.7	79.8	72.1	74.4	72.0	97.5	94.2	95.7	94.8
December	55.7	45.7	51.5	49.6	40.2	32.1	35.3	34.0	92.8	89.5	88.3	87.0

Source: Economic Planning Board, Korea, *Annual Report on the Economically Active Population* (Seoul: Economic Planning Board), 1963, pp.49-57, 1964, pp.66-71, 1965, pp.58-62 and 1966, pp.70-75.

reflecting seasonal characteristics.

The three censuses mentioned above were not conducted in the same season or the same month — the 1955 census in September, the 1960 census in December, and the 1966 in October — which creates difficulties in estimating comparable labor force participation rates. The labor force participation rates estimated for the three census years by sex are presented in Figure 2. They apparently reflect the alleged seasonal variation—more clearly with women — in the unchanging overall age pattern of the participation rates, but with a rather consistent proportional difference.

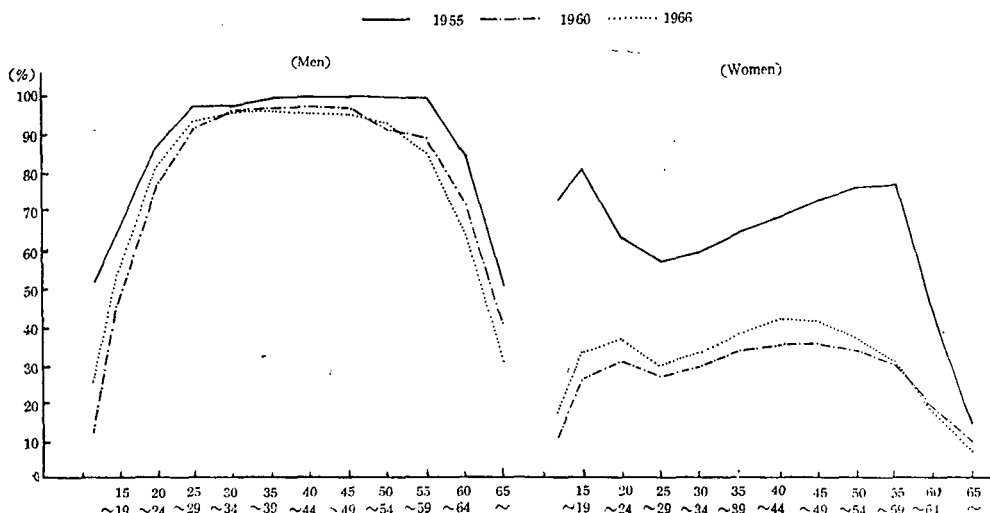
Given that there is inconsistency in the time at which the three censuses were taken, it is necessary to make some adjustment for the purpose of comparison. We realized, however, that a hasty adjustment yielded results which proved to be rather futile. If we compare the 1955 labor force participation rates to the 1966 rates the former tend to be unusually high for both sexes, but especially so for women, despite the fact that there is not much difference in the amount of labor demanded between September and October.¹²⁾

Furthermore, the 1960 participation rates appear to be unusually high considering that the census was conducted in December, the middle of the slack season. The 1963 survey

12) Yong Sam Cho, *"Disguised Unemployment" in Underdeveloped Areas, With Special Reference to South Korean Agriculture* (Berkeley: University of California Press, 1963) pp.74-76.

on the economically active population shows that the December participation rate is lower than the October rate by an average of 15%. As Figure 1 shows, the 1960 rates are only slightly lower than the 1966 rates (October rates) for the age groups below 35, and become higher in the older age groups which is hardly conceivable, given the observed seasonal variations. Adjustment of the 1960 rates on the basis of the 1963 survey data would yield a participation rate higher than unity for prime ages. Lacking further information against which the census figures could be checked, it is not possible to determine the trend on the basis of census material collected so far. It is hoped that the future censuses be consistent in enumeration time and the annual survey be continued to supplement the former.

Figure 1: LABOR FORCE PARTICIPATION RATE, KOREA, 1955, 1960 AND 1966 BY AGE AND SEX



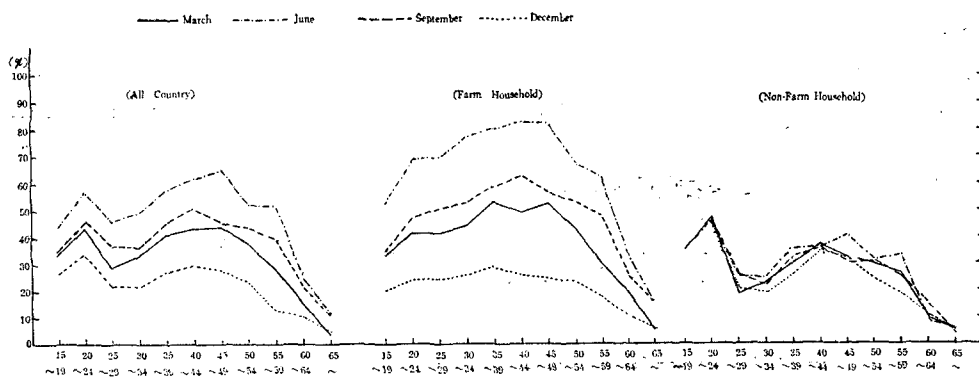
Source: Bureau of Statistics, Ministry of Home Affairs, Korea, *1955 Population Census of Korea*, Whole Country (Seoul: Bureau of Statistics, 1959), Table 13, pp.94-95, Economic Planning Board, Korea, *1960 Population and Housing Census of Korea*, Vol. 2, 11-1 Whole Country, Table 11, pp.110-111, and *1966 Population Census Report of Korea*, 12-1 Whole Country (Seoul: Economic Planning Board, 1969), Table 4, pp.110-111.

III

Since the labor force approach is concerned with the actual economic activities during the reference period rather than regular gainful occupation, and since anybody who worked more than an hour for profit or otherwise would be counted as an economically active person, the dominance of household industry with unpaid family workers in the Korean economy raises a question of the inclusion or exclusion of family members in the labor force, especially women, who inevitably render assistance to the household

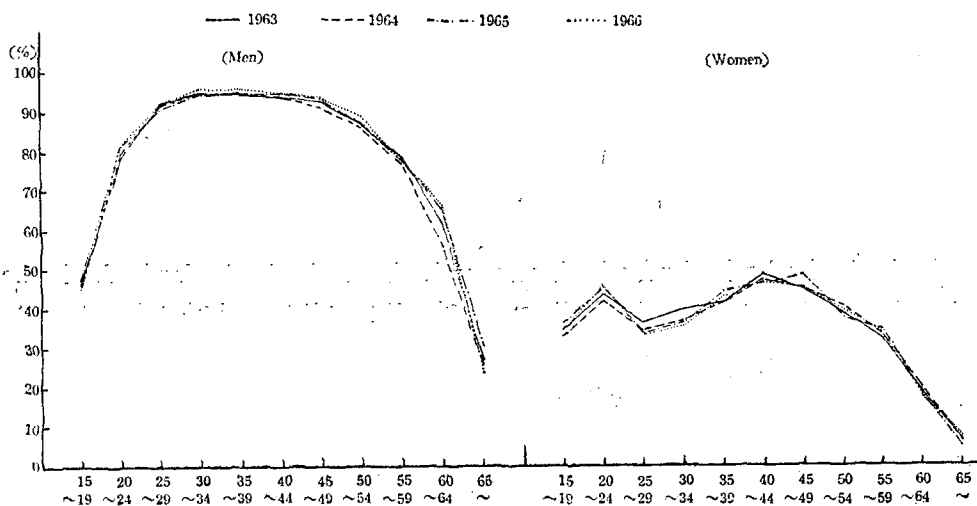
farming or enterprise when their labor is in demand. This conceptual difficulty is not easily solved without further specifying the nature of unpaid family labor in terms of its regularity, necessity, and magnitude. It is however, interesting to note that, in each age group, the average annual proportion of women who are reportedly in the labor force remains fairly constant over the period covered by the annual survey, 1963-1970 as shown in Figure 3.

Figure 2: SEASONAL VARIATIONS OF LABOR FORCE PARTICIPATION RATES OF WOMEN, KOREA, 1966 BY AGE AND SEX, FARM AND NON-FARM HOUSEHOLD



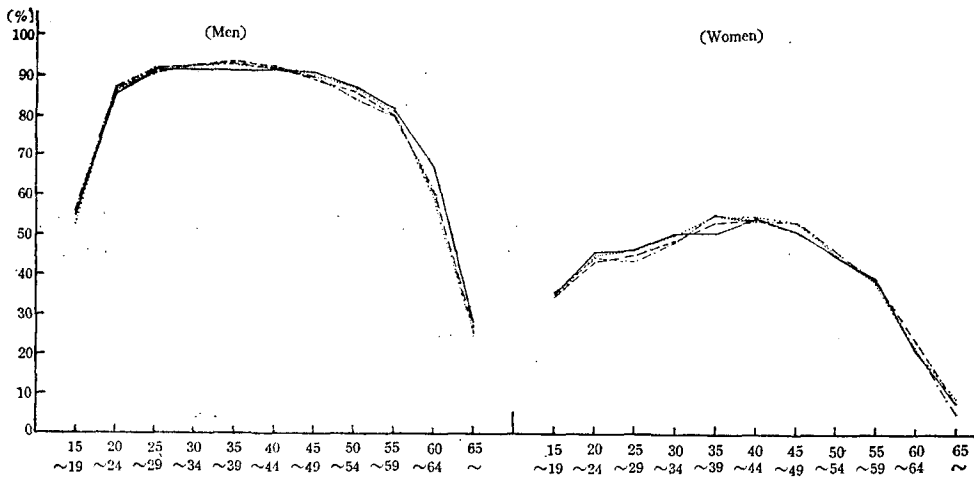
Source: Economic Planning Board, Korea, *1966 Annual Report on the Economically Active Population*, Vol. 5, (Seoul: Economic Planning Board, 1967), Table 8, p.28.

Figure 3-a: LABOR FORCE PARTICIPATION RATES, KOREA, 1963-1966, BY AGE AND SEX



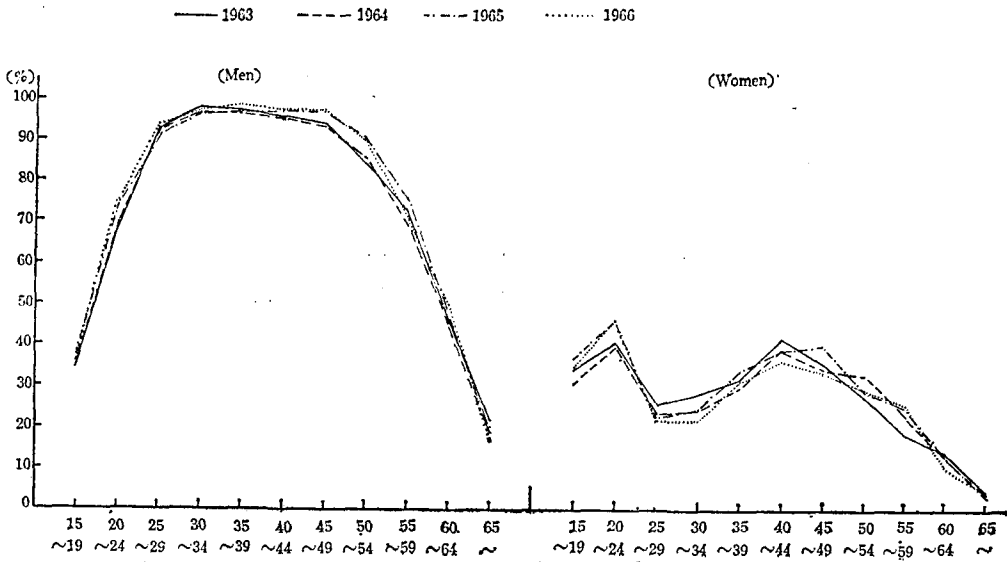
Source: See citation in Figure 2.

Figure 3-b: LABOR FORCE PARTICIPATION RATES, KOREA: FARM HOUSEHOLD, 1963—1966, BY AGE AND SEX



Source: See citation in Figure 2.

Figure 3-c: LABOR FORCE PARTICIPATION RATES, KOREA: NON-FARM HOUSEHOLD, 1963—1966, BY AGE AND SEX



Source: See citation in Figure 2.

Since, as indicated above, seasonal variations are prevalent among rural females but not among their urban counterparts, it is necessary to consider the annual average rate of female labor force participation separately for farm and non-farm households for the same period. The age pattern of the activity rate remained almost unchanged in both sectors. In fact, the activity rates fluctuate much less during the period under consideration

in the rural sector than in the urban sector.

The consistency of the activity rate over the seasons leads us to hypothesize that unpaid family workers respond to the census or survey in a way that makes the distinction between the economically active and non-active meaningful for scientific analysis. Further research, however, is in order to discover who tend to respond positively to the questions:

What did this person do most of the time during the 7 days before the census date? Did this person work at all, even for as much as an hour, during the 7 days before the census date for wages or profit or in a family business or family farm?

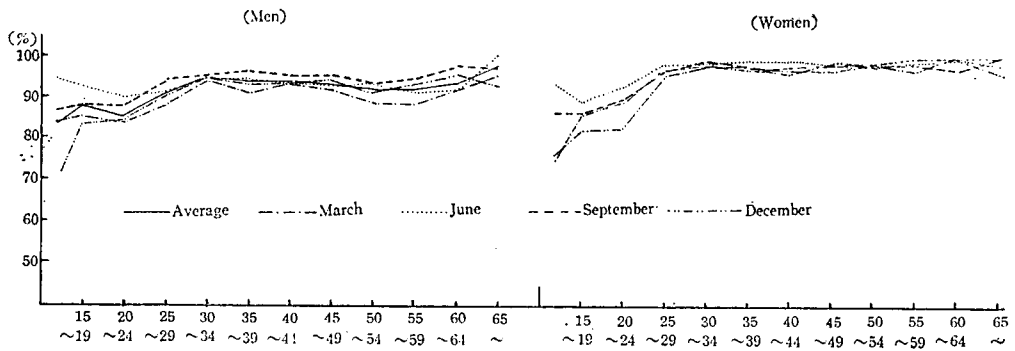
IV

It is noteworthy that while the labor force participation rate varies widely from season to season in farm areas, the employment rate remains relatively constant. Seasonal variations in employment rate are much wider in non-farm areas than in farm areas, indicating that labor force participation is largely determined by employment level rather than unemployment level as is the case in many industrialized countries. Fluctuations in the labor force participation rate correspond very closely with fluctuations in the magnitude of the labor demand in the rural areas. It is equally significant to point out that the proportion reportedly unemployed remains almost constant.

That the proportion unemployed does not fluctuate over the years or between the seasons leads one to believe that the labor market test in the labor force approach in Korea is not born out. It appears that those people reported as looking for jobs do so almost habitually; thus, labor market conditions are not reflected. While the proportion unemployed remain unchanged, those people who do not participate actively in the work force during the slack seasons are readily mobilized for work during the busy seasons in farm areas.

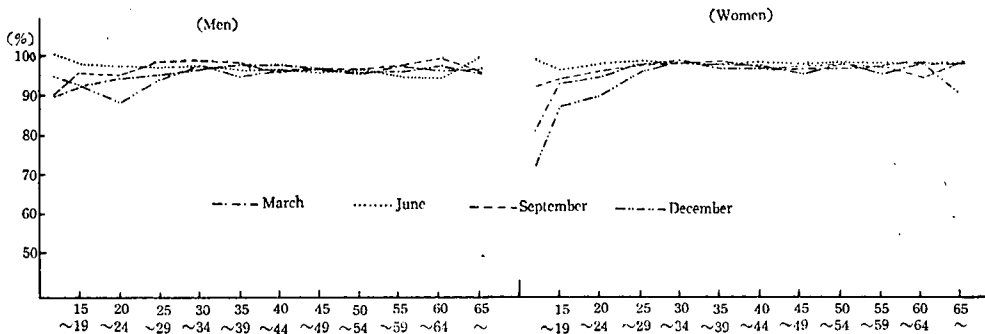
The consistently high rates of employment, however, appear to be characteristic largely of the farm households. As Figure 4 shows, in the farm sector the employment rates do not fluctuate from season to season and remain at the fullest employment level—above 95 percent, with no indication of variation with age. That employment remains relatively stable at a high level implies that regardless of wide seasonal variations in economic activity rate, the unemployment remains fairly constant at a very low level. There is a tendency in the rural areas for employment rates to be related with occupational opportunities, rather than the occupational demand. One may therefore conclude that in the farming areas, unemployment is not problematic, if not non-existent. On the other hand, the employment pattern of the non-farm household does show variations with season with no identifiable pattern, and with age, from a low of 60 percent to the maximum level. This urban-rural contrast of the employment pattern seems to indicate that in the non-farm areas, employment is responding to labor demand. There is a substantial proportion of

Figure 4-a: EMPLOYMENT RATES, KOREA, 1966 BY AGE AND SEX



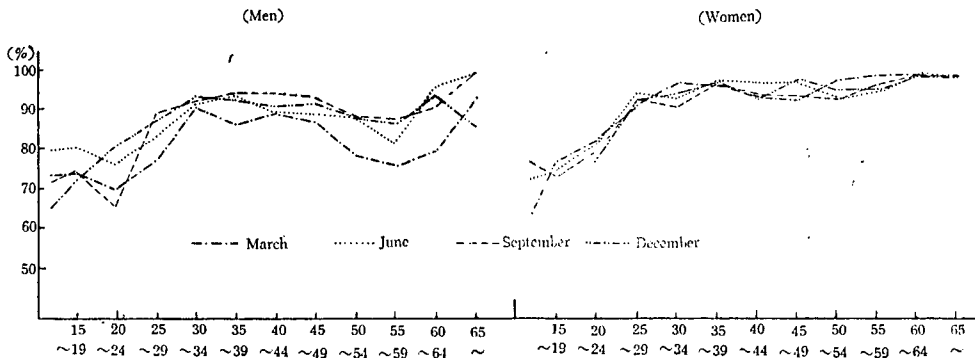
Source: Economic Planning Board, Korea, 1966 *Annual Report on the Economically Active Population*, Vol. 5 (Seoul: Economic Planning Board, 1967), pp.67-71.

Figure 4-b: EMPLOYMENT RATES, KOREA: FARM HOUSEHOLD, 1966 BY AGE AND SEX



Source: See citation in Figure 4-a.

Figure 4-c: EMPLOYMENT RATES, KOREA: NON-FARM HOUSEHOLD, 1966 BY AGE AND SEX



Source: See citation in Figure 4-a

men and women deprived of employment opportunities in various age groups although they are reportedly seeking gainful opportunities. This leads us to believe that the problem of employment and/or unemployment in the urban sector should be treated separately from that in the rural sector. We will return to this point later on.

V

In an economy where the agricultural sector dominates, the distinction between the employed and the unemployed is not always too clear. Since both the censuses and the surveys define the employed as a person who did any amount of work during a specified period of time, those who are not regularly employed may be categorized as the employed as they might have engaged in the work as defined by the census by say, giving help to other family members or attending family business temporarily. This likelihood is greater in the farming sector or domestic enterprises. And since there is no rigid rule regarding entering the labor market as in industrialized countries, these basic difficulties entailed in the labor force approach necessitate a further look into the nature of employment.

By way of attending to this difficulty the Korean census in both 1960 and 1966 differentiated the "fully employed" from the "partially employed" in the enumeration of employed persons. In 1966, as Table 2 indicates, the proportion of the employed in the "partially employed" category accounts for 4.2 percent of the employed men and 32.7 percent of the employed women. Thus, a large proportion of women reportedly employed is participating in economic activity not as fully employed but only as partially employed, with part of their working hours devoted to non-economic activities such as attending school, housekeeping and so on. The rate of the partially employed is also closely related to industrialization as well as urbanization, both of which have the effect of reducing this rate. That a substantial proportion of employed persons do not fully devote their working hours to economic activity seems to indicate a lack of rigidity of market testability of the labor force in Korea and requires further information on the

**Table 2. EMPLOYMENT TYPE OF THE EMPLOYED POPULATION IN KOREA, 1966
BY SEX**

	Men				Women			
	Total	Fully Employed	Partially Employed	Temporary Lay-Off	Total	Fully Employed	Partially Employed	Temporary Lay-Off
All Country	100.0	94.6	4.2	1.2	100.0	66.7	32.7	0.6
Shi	100.0	96.0	1.9	2.1	100.0	86.8	12.1	1.1
Gun	100.0	94.0	5.2	0.8	100.0	60.0	39.6	0.4
Non-Farm	100.0	96.1	1.9	2.0	100.0	83.7	15.3	1.0
Farm	100.0	93.4	5.9	0.7	100.0	57.2	42.5	0.3

Source: 1966 *Population Census Report of Korea*, 12-1 Whole Country, *op. cit.*, pp. 110-119.

actual number of hours that employed persons worked. The annual survey report has been publishing such information since 1963. As the Annual Report itself points out, about 5 percent of the reportedly employed population worked less than 18 hours a week in 1970. The labor law stipulates the adequate weekly working hours as 44 hours per week. If we consider 36-44 hours as approximating the legal stipulation, about 20 percent of the employed persons are not working to the full strength as the law permits (Table 3).

Table 3. EMPLOYED PERSONS BY HOURS WORKED

Year	Total	Hours Worked Per Week						Average Hours Worked Per Week
		(1-18)	(19-29)	(30-34)	(35-39)	(40-49)	(50 hrs)	
1963	100.0	8.7	14.1	6.8	7.1	19.5	40.0	47.5
1964	100.0	9.3	12.2	7.1	7.5	19.7	44.3	46.0
1965	100.0	7.9	12.2	6.3	7.1	20.3	46.2	48.0
1966	100.0	8.8	11.9	6.7	7.1	20.9	44.6	47.7
1967	100.0	7.1	10.7	6.4	8.0	21.7	46.1	48.3
1968	100.0	5.5	10.2	6.7	7.2	23.1	47.3	49.2
		(1-17)	(18-26)	(27-35)	(36-44)	(45-53)	(54 hrs & over)	
1969	100.0	3.4	6.9	7.2	20.5	22.0	39.7	50.3
1970	100.0	5.0	7.1	7.2	23.0	20.3	37.0	48.3

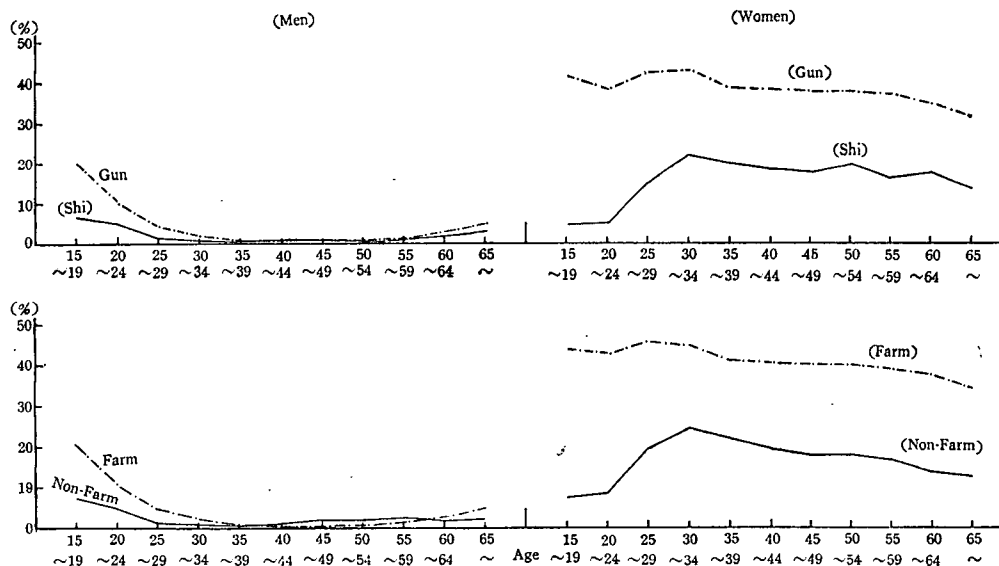
Source: Economic Planning Board, *The Annual Report on the Economically Active Population 1970* (Seoul: Economic Planning Board, 1971), pp.35 and 82.

Both wide seasonal variations in labor force participation and the under-utilized labor in terms of working hours led some economists to introduce a new concept, under-employment or disguised unemployment. In essence this concept refers to those members of the labor force who could be removed without necessarily affecting the productivity of the industrial sector in which they are engaged. This additional concept is intended as a measurement of labor wasted or not utilized to the fullest. The policy implication, therefore, is that new jobs could be created for those workers under this category, and thus their labor could be fully utilized for a new industry.

We cannot, however, hastily assume that this is the case. Those adult members of working age whose labor is said to be under-utilized may not necessarily seek economic opportunities where their labor can be fully utilized nor are they readily mobilized to their full strength for jobs other than they are presently engaged in. In both agricultural and service sectors in Korea, the household to a large extent remains a production unit. Labor needed for household farming or enterprises is met by human resources available within the household or related to it, not with those made available at the labor market. Those who are engaged part-time in productive activities on a household basis may not seek a job outside of the household at all. Traditionally, women are not expected to be engaged in other than domestic activities, and farming has been regarded as an extension

of domestic duties. Any farm household in possession of land which needs more than its household labor resources finds helping hands within the local village either through the custom of mutual neighbourly help or hiring.¹³⁾ In the case of a small household

Figure 5: PARTIALLY EMPLOYED PERSONS BY AGE AND SEX, SHI AND GUN, AND FARM AND NON-FARM HOUSEHOLD, KOREA, 1960.



business, labor mobilization is also primarily made through the network of kinship or acquaintances. The nature of employment in this setting therefore tends to be different from that through the labor market where demand and supply of labor is based on the rule of its full utilization. Under-employment introduced with the above assumption, tends to be rather misleading, and is liable to generate erroneous employment policies. We therefore need to investigate further on the nature of labor utilization in Korea.

VI

Unemployment

Paradoxically, the labor force approach, though designed for measurement of unemployment, does not produce reliable measures when applied to a population largely dominated by agriculture. In rural areas, where people do not work for wages it is not easy to measure the size of the labor force. As indicated above, the number of persons in the

13) In the field survey undertaken by the author, it became apparent that, even in a hamlet located not very far from an urban center, its members rarely went out of the hamlet to seek employment.

labor force is closely related with the amount of work available rather than the size of the population in the working ages. In other words, even though the population in the working ages is increasing, the number of the economically active population is not necessarily increasing accordingly. Although the increasing population creates a pressure on the labor market, its expansion is more closely affected by the actual work opportunities. This means there is reservoir of people outside the labor market who will enter the market if work becomes available. Another problem is that not all the unemployed are employable. Those who report themselves as unemployed in one area do not necessarily make themselves available for work opportunities created in another town.¹⁴⁾ For example, a farmer who has been accustomed to work within the boundary of his own village is not likely to make himself available for work opportunities outside of it.¹⁵⁾ Furthermore, the unemployed in the sense defined here do not really exist in the rural areas. "Countries with high population pressure learn over the centuries how to provide some work for everybody."¹⁶⁾ When farming is on a small scale basis and is carried out in terms of the household unit, surplus labor stays on the farms, claiming the family income, even though it may not be fully occupied.¹⁷⁾

This tendency is reinforced by the absence of relief pay for the unemployed, in less industrialized countries.¹⁸⁾

The discussions above led some economists to insist that the notion of unemployed should be discarded.¹⁹⁾

It may be unsatisfactory to talk about unemployment without being able to define the unemployed precisely.²⁰⁾ But it is equally unsatisfactory not to talk about it at all. As Lewis points out,²¹⁾ unemployment problems, though marginal, gradually become problematic in developing countries, as the proportion of the working population in the urban areas increases, and also the proportion of daily laborers in the rural areas increases. These two categories are often left completely unemployed without any financial help from the family to support themselves. Exact assessment of unemployed in this category may be impossible with the given conceptual apparatus, but as a social problem subject to policy measures they raise a serious policy question, especially when there is no nearly adequate unemployment compensation measure.²²⁾ In Korea, large cities are growing rapidly, the proportion of the population residing in urban areas approaches

14) Gunnar Myrdal, *Asian Drama* (New York: Pantheon, 1968), Vol. 2, p. 999.

15) See Footnote 12.

16) W. Arthur Lewis, "Unemployment in Developing Countries," Lecture to Mid-West Research Conference, October, 1964.

17) *Ibid.*

18) Myrdal, *op. cit.*, p. 999, and Lewis, *op. cit.*

19) Myrdal, *op. cit.*, p. 1022.

20) Lewis, *op. cit.*

21) *Ibid.*

22) It is therefore necessary that there be a revised concept of unemployment suitable to Korean situations. For further revisions, see Hauser, "A New Approach to the Measurement of the Work Force in Developing Areas," *op. cit.*

almost fifty percent. In the cities, a great majority of the people in the working ages are engaged in non-agricultural activities, and employment practice is taking different forms than in the rural towns. The secondary industry pays wages for workers recruited, and requires them to have a certain amount of technical skills to do the work. Due to the massive influx of rural farmers in the cities, the number of persons in the labor force is growing much faster than the number of jobs created by secondary industry. The service industry may recruit more labor than it needs at a lower wage rate but it does not develop social customs of employing excessive labor in a flexible manner prevalent in rural areas. In farming areas, the increasing population pressure is dividing up the arable land cultivated by the household as production unit. And as the pressure increases, farmers tend to leave for large cities. While in rural areas additional or surplus labor is absorbed by one's own family, in the cities there are many individuals for whom no one feels responsible. For them employment becomes a matter of surviving and unemployment becomes a serious social problem.

In non-agricultural industries where technology is rapidly developing, the wage scale tends to differentiate widely in terms of the level of skill or training, and those who feel qualified for a high wage are not likely to commit themselves to a job which requires little skill and pays a low wage.

With the expansion of education as shown earlier, the population in the working ages has been differentiated in terms of qualification for jobs, and the growing non-agricultural industry with its attendant division of labor makes more complex the rule of demand-supply of manpower in each sector.

While education provides work training, it also makes the educated person selective in the choice of occupation. As the level of educational attainment is directly equated with the scale of prestige, an educated person has a strong tendency to seek a prestigious occupation. Traditionally, prestigious occupation has been rather narrowly defined, and has not expanded in proportion to the expansion of education. As shown earlier, public school education grew rather rapidly at each level; the supply of educated manpower has tended to exceed the adequate work opportunities in demand.

Unemployment is thus gradually becoming a real issue in non-agricultural sectors and/or in urban areas. The census provides data on unemployment by farm and non-farm areas and urban and rural areas. In 1960 and 1966 roughly 10 percent of the economically active men and 5 percent of the economically active women are reported unemployed. But if we estimate the proportion unemployed separately, it is substantially higher in Shi than in Gun areas, and in non-farm than in farm sectors. We argue that the economically active population reported as unemployed in rural and farm areas does not present a problem as real as those in urban and non-farm areas. Furthermore, the proportion unemployed in Gun and farm areas is rather negligible. Among the urban labor force, the unemployment rate is proportionally higher among younger ages — up to 25 — than among the remaining age groups.

If we compare the Shi (urban) unemployment rate to the non-farm rate, the former

tends to be higher than the latter for both sexes and invariably for all five-year age groups. Although the majority of the non-farm households is concentrated in the urban areas, some proportion of the rural areas is non-farm. Slight as the difference between the two rates maybe, it appears that the areal differences (urban-rural distinction) are more closely related with the unemployment rate than the farm—non-farm distinction. This tendency may also indicate that the unemployed are more likely to move into the cities to look for jobs than to stay with the family.

Table 4. UNEMPLOYMENT RATE 1960 AND 1966, KOREA, FARM AND NON-FARM, AND SHI AND GUN BY AGE

Age	All Country		Farm		Non-Farm		Gun		Shi	
	1960	1966	1960	1966	1960	1966	1960	1966	1960	1966
	Men									
Total	6.82	9.8	2.2	3.8	14.0	15.3	3.4	14.8	17.2	17.3
14	12.05	19.3	4.9	8.6	28.2	38.7	6.9	11.0	32.7	44.1
15-19	11.0	19.3	4.0	9.0	24.8	33.7	6.6	15.7	32.4	36.5
20-24	9.2	19.8	3.1	9.6	17.6	32.2	5.2	11.0	29.8	34.8
25-29	6.0	10.5	1.4	5.0	10.5	15.8	4.2	5.6	22.6	18.3
30-34	4.8	5.5	0.8	1.8	8.8	8.6	2.6	2.7	13.4	10.2
35-39	4.3	4.9	0.7	1.3	8.7	7.9	2.1	2.4	10.6	8.8
40-44	4.3	4.5	0.8	1.0	9.7	7.9	1.8	2.1	10.0	8.3
45-49	4.5	5.1	0.9	1.1	11.0	9.5	1.9	2.3	11.0	10.2
50-54	3.6	5.9	1.0	1.4	10.5	12.6	2.0	2.4	12.3	13.8
55-59	2.7	5.9	1.2	1.5	8.6	14.4	1.8	2.4	11.6	15.7
60-64	3.3	2.5	2.1	1.0	9.9	7.5	1.7	1.4	9.2	7.8
65+	5.0	1.9	2.4	0.9	8.5	6.0	2.6	1.2	9.1	5.8
	Women									
Total	5.8	5.3	2.5	1.6	13.1	11.2	3.4	1.9	15.9	14.1
14	2.1	5.6	5.5	6.7	20.5	26.1	7.3	8.0	22.2	27.4
15-19	9.0	14.2	3.3	6.0	18.4	20.9	6.5	6.7	22.2	22.1
20-24	4.7	10.5	1.8	2.9	11.8	17.1	4.0	3.3	21.4	20.0
25-29	3.5	3.6	1.6	0.7	8.4	8.6	2.7	0.9	14.8	12.3
30-34	3.1	1.4	1.5	0.3	7.2	3.8	2.4	0.5	9.5	5.2
35-39	3.0	1.2	1.6	0.4	6.9	2.9	2.2	0.6	7.7	3.6
40-44	3.1	1.2	1.7	0.3	7.2	2.8	2.2	0.6	7.2	3.5
45-49	3.5	1.3	2.1	0.5	8.2	3.1	2.3	0.7	7.5	3.6
50-54	3.7	1.7	2.4	0.9	9.2	4.1	3.8	1.1	8.0	4.9
55-59	4.3	2.3	3.1	1.4	9.4	5.8	3.1	1.6	8.9	3.6
60-64	7.5	2.0	5.7	1.7	16.0	3.4	3.7	1.7	9.7	4.4
65+	7.2	3.0	3.6	2.2	12.1	6.0	6.7	2.3	4.6	8.5

Source: 1960 *Population and Housing Census of Korea*, Vol. 2, *op. cit.*, pp.110-111 and 1966 *Population and Census Report of Korea*, *op. cit.*, pp.110-111.

One should, however, note that the unemployment rate is highest for the youngest age group and rapidly declines with the increasing age. The unemployed in the younger ages must include a substantial number of youths just entering the labor market as they become of working age or graduate from school and who have never looked for a job before. There is a question as to whether these new job claimants should be considered as unemployed. The rapid decline of unemployment with increasing age may indicate that this group is getting employed in the course of time. If this is so, the unemployment figures need to be further differentiated in terms of the length of the period during which a job has been sought.

Between 1960 and 1966, there is only a slight difference in the unemployment rate. But the age structure of the rate shows a distinct contrast between the two — the unemployment rate went up substantially in the first younger age groups whereas it declined in the older ages with minor exceptions. Whether this structural trend is an indication of a change in recruitment favouring older persons should be further investigated.

Analysis of the relations between the education level of the economically active population and the level of unemployment for 1960 and 1966 also shed some light on the emerging problem of unemployment related to expanding education.

For 1960 the unemployed persons are broken down by the years of school completed, for the entire country, and then for the urban and rural areas separately. This method of classifying the level of educational attainment has a serious weakness in that it fails to differentiate those who completed each level of education from those who did not. Since the reason for not completing education at any level is mostly financial, and those who complete their respective levels of education will have a better chance of employment, this distinction should be closely related to employment situation.

In 1960, the unemployment rate at the national level is only about 7 percent. But if we look at the Shi area alone, it increases to 17.5 percent. Within the Shi areas, the level of education is clearly related to the unemployment rate. As shown in Table 5, the proportion unemployed is gradually going up as the level of education increases until that of high school, and then drops somewhat. The proportion unemployed with college education, however, is slightly higher than those with primary school education only or none at all. The similar pattern is also found among unemployed women in the urban areas, with the proportion unemployed reaching a peak at the level of junior high school. For the persons with high school education, more than one out of five is reportedly unemployed. This may, however, be an over-estimate in view of the fact that those who received only a high school education come out to the labor market at younger ages, and are less likely to find jobs.

It is rather remarkable that there is such a considerable difference between those who received any education and those who received no education at all in terms of the unemployment rate. Although the proportion unemployed is relatively negligible in the rural areas, the level of education seems to have the same function of increasing the

Table 5. UNEMPLOYMENT RATES, KOREA, SHI AND GUN, 1960, BY SEX

Years of Schooling	All Country		Shi		Gun	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
			Men			
Total	381,260	7.1	242,770	17.5	138,490	3.5
0	50,050	2.6	19,245	9.4	30,805	1.8
1-3	5,870	5.5	2,930	17.2	2,940	3.3
4-6	151,905	7.0	91,105	16.1	60,800	3.8
7-9	66,320	12.8	46,715	22.1	19,605	6.4
10-12	76,460	16.3	58,600	22.5	17,860	8.5
13-16	29,325	16.3	23,250	18.8	6,075	10.7
17 & over	590	8.6	490	9.9	100	5.2
Unknown	740		435			
			Women			
Total	133,885	6.2	73,975	16.3	59,910	3.5
0	45,465	3.5	13,020	9.0	32,445	2.8
1-3	4,240	7.7	2,365	15.4	1,875	4.7
4-6	56,715	8.7	35,425	17.2	21,290	4.8
7-9	13,950	20.1	11,295	28.9	2,655	8.8
13-16	2,080	19.9	1,960	23.2	120	6.1
17 & over	45	9.4	30	7.5	15	18.8
Unknown	495		220			

Source: 1960 Population and Housing Census of Korea Vol. 2, 11-1, *op.cit.*, pp. 142-165.

scope of unemployment. While the great majority of the rural labor force is engaged in farming, with a very small proportion of them reported as unemployed, an unemployment problem emerges perhaps among those who do not engage in farming while residing in the rural areas or those who do without land.

The 1966 data on education and unemployment are not strictly comparable with the 1960 data. Furthermore, it is impossible to estimate the proportion of the economically active population reported as unemployed by those who had not completed each level of school because anybody who did not complete his education at any level is included in one large category called 'not completed'. Our analysis of the unemployment rate therefore cannot be complete as we cannot include those economically active persons who did not complete their education at respective levels. Partial though our analysis may be, it will not distort the general picture of the unemployment structure entirely since those who did not complete only account for 4.8 percent of the economically active persons — 5.3 percent of the economically active men and 3.6 percent of the economically active women.

In 1966, we first note that the proportion of the economically active persons—both men and women—reporting as not having had any education was reduced considerably compared to that in 1960, especially for the economically active women. The unemployment rate of

Table 6. UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT, KOREA, SHI AND GUN 1966, BY SEX

Educational Attainment	All Country		Shi		Gun	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
	Men					
Total*	549,230	9.2	363,940	17.4	185,290	4.8
Never Attended	38,060	2.8	16,310	9.9	21,750	1.8
Graduated	465,770	10.9	316,090	17.7	149,680	6.0
Primary School	179,660	7.5	103,610	15.4	76,050	4.4
High School	241,680	15.8	175,810	20.7	76,870	9.8
College or Higher	44,430	14.4	36,670	14.1	7,760	8.8
	Women					
Total	142,060	5.3	105,080	14.1	36,980	1.9
Never Attended	16,500	1.4	6,760	16.1	9,740	0.9
Graduated	117,330	8.4	91,810	12.1	25,520	3.1
Primary School	60,440	5.6	42,800	23.5	17,640	2.4
High School	52,960	18.5	45,380	15.7	7,580	8.1
College or Higher	3,930	13.7	3,630	20.6	300	5.4

* Those who did not complete schooling at each level and whose educational attainment unknown are excluded.

Source: 1966 Population Census Report of Korea, 12-1 Whole Country, *op. cit.*, pp.126-131 & 450-455.

the women in the labor force with no education also declined sharply while that of men remained almost the same. The unemployment rate of the active men and women still contrast sharply with those with education. Among the educated labor force, the unemployment rate is higher for those with secondary education than with primary education. But the employment rate of the active population with higher education is slightly lower than those with secondary education, but still higher than those with primary school education. Why the unemployment rate goes down as the level of education moves up from the secondary to the higher level is a question for further study. But it appears as though unemployment is less problematic with highly educated manpower than with the intermediate level. As will be shown later, high school education falls short of providing proper education for the manpower skills demanded by industry as the education at this level is more of continuity with the primary education than of education with its own practical aims. College or university education may have its shortcomings viewed from a practical economic point of view. But compared to a secondary education, a person who is going through this level of education is more concerned with attaining a job if for no other reason than his age, and makes an effort to relate what he learns to his future career.

勞動力 接近方法과 韓國의 勞動力 資料

張 潤 植

센서스나 經濟活動에 관한 調查에서 대략 15歲에서 64歲까지로 잡고있는 勞動力年齡人口의 經濟活動을 分析하는 데는 基本的으로 두가지 概念的 接近方法이 있다. (1) 所得雇傭 接近方法과 (2) 勞動力 接近方法이 그것이다. 前者는 주로 勞動力 年齡에 속한 個人의 日常 經濟活動이나 地位에 關心을 두고 있으며 後者는 各 個人이 센서스나 調查 當時에 雇傭中인가의 與否와 이를 기준으로 한 一定期間에 있어서의 經濟的 活動에 關心을 둔다.

日帝 植民地時代에 있어서는 所得雇傭 接近方法을 使用하여 勞動力을 測定하였다. 그러나 이 方法은 總勞動力人口의 規模와 勞動力人口의 職業構成을 把握하는 데는 有用하지만 勞動市場에 있어서의 就業 및 失業의 程度를 測定하는 데는 不適當하다. 이 方法은 特定한 時間에 實際로 일을 했는가의 與否를 따지지 않기 때문에 그 職業에 從事하지 않는 사람도 포함되는가 하면 勞動年齡에 도달해 처음으로 就業機會를 찾는 사람을 勞動力에 포함시킬 수 없는 短點이 있다.

勞動力 接近方法은 所得雇傭 接近方法의 이러한 短點을 修正하기 위해 1930年代 美國에서 開發된 方法으로, 特定時點에 있어서 就業上의 地位와 함께 이를 기준으로 한 一定期間內에 있어서의 實際 勞動活動 與否에 基礎하여 勞動力을 다루는 方法이다. 經濟活動人口 또는 勞動力은 이에서 派生된 概念으로 就業과 失業으로 分類된 사람들의 總和를 意味한다.

解放後 1955, 1960, 1966년에 實施한 센서스에서는 勞動力 接近方法을 使用하여 經濟活動에 관한 資料를 蒐集하고 있다. 이들 센서스에는 經濟活動上의 地位, 從事上의 地位, 產業 및 職業別 分類에 대한 項目이 포함되어 있다. 그러나 各 센서스마다 項目의 種類 및 分類가 一定치 않아 勞動年齡人口 코호트의 時間的 趨勢를 分析하는데 難點이 있다.

勞動力에 관한 또 다른 중요한 資料로서는 1963년부터 經濟企劃院에 의해 實施되고 있는 經濟活動人口 調查資料를 들 수 있다. 이 調查는 14歲以上人口의 0.1%를 標本으로 하여 每 季節마다 實施되며 그 結果는 一年에 한번 年例報告書에 發表된다. 이 報告書에는 季節別 經濟活動率等 勞動力에 관한 年例統計가 나타나 있으나 季節別 勞動力參加率 勞動時間等은 포함되어 있지 않다.

勞動力 接近方法은 勞動市場이 明白히 設定되어 있지 않고 대부분이 農業에 從事하는 勞動力人口에 適用할 때에는 여러가지 概念的 問題가 發生한다. 本 論文에서는 低產業化 經濟의 勞動力人口에 이 方法을 適用하는데 대해 最近 일고 있는 批判을 中心으로 韓國의 勞動力 資料의 性格을 檢討하고자 한다.

農業活動의 季節的 特性으로 인해 韓國의 勞動力 參加率은 季節의 起伏이 심하다. 年例報告書에 의하면 勞動力 參加率은 一年中 6月이 가장 높고 12月이 가장 낮다. 이러한 季節의 起伏은 農業部門에서 특히 두드러지게 나타나고 있다. 1955, 1960, 1966年度 센서스는 각기 다른 달에 施行되었기 때문에 이들 센서스에 나타나는 勞動力 參加率을 서로 比較하는 데는 難點이 따른다. 그러므로 今後의 센서스는 이 點을 고려하여 調查時期를 一致시킬 必

요약 있다.

勞動力 接近力法이 準據期間中の 實際經濟活動에만 關心을 가지며 收入을 위해 1時間以上 일한 사람을 모두 經濟活動人口로 간주함으로써 無報酬 家族勞動者를 가진 家族產業이 優勢한 韓國經濟에서 家族成員, 특히 女子를 勞動力에 포함시킬 것인가 하는 問題가 생긴다. 이러한 概念的 難點을 解決하기 위해서는 無報酬 家族勞動의 性格을 規則性, 次要性 및 量에 따라 細分할 必要가 있다. 그러나 1963~1970年의 年例報告書에 나타난 女子의 勞動力 參加年平均比率은 一定하게 維持되고 있다. 이러한 事實은, 비록 애매하기는 하지만, 報告傾向에는 상당한 一貫性이 있고 따라서 센서스나 調查資料를 사용하여 어느정도 이들 無報酬家族勞動者에 대한 意味있는 分析을 할 수 있다는 假定을 可能케 한다. 앞으로의 調査에는 이들을 구체적으로 구별할 수 있는 項目이 必要하다.

農業部門의 勞動力 參加率은 季節에 따라 심하게 變하나 就業率 및 失業率은 대체로 一定하다. 就業率의 季節的 變異는 農業部門보다 非農部門에서 더욱 심한데, 이는 勞動力 參加率은 失業水準보다는 就業水準에 의해 決定되고 있음을 나타내는 것이다.

農村地域의 就業率이 一定한 것은 就業率이 職業需要보다는 職業機會와 관련이 있음을 보여준다. 反面 都市의 就業率은 勞動需要에 민감한 反應을 보인다. 따라서 都市와 農村의 失業과 就業問題는 分離시켜 취급되어야 한다.

우리나라처럼 農業이 優勢한 經濟에서는 就業者와 失業者의 區分이 명확하지가 않다. 이 때문에 1960年과 1966年 센서스에서는 就業를 完全就業과 部分就業으로 區分하였다. 결국 多數의 女子就業者가 部分就業으로 나타났다. 이렇게 就業者의 상당 部分이 部分就業이라는 것은 韓國에 있어서 勞動의 市場檢證性이 엄격하지 않다는 것을 지적하는 것이며 就業者가 實際 일한 시간에 대한 더 많은 資料가 要求된다.

勞動力 參加의 廣汎한 季節的 變異와 勞動時間에 대한 不完全 利用勞動은 潛在失業 또는 僞裝失業이라는 새로운 概念的 導入을 必要로 한다. 이는 각 產業分野에서 生産性에는 영향을 주지 않고 除去될 수 있는 勞動力을 意味한다. 따라서 이들의 勞動力을 完全히 利用할 수 있는 職業機會의 확대라는 政策的 問題가 여기에 나타나게 된다.

그러나 우리나라의 경우 성급히 이 概念을 適用할 수는 없다. 韓國의 農業 및 서비스部門에 있어서는 대부분 家口가 生産單位로 되어 있다. 이들 家族農業이나 家族事業에 必要한 勞動은 家族이나 親戚, 親知 등의 人力으로 충당되며 勞動市場을 통해서 이루어지는 것이 아니다. 따라서 위의 假定에 따른 潛在失業概念的 使用은 잘못이며 그릇된 政策을 낳을 우려가 있다.

勞動力 接近方法의 長點은 失業의 測定에 있지만, 農業이 大部分인 人口에 適用될 때 이는 信賴할만한 測定方法이 되지 못한다. 農村地域에서는 사람들이 賃金を 받으며 일을 하는 것이 아니므로 勞動力 규모의 측정은 용이하지가 않다. 더 나아가 노동력 접근방법이 定義하고 있는 失業者란 農村에서는 實際로 存在하지 않는다. 즉 農業이 家族單位로 이루어지기 때문에 過剩勞動은 비록 完全就業의 형태는 아니나 家族所得에 參與하게 되고 계속 家族農業에 남아있게 된다. 이러한 點에서 볼때 失業의 明確한 概念規定이나 그에 대한 論議는 어려운 일이다. 開發途上國家에 있어서는 또한 都市地域의 勞動人口比率이 增加하고 農村地域의 日傭勞動者의 比率이 增加함에 따라 失業은 상당한 問題가 되고 있다. 이들은 家族로부터 財政의 도움없이 完全하게 失業의 狀態에 놓여있는 경우도 있다. 이러한 範疇의 失業에 대한 正確한 測定은 기존의 概念裝置로는 不可能하지만 政策的 措置와 관련된 社會問題로서 심각한 問題를 提起한다. 韓國의 경우 農村人口의 大規模 都市流入으로 인해 都市에

있어서의 失業은 심각한 社會問題가 되고 있다.

테크놀로지가 급격하게 發達하고 있는 非農產業에 있어서 賃金規模는 熟練의 정도와 訓練水準에 의해 광범하게 分化되는 傾向이 있다. 教育은 職業訓練 뿐 아니라 職業의 選擇에도 영향을 주어 教育받은 사람은 위신있는 職業을 구하고자하는 傾向이 강하게 나타나고 있다. 그러나 威信있는 職業은 教育의 확대에 비례하여 확대되지 않기 때문에 教育받은 人力은 그 需要를 능가하게 된다. 그러므로 失業은 점차 非農部門이나 都市地域에서 現實의 問題가 되고 있다. 1960年과 1966年 센서스에 의하면 郡部보다 市部の 失業率이 훨씬 높다. 또한 市部の 失業率을 非農部門의 失業率과 比較하면 前者가 後者보다 男女 모두 各 年齡集團에서 높은 傾向을 보인다. 失業率의 地域的差異는 失業者가 家族과 함께 머물지 않고 職業을 찾아 都市로 移住하고 있기 때문에 더욱 촉진된다.

失業率이 最年少集團에서 가장 높고 年齡이 높아질수록 급격히 떨어지는 事實에 주의할 必要가 있다. 이것은 學校를 졸업하거나 勞動年齡에 달해 이제 막 勞動市場에 들어온 젊은이 중에 失業者가 많기 때문이다. 年齡의 증가와 더불어 失業率의 급격한 감소는 시간이 경과함에 따라 실업자가 취업될 기회가 점차 커져감을 나타낸다. 따라서 失業者의 數는 職業을 구한 期間에 의해 分類될 必要가 있다.

1960年과 1966年의 經濟活動人口의 教育水準과 失業水準間의 關係를 分析함으로써 教育의 확대와 관련된 失業問題를 考察할 수 있다.

1960年 市部の 失業率은 17.5%로 全國水準인 7%를 훨씬 上廻한다. 市部에서의 教育水準은 失業率과 明白한 關係를 보인다. 高等學校까지는 教育水準이 높아질수록 失業率도 증가한다. 그러나 大學教育을 받은 失業者의 比率은 初等教育을 받은 사람보다 약간 높을 뿐이다.

1966년에는 1960년에 비해 無學者의 經濟活動人口比率이 상당히 감소되었다. 失業率에 있어서도 無學의 男子경우에는 거의 變化가 없는데 비해 女子의 경우 급격한 감소를 보인다. 그러나 아직도 男女別 失業率은 教育有無에 따라 매우 對照的이다. 失業率은 初等教育을 받은 사람들 보다 中等教育을 받은 사람에 있어서 더 높다. 한편 高等教育을 받은 사람의 就業率은 中等教育의 경우보다는 약간 낮으나 그래도 初等教育보다는 훨씬 높다. 中等教育以上에서 教育水準이 높아질수록 失業率이 低下하는 原因은 앞으로 규명되어야 할 研究課題이다. 여하간 失業은 中等教育을 받은 사람들에게 있어서 보다는 高等教育을 받은 사람들에게 있어서 덜 問題가 되는 것 같다. 高等學校의 教育이란 그 자체 實用的 目的을 갖기 보다는 初等教育의 延長으로 產業이 要求하는 技術을 提供하지 못하고 있다. 實用的 經濟的 觀點에서 볼 때 大學教育도 마찬가지로 缺點이 있으나 大學教育을 받는 사람은 年齡等의 理由로 職業에 더 많은 關心을 보이게 되고 배우는 것을 장래 職業과 연결시키려는 努力을 하게 된다.