



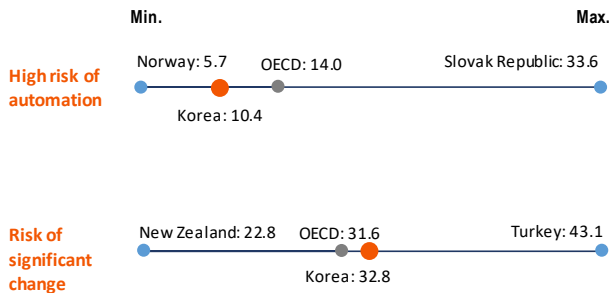
THE FUTURE OF WORK

How does KOREA compare?

OECD Employment Outlook 2019



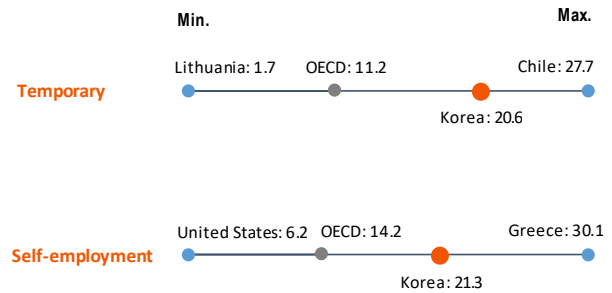
Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Self-employment as a % of total employment. Data refer to 2017.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- Technological and demographic changes are having a profound impact on the Korea's labour market. Around 43% of workers face a significant to high risk of their jobs being completely automated or substantially changed due to new technologies. Moreover, these job changes are proceeding with rapid population ageing.
- Korea's labour market remains deeply segmented with a high prevalence of non-standard forms of work. Around 21% of all employees are temporary workers, and self-employment accounts for more than 20% of the total workforce. These figures are well above the OECD average.

A key challenge is to extend labour law protections beyond standard employees

Labour market regulation plays an important role in protecting workers, but many non-standard workers are weakly covered or not covered at all. The rights and protections of non-standard workers can be strengthened by: tackling false self-employment, including scaling back tax incentives to misclassify workers; extending protections to workers in the grey zone between self- and dependent employment, including many platform workers; and addressing excess employers' market power.

- Non-standard work is not new phenomenon in Korea. Moreover new forms of work are emerging with the rise of platform economy. In response to these challenges, Korea has been expanding employment and social protections for non-standard workers.
- In January 2019, Korea revised the Occupational Safety and Health Act to require employers to take safety and health measures for non-standard workers such as dependent contractors and platform workers who utilise delivery apps.
- Korea also plans to expand the coverage of employment insurance to dependent

contractors and introduce an unemployment assistance scheme to reduce “blind spots” in social protection.

Collective bargaining, though under strain, can help shape the future of work

Collective bargaining can help workers and companies define new rights, adopt and regulate new technologies and foster labour market security and adaptability. Yet it is challenged by increases in non-standard work, on top of a decades-long weakening of union representation leaving employers without a clear counterpart. Better including non-standard workers calls for tailored adaptation of regulations and stronger efforts by social partners.

- The proportion of union members among employees fell from 12.4% in 1985 to 10.5% in 2017, while the proportion of employees covered by collective agreements declined from 14.5% in 1985 to 13.1% in 2016.
- In recent years, some groups of non-standard workers like golf caddies and parcel couriers have been able to establish trade unions through court rulings or administrative procedures. The Korean government also plans to adapt labour laws to take account of new forms of work. Korea’s tripartite commission is currently discussing ways to guarantee basic labour rights for the workers in dependent self-employment.
- Korea’s trade unions have changed bargaining practices in some cases to ensure better outcomes for non-standard workers. For example, they launched the solidarity wage initiative which promoted lump-sum pay increases rather than percentage increases with the aim of closing the wage gap between standard and non-standard workers.

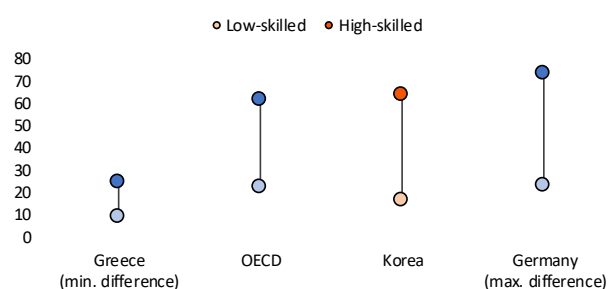
Adult learning is key to help the most vulnerable navigate a changing labour market

Adult learning is becoming increasingly important to help individuals to maintain and upgrade their skills throughout their working lives. Yet most adult learning systems are ill equipped for this challenge.

40% of adults train in a given year on average across the OECD, but those who need training the most, including non-standard workers, train the least and training is not always of good quality.

- In Korea in 2012, only 38% of adult participated in job-related adult training during the previous 12 months. Low-skilled adults train less than the high-skilled. The gap in participation between high and low skilled adults is large in Korea at almost 48 percentage points, well above the OECD average (39 percentage points).
- In January 2019, Korea expanded the coverage of vocational training to the workers who are not enrolled in Employment Insurance. Around 100 000 workers in SMEs and non-standard employment are expected to participate in vocational training.
- Korea performs well in comparison with other OECD countries in the area of flexible learning provision. This could be leveraged to increase participation, particularly among groups that face significant time constraints. There are, however, the quality of training needs to be assured by developing a strong culture of evaluation of the effectiveness of training policies and programmes.

Adult training systems fail to reach the low-skilled



Note: Share of adults who participated in training over the previous 12 months, in percentages. Data refer to 2012 or 2015.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

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