

# Philippine-Korea Bilateral Labor Agreement on the Employment Permit System of Korea

*Presented by :*

**DEPUTY ADMINISTRATOR LIBERTY T. CASCO**

Philippine Overseas Employment Administration

Department of Labor and Employment

Abu Dhabi Dialogue Senior Officials Meeting

11-12 May 2016 – Dubai, United Arab Emirates

# Background

During the early 90s, Filipino workers were recruited by Philippine private recruitment agencies as trainees in small and medium scale companies in the manufacturing sector of Korea under the Alien Industrial Technology Training Program (AITTP) which was the legal mechanism to bring in foreign labor and address Korea's labor shortage.

Trainees faced problems on excessive charging of recruitment fees from the recruitment agencies.



# Philippines-Korea 11 Years of Partnership



## **Memorandum of Understanding between**

**Department of Labor and Employment and Ministry of  
Labor and Employment  
on Sending and Receiving of Workers under the  
Employment Permit System (EPS)**

- ❖ Signed on 23 April 2004
- ❖ Renewed four times (2006, 2009, 2013); for renewal in 2016)

# What is EPS?

A program of the Korean government that allows Korean employers to legally employ foreign workers in SME industry sectors through government to government agreements with 16 participating countries



# Purpose of the MOU

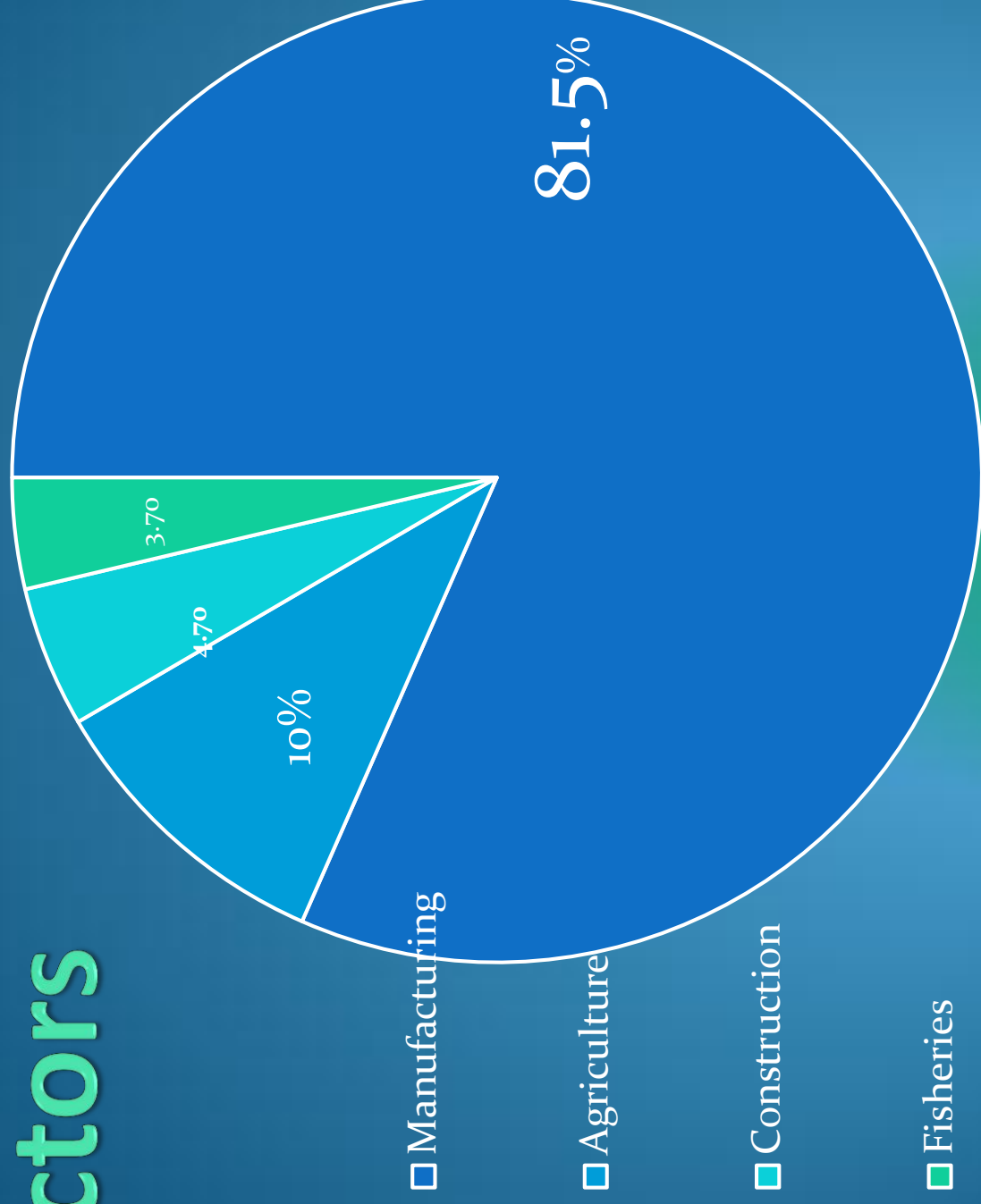
- ❖ To sustain a concrete framework for cooperation between the Parties; and
- ❖ To enhance transparency and efficiency in the process of sending and receiving of Filipinos to the Republic of Korea under the Employment Permit System (EPS) of Korea

# Salient Features

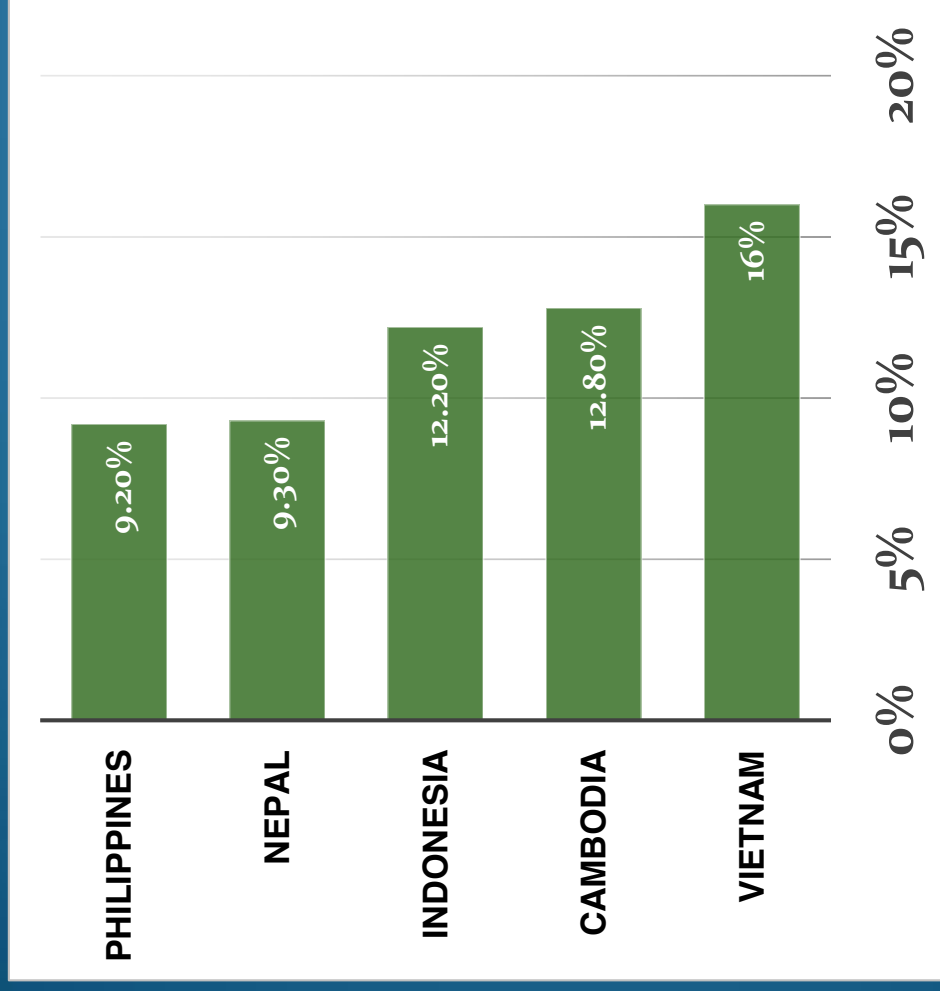
1. ENTRY – Fairer and more transparent job opportunities
  - ✓ Fairer and more transparent selection
  - ✓ Education and life adaptation
  - ✓ Prevention of rights violations
2. EMPLOYMENT – Creation of more favorable environment
  - ✓ Equal application of labor laws
  - ✓ Regular worksite inspections
  - ✓ Nationwide counselling and call center
  - ✓ Free job training, insurance policies for foreign workers
3. RETURN – Support for smooth reintegration process
  - ✓ Job placement at Korean companies in the country
  - ✓ Various return support: briefings on return process, networking
  - ✓ Re-entry opportunities for voluntary returnees

Deployment: 45,164 (as of 04 May 2016)

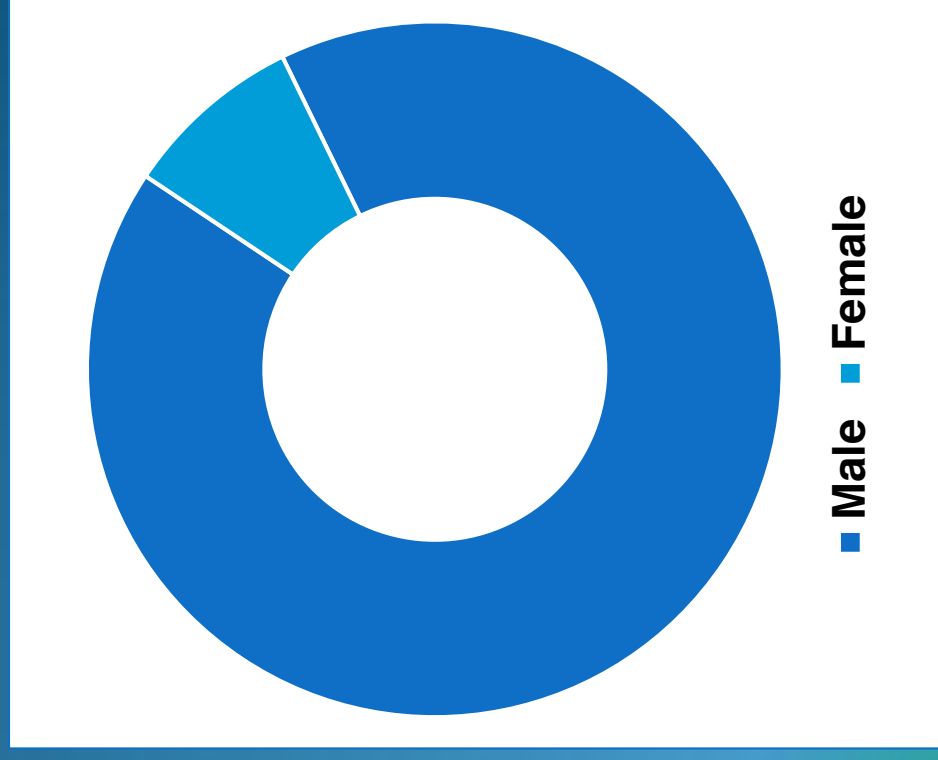
## Sectors



# EPS Workers Present in Korea



BY COUNTRY



BY GENDER



# 2016 Quota for Philippines

6,800 or 48% higher than 2015 (4,600)

## Criteria for ceiling distribution:

- Rate of illegal workers
- Employer's preference
- Time required for sending workers to Korea
- Rate of workers employment change
- Actual number of workers received from previous year
- Country's level of cooperation in implementing EPS Policies

# Salary and Benefits

- basic salary of US\$1,200 (beginning January 2016)
- overtime up to 12 hours: wage premium is 50% or more
- social Insurances
  - national pension
  - departure guarantee insurance
  - severance / separation pay
  - health insurance
  - industrial accident insurance
- extension permit / Re-employment permit
- Support programs for foreign Worker
  - employment –sojourn support (24 centers with interpreters)
  - return support (Free training program for those with 2 year residency)

# Salary and Benefits

- Extended Employment Period – from 3 years to 4 years 10 months + 4 years 10 months (conditional)
- Option for Employment Change – 3 times in 3 years (circumstances not attributable to worker)

# EPS Process Flow



ENCODING  
OF PASSERS

Passers to submit

- Job Application Form
- First Medical Examination result

# Best Practices

1. Online EPS Test of Proficiency in Korean language (TOPIK) registration system to provide convenience for applicants
2. Comprehensive information and education program for EPS workers (with online and decentralized pre-employment orientation seminar (PEOS) at regional offices for EPS-TOPIK applicants and passers
3. Pre-departure loan facility to interested workers for payment of necessary mobilization costs

# Best Practices (continued)

4. Continuous efforts to reduce mobilization costs: preliminary training fee, airfare , language training
5. Regular (weekly) coordination meetings between the POEA and EPS Center in the Philippines
6. Reintegration program for voluntary returnees
7. Close inter-agency coordination towards improvement of program implementation

# Milestones

- Generated decent work in manufacturing sector
- Protection of foreign workers through labor regulations, e.g. insurance coverage, workplace dispute settlement through conciliation, medication and counseling services
- Transparency in systems, procedures and costs for hiring, entry and management of foreign workers
- Reduction of recruitment cost of workers from 200,000 to 26,000

# Milestones

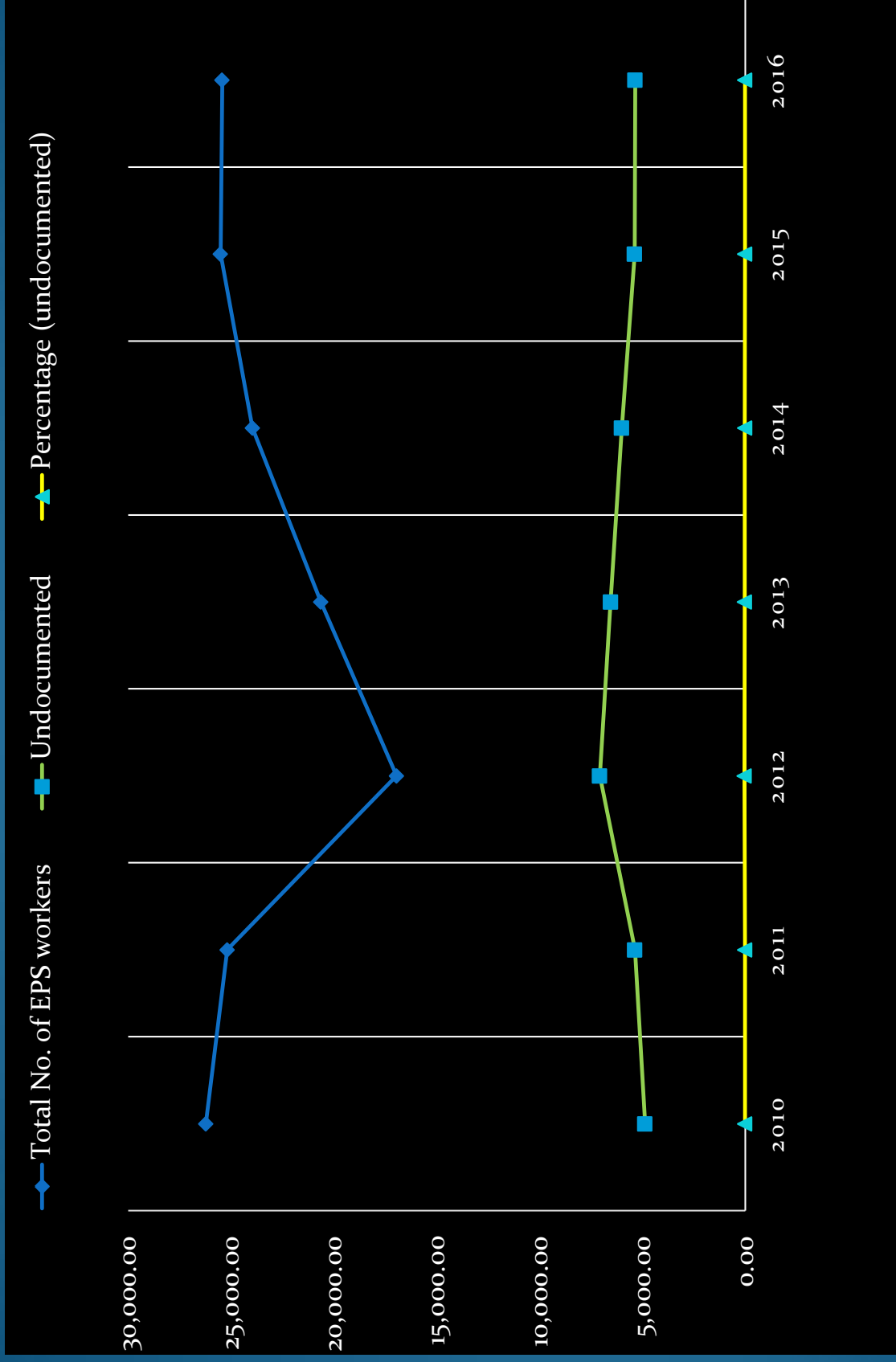
- Improvement in policies over last 11 years ( e.g. increases in minimum wage, introduction of sincere worker policy and skills test
- Enhancement of computerized infrastructure (e.g. comprehensive and worker accessible platform for online information on employment status, computer-based test or special EPS TOPIK, computerized bank information
- EPS has gained international recognition by UN



# Challenges of the EPS Program

- Technical / Hardware adjustments for the online TOPIK registration
- Shortening of Introduction period
- Additional Computer Based Test (CBT) Venue
- Passers of TOPIK without offer of employment
- Reduction of illegal stayers
- Unclaimed Insurances
- Strengthening of worker orientation program to address worker challenges in working in Korea

# Recent Trend of illegal workers



# Way FORWARD

1. Improved labor dispute settlement mechanisms at the job site
2. Increased participation of women foreign workers in industries suited to their capacities
3. Effective control of rate of illegal stay with closer cooperation and monitoring by host and sending countries
4. Easier access of applicant-workers to test protocol through regular and continuous computer-based EPS-TPOIK with optimum use of CBT facilities, including regular Skills Test for those who passed the Korean language examination.
5. Proposed implementation of online VISA application



# Thank you!

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