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STATES AND MIGRATION INDUSTRIES IN TAIWAN,
JAPAN AND SOUTH KOREA

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**Abstract**

Among the crescendo of calls for “systemic” approaches to the study of international migration, a small body of literature has emerged around what might be termed the migration industry, or the matrix of border-spanning businesses – labor recruitment, money-lending, transportation, remittance, documentation, and communication services that provide a vital infrastructure for going from here to there. Most work on the migration industry has viewed the state as an adjunct to the object of inquiry – while it may provide a supportive framework or inadvertently encourage the industry’s growth, the state has not yet been theorized as an active partner in its development. However, the East Asian democracies illustrate a range of configurations the state may assume as a partner in the development of migration industries in low skilled labor and marriage recruitment schemes: Taiwan evincing a stronger mix of neoliberal marketization, Japan holding to developmental state guidance, and South Korea oscillating between the two. These cases illustrate how the state may harness market competition to devolve sovereign control over labor migration flows to sub-state actors who, driven by the possibility of financial gain, carry out traditional state capacities. The state thus becomes an invested player in the migration industries channeling low-skilled flows, profiting both by saving resources that might otherwise be drained by migration policy enforcement, and as a fee-collector from licenses of entry into the game.

**Keywords**

International migration, East Asia, developmental states, migration policy, migration industry.

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The Migration Industry
From within the crescendo of calls for “systemic” approaches to the study of international migration, a small body of literature has emerged around what might be termed the migration industry, or “the ensemble of entrepreneurs, businesses, and services which, motivated by the pursuit of financial gain, facilitate and sustain international migration.”¹ In this account, people move not simply because others have before them, producing mobility networks or a “culture of migration,” but because a matrix of border-spanning businesses – labor recruitment, money-lending, transportation, remittance, documentation, and communication services – provide a vital infrastructure for going from here to there. These services open doors and facilitate connections back home, while structuring the opportunities available to migrants.

Prior work on migration industries has focused largely on illegal or informal activities – whether the risk-laden underground economies managed by coyotes, snakeheads, and brokers that traffick people through back-doors, or the more mundane transportation, courier, and communication services that operate in the informal sector.² But this angle of vision has overlooked the places where migration industries might wield the most influence over human flows: documented migration. Particularly when entry slots are limited – as with guestworker schemes – migration enterprises or entrepreneurs may be positioned to grab a near monopoly on movement, offering migrants more than just bits of the journey, but an all-or-nothing package deal.³ By working with – rather than against or simply under – the state, migration entrepreneurs may not only encounter lower risks, but also a cooperative partner likewise interested in the development of their enterprises and a competitive market around them.

Early research in this vein also tended to relegate the state to solely a behind-the-scenes role.⁴ While it may provide a supportive or restrictive context in which (or against which) migration industries develop, the state in these studies remained an adjunct to the object of inquiry – a reference point outside the industry itself that crafts an uneven terrain, but retains no power of initiative. Immigration entrepreneurs and enterprises, in current accounts, are yet firmly a “meso-level” phenomenon.⁵ But severing the political from the economic in this way may no longer be warranted in an age of creeping neoliberalism, as governments not only surrender sovereignty to markets, but also reconfigure their own functions along their logic. And even so, the interpenetration of markets and governments is hardly new. Long before the Washington Consensus, developmental states carried out their functions in “synergistic” relationship with the private sector, guiding economic development while reducing the instabilities of the free market in order to build their national economies.⁶ In such cases, one would, in fact, be surprised not to find the state partnered with migration industries.

¹ Hernandez-Leon (2005: 154). Other authors who can be identified with this stream include Castles and Miller (2010), Salt and Stein (1997), Rodiguez (2010).
⁴ A handful of scholars of emigration have provided notable exceptions to this trend. Hugo and Stahl (2004), for example, analyze how states may enhance, control, or harness emigration by working in conjunction with the “private labor export industry,” and Gross and Lindquist (1995) describe the ways the Philippine government works with and against private emigration industry actors. In cases when the state treats the labor power of its citizens as a resource for export, it becomes necessarily enmeshed in the business of migration.
⁵ Examples include Hernandez-Leon (2008), Kyle (2000), and Salt and Stein (1997).
⁶ See Wade (1990: 5).
Kristin Surak

Developmental States
In his trenchant explanation of Japan’s “economic miracle,” Chalmers Johnson was the first to label and dissect the developmental state. When capital was scarce in the aftermath of World War II, the national government stepped in where the financial sector once stood, taking on the debt of industrial expansion. The department in charge of economic development, the Ministry of International Trade and Industry (MITI), thereby acquired a strong hand in industrial structure policy, as it financed risky investments, guided entrepreneurial decisions, and enhanced the global competitiveness of its goods. South Korea and Taiwan implemented similar versions of the model, instituting the Economic Planning Board on the peninsula and the Industrial Development Bureau on the island. Out of the ruins of war, the assurance of the nation’s economic advancement guided by an elite bureaucracy became the state’s raison d’etre – so much so that the overwhelming majority of the populations of the three countries consistently stated in polls that the state’s foremost duty was to ensure economic growth. Since the 1990s, all three have been liberal-democracies – a legal grounding that took greater force as martial law fell to rising GDPs – but the political apparatus remained principally concerned with economic development for the greater good. Throughout most of the postwar period, this mission could be achieved without foreign workers. Hayseeds and housewives, as well as the swell of the baby-boom, provided pools of cheap labor readily tapped to quench the thirst of the growing economy. But these dried by the late 1980s, and businesses began to pressure governments to find new sources. All of the states conceded to the economic demands, but in divergent ways – Taiwan adopted a Singapore-style tightly managed guestworker program, and Japan instituted a thinly-disguised guestworker program while admitting co-ethnics through side-doors to fill 3D jobs, while South Korea alternated between the two models. The intricacies of each offer insight into the possible configurations between states and migration industries.

Taiwan
From the ruins of war and a GDP on a par with sub-Saharan African countries, the Taiwanese developmental state in the 1950s through 1970s induced striking economic growth by fostering export-oriented light manufacturing. By the 1980s, authoritarian rule began to loosen, privatization of state-run enterprises proceeded apace, and the island achieved the hallmark of any successful economy: an illegal worker population numbering between 50,000 and 100,000. At the close of the decade, the state debated what should be done to control these illicit entrants, and in 1990 decided to experiment with a program recruiting foreign workers to labor on fourteen distinct construction projects that would automate the manufacturing sector. Drawing on Singapore’s guestworker scheme, this program was elaborated two years later in the Employment Services Act. Under the oversight of the Council of Labor Affairs, low-skilled foreigners were to be recruited to work in construction, manufacturing, and caregiving, so long as they remained supplements to the native work force, did not delay economic up-grading, stayed only temporarily with no access to citizenship, and brought only minimal social costs. To implement the first two objectives, the government designated specific employment sectors and quota limits. The second two were enforced through rigorous health exams, prohibitions on marriage and pregnancy, and strictures preventing the accumulation of residence time necessary to apply for citizenship. This attempt to control the expanding numbers of illegal workers by turning them into guestworkers was complemented by police crackdowns in 1991, broad amnesties in 1992, and mass deportations in 1994. By 2009, the program had 350,000 participants – a figure fixed through informal negotiations with unions – with Indonesians filling out 40% of the quotas, and Thai,

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7 Johnson (1982).
9 Japan, though, shedding authoritarian rule much earlier.
10 The program also opened doors to highly skilled workers, but without the quotas, time limits, and work restrictions placed on their lower-skilled colleagues. For an overview on migration to Taiwan in the late 80s and early 90s, see Tsay (1995), Lee (2010), and Kung (2010). For an incisive examination of the economic and political interests involved in developing the scheme, see Tierney (2007).
Vietnamese, and Filipinas (mainly women working as domestics) accounting for around 20% of the slots available a piece.\footnote{Full figures can be found in the Statistic Book of Employment and Vocational Training Administration, Council of Labor Affairs (2010).}

Yet the developmental state did not simply permit set numbers of low-skilled foreign workers to enter the labor market freely; it deployed them only to sectors targeted as having specific needs. Construction and manufacturing dominated the quotas in the 1990s, while service industries began receiving more extra hands in the 2000s, with domestic workers now accounting for 40% of the total. The impact of these numbers is assessed with an eye to the national economy, and the government is quick to tweak the program in bearish times – manufacturing slots, for example, have been limited to the night shift or particularly undesirable 3D jobs since the most recent economic downturn. But this change in job profiles has had less of an impact than the temporary legalization of “unpaid holidays” across the board – a loss of an average four working days a week makes the heavy burden of $3000 to $6000 in debt that many migrants incur when coming to the island an impossible load to carry.\footnote{The government estimates that migrants accrue between $3500 and $4500 in debt when entering the country. Low-end and high-end figures can be found in Kung (2010: 3, 8).}

Though a free labor market was not opened to migrant workers, the developmental state did take on neoliberal trappings when it came to specifics of program implementation. Employers “pay to play,” with the government collecting a monthly “employment stabilization fee,” running between $50 and $175, used to cover costs the state incurs managing foreign workers and retraining local ones. While country-to-country direct hiring was discussed at the outset, the government decided to rely on brokers to implement the program because, as one policy advisor related in a personal conversation, “We were dealing with Thailand, Indonesia, and the Philippines – corrupt states you can’t trust. We turned to the private sector because the market is far more efficient.” But the government did more than relegate responsibility to the market – it moved beyond its traditional developmental duties of insulating industries, and fostered competition, neoliberal-style.

The resulting system keeps a tight squeeze on foreigners through the grip of two markets revolving around a shortage of work quotas.\footnote{For an overview of the quota system, see Chan (1999: 390-2), and for recent tweaks see Migration News (2007). Tierney (2007) offers the most trenchant account on both scores.} At one end, would-be participants in sending states vie for limited spots, paying higher broker fees than incurred for other guestworker schemes, and taking on heavy debts that lock them into their jobs for several years before repayment in full is possible. At the other end, employers battle to acquire and retain limited slots – even hiring people they deem “useless” workers (women for construction jobs, for example) to keep a grasp on any migrant quotas they have gained. Indeed, the quota may become more valuable than the labor power of the particular individual filling it.\footnote{For an incisive analysis of the competitive markets for quotas, see Lan (2007).} And the paper-processing middlemen – the employment agencies – rabidly compete for business in these two markets. The 800 licensed firms in this tight sector dominated by a handful of large-businesses indeed pay employers as much as $700 per migrant to handle their cases – a cost recovered by squeezing the migrants, who typically give over nine months’ salary in fees to the government and employment agencies (which, according to law, collect a monthly service fee).\footnote{Lan (2007: 260), Kung (2010).}

Migrants from places where the government has taken an active concern towards emigrants and where watchdog NGOs have emerged may be able to pocket some money at the end of twelve to eighteen months of work, but others are often less fortunate. Workers from the more proactive Philippines and Thailand pay $2000 to $3000 to brokers, whereas $6000 to $7000 can be extracted from those from Vietnam and Indonesia.\footnote{The figures are from Loveband (2003: footnote 13).} Unsurprisingly, middlemen are turning away from the two former countries and towards the two latter ones.

Market competition assists the state in devolving management of the scheme to sub-state actors by foisting “runaway” control onto employers, who would lose the right to hire a foreigner if
one under their watch slips into the underground economy. (Indeed, the government collects a deposit and security fees from employers to cover the costs of deportation in the event a worker escapes from the program.) The “success” of this formula is striking. Where South Korea, for example, has a population of 200,000 irregular workers – almost equal to that of its participants in the formal guestworker program – Taiwan has only 25,000 “runaways” from a program employing about 350,000. Yet the highly exploitative conditions of their formal employment – long hours, low pay, no overtime bonus, substandard housing, and physical and verbal abuse – have led many participants to abscond. In 1998, the government attempted to combat the rising numbers of illegal workers by granting employers the right to place up to a third of migrants’ earnings into an individual savings account that could be accessed only when the employee’s contract was completed. By the following year, over 80% of employers in manufacturing and 70% in construction had established these accounts, and the number of program runaways was immediately halved, from 30% to 15% of participants. Furthermore, the monthly “employment stabilization fee” bosses pay to participate in the scheme continues to be collected even if a worker runs away. To keep from losing the right to hire foreigners, employers extend monitoring beyond the immediate work conditions. Some lock migrants into company “housing” – sometimes not much more than a transformed cargo container – while employers of domestic workers take the opposite tack and refuse caregivers keys to their homes.

The handful of NGOs struggling for migrants’ rights has thus far achieved only “paper victories” of the thinnest sort. In a state outside the international community, and where civil society is embryonic, persuading the government to provide literature on migrants’ rights in English is considered a triumph. But thanks to their efforts, employment agencies are now rated with an A, B, or C – those falling under the final category are given two years to improve or else lose their license. And foreign workers can now lodge complaints against employers with the CLA, which can grant a migrant two months to find a new job if the boss is found at fault. Though migrants’ rights organizations count these as wins, they are quick to recognize that implementation is still an uphill battle against a system profitable to not only employers and brokers, but also to the politicians who receive pay-offs from both. And as the developmental state, accustomed to a strong hand in economic and social policy, weds neoliberal valorization of the market to its traditional role in guiding private sector development, one wonders whether the boost to market fundamentalism will stifle any further development of migrants’ rights organizations.

Japan

Though points of concordance are strong, the postwar history of migration to Japan presents a somewhat more variegated picture than those of its neighbors due to its colonial past. Despite the mass movements of ethnic-unmixing in the wake of imperial defeat in 1945, around 600,000 Koreans and 30,000 Taiwanese remained in (or circulated through) their former metropole. As Japan entered the G7 in 1975, a combination of civic group agitation and international pressure achieved substantial gains for the social, political, and economic rights of long-term residents – successes that applied not only to former colonial subjects and their kin, but to foreigners more broadly.

But entrance was still not easily gained into a country that prided itself on its ethnic homogeneity. When the bubble economy of the 1980s called for cheaper and more flexible workers, the Ministry of Labor proposed a guestworker scheme – a suggestion quickly stifled by the conservative Ministry of Justice, the ultimate regulator of immigration policy and a standard-bearer of ethnonational purity. But businesses’ demands were met a few years later when the out-dated 1952 Immigration Control Law was replaced with the Immigration Control and Refugee Act in 1990, giving force of law to an under-the-table compromise between the Ministry of Labor and the Ministry of Justice, which opened two side-doors for foreign laborers. The first door allowed former nationals, up

17 By 2004 just under 5% of foreign workers had run away, though some found better work conditions in the informal economy (Lan 2007).
to the third generation, to enter the country on unlimitedly renewable visas, unshackled with work restrictions – a boon to the 1.5 million Japanese and their descendants in Brazil weathering an economic downturn at home. From a few thousand in the late 1980s, around 300,000 Brazilian-Japanese lived in Japan by 2008, with 260,000 contributing to the workforce.

The second door was created through the Industrial Technical Trainee Program (ITTP), which established a quota for trainees from developing countries to work on a short-term basis for less than minimum wages under the guise of “skills transfer.” By 1993, it was accompanied by a technical intern program – a similar arrangement, but accented by gossamer-thin labor contracts. Now approximately 105,000 participate in the trainee program – a figure dominated by 80,000 Chinese, though Vietnamese, Indonesians, Filipinos, and Thai also contribute to the number – and 80,000 in the technical intern program, a figure with a similar breakdown by nationality. Managing both schemes is the Japan International Training Cooperation Organization (JITCO), a body suspended between five ministries, and run by former ministers, retired business chiefs, and bureaucrats. A profitable semi-governmental organization, JITCO receives six to seven million dollars in governmental funding per year, but much more from its member businesses – approximately eleven million dollars in membership fees and documentation preparation from participating firms in FY2005 alone. Insurance policy and employer commissions contribute additional revenue to this economic organization managed like a business from the office of the president, usually filled by a retired governmental minister or head of a major firm.

In the Brazilian-Japanese case, ethnonational interests were glaringly at stake in policy formation. The absence of work restrictions on their unlimitedly-renewable visas signalled that these co-ethnic “brethren” were admitted not solely to “visit ancestor’s graves and learn about the homeland.” Rather, they answered business and government interest in attracting a flexible workforce that would raise few cultural clashes with Japanese society. But having come under international fire only ten years before for its illiberal foreigner policies, the government moved with caution. By couching the program in the language of co-ethnic return for cultural purposes, it remained in line with liberal-democratic norms that reject the use of ascribed characteristics as a filter in labor migration, but sanction them in culturally-defined cases of ethnonational return.

The migration industries that emerged around these newly instituted flows grew up informally – the government provided a playing field and sometimes served as a referee, but rarely became an active participant in a game played between migrants and the private sector. In Sao Paolo, the small travel agencies established by the handful of migration pioneers in the 1980s soon evolved into full-scale recruitment businesses. The movement boom following the 1990 Act drove demand and supply. Increasing numbers of people availed themselves of the translation services, start-up loans, job contacts, housing, and transportation offered by these businesses to smooth the trans-Pacific move. And returnees with ties to and familiarity with the situation in Japan capitalized on these gains by opening recruitment businesses themselves. The growing legal flows encouraged a soon flourishing migration industry. Indeed few moved outside its reach – over two-thirds of Brazilian-Japanese migrants make use of these migration services, and even the majority of family reunification migrants, who might rely on ethnic networks to reduce risks, turn to recruiters in Brazil for securing jobs before

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20 90,000 Peruvians also qualified and are treated the same, with approximately 60,000 now registered in Japan. But because their numbers are dwarfed by those of their larger neighbor, I will refer mainly to the Brazilian-Japanese for the sake of parsimony.
21 On the vicissitudes of these reforms, see Kajita (1999), Iguchi (2005), Kajita, Tanno, and Higuchi (2006), and Oishi (1995).
22 The Daily Yomiuri Newspaper (2006) has reported that JITCO charges between $55USD and $110USD for each case it processes (including the yearly contract renewals), and member firms pay between $500 and $3000USD in participation fees, depending on their size. On the organization of JITCO, see Uemoto (2009).
25 Higuchi (2006: 3) refers to this as a “market-mediated migration system.”
Japanese employers also make good use of their services – two-thirds of medium- to large-firms employing foreign workers go through brokers to secure the extra hands.\textsuperscript{27} By enlisting a middleman rather than hiring Brazilian-Japanese directly, they are supplied with a flexible pool of labor to fill specific gaps without the maintenance costs of full-time employees. These ethnic labor recruitment businesses have, in essence, carved a niche within a more general shift to a “just in time” flexible labor system enabled by deregulation of the job market in the late 1980s. Lifetime employment is now only an ancient story for the 35\% of the Japanese workforce currently employed through temporary contracts.\textsuperscript{28} But it is the privileged visa status of the Brazilians that enabled extension of the just-in-time delivery system to this stream – undocumented workers are too risky to keep in such pools, and thus become more reliant on social networks to secure employment.\textsuperscript{29} The present array suggests that migration industries can be indeed more powerful in legal over illegal migration streams.\textsuperscript{30} In this case of the Brazilian-Japanese, the government has allowed the migration industry to develop – and even inadvertently aided it through neoliberal deregulation – though it has not become an invested partner in the industry.

The story is different for the trainee and the technical intern programs. Under the guise of “skills transfer” to developing nations, these schemes were implemented as a concession to small- and medium-sized businesses’ calls for a guestworker program.\textsuperscript{31} The initial one-year limit on contracts was soon expanded to three, ostensibly to enable participants to refine the “skills” acquired in metal cutting, clothing manufacturing, poultry processing, and other forms of 3D work. Though technical interns are – nominally – covered by labor laws and receive a minimum wage, trainees have not been granted such legal protection, though over a decade of NGO agitation has recently led to system reforms, to be fully implemented by 2013, guaranteeing minimum wages from the second month of employment. Even so, monitoring is difficult, with JITCO unable to extend or uninterested in expanding oversight. Rather than direct hiring, JITCO has devolved the nitty-gritties of program management to the private sector, while retaining for itself an advisory capacity. Brokers implement the recruitment scheme, and with the all-too-typical exploitative results: passports are confiscated at the border and management fees of typically $1000 per year are charged, while employers extract hundreds of dollars for sub-standard room, board, and clothing costs.\textsuperscript{32} To pocket a bit of cash or to keep from losing their jobs, trainees have no option but to put in long overtime hours or work through holidays. Unsurprisingly, the traditional salaryman malady karōshi – death by overwork – is all too common.\textsuperscript{33}

The trainee and technical intern programs present the developmental state at its darkest. In helping small- and mid-sized businesses weather structural transformations, the state recruits migrants, extracting their labor power while allowing them little in return, ostensibly for the betterment of Japanese society. By relying on brokers to funnel workers to employers, the state – here, through JITCO – has condoned and utilized a highly exploitative migration industry to effect its labor-recruitment policies. As in Taiwan, reforms have been largely reactive and superficial. Local and international NGOs have fiercely lobbied for changes, calling for an above-the-table guestworker scheme along South Korean lines, discussed below. But the government remains unmoved. While the

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\textsuperscript{27} Higuchi (2006).

\textsuperscript{28} National Labor Force Survey (2010).

\textsuperscript{29} Higuchi (2006: 4)

\textsuperscript{30} Spener (2009) suggests this possibility.

\textsuperscript{31} See Oishi (1995).

\textsuperscript{32} The government does little to ease the experience. As in other Singapore-style guestworker schemes, regular health checks are imposed, family reunification and marriage are forbidden, and participants must leave Japan, with no possibility of return.

\textsuperscript{33} According to government records, at least 127 trainees died between 2005 and 2010 – a 1:2600 death rate unusually high for youth who must pass a thorough health exam.
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media has brought some of exploitative conditions of the ITTP to public attention, it also transmits images of foreigners as the culprits behind increasing crime rates. The relatively open public opinions on migration reflected in polls in the early 1990s have remained consistently closed over the past decade. And the government has few incentives to substantially overhaul a “skills transfer” program meeting labor market shortages. Though civic groups addressing migrants’ issues have flourished – they counted over 200 by the turn of the millennium – their victories have been confined largely to local-level reforms. Efforts to lobby the national government for reforms have achieved only limited and indirect success.

**South Korea**

The late-1980s were watershed years for the Hermit Kingdom. The developmental state, which had led stunning economic growth over the prior two decades, could no longer maintain its authoritarian trappings, and the international attention garnered by the 1988 Olympics kept the government from too easily shrugging off mass demonstrations against it. By 1987, the regime was transformed into an operational democracy, headed by a strong executive. As with its neighbors, labor needs in the booming economy outstripped supply, particularly for 3D jobs, and by 1991 an estimated 50,000 irregular workers were in the country. But this was still not enough to meet employers’ demands and the Korean Federation of Small Businesses (KFSB) lobbied the government to open doors for yet more. Turning east rather than south, the government implemented a Japanese-style trainee program in 1991. The ITTP was replicated to a tee, and when Japan extended the program to a three-year time limit on contracts, its neighbour did as well. On the peninsula, JITCO became KITCO, and was charged with managing the program. Though the Construction Association of Korea, the National Federation of Fisheries Cooperatives, and the National Agricultural Cooperative Federation were later added as implementing agencies, KITCO’s predominance was a boon to the KFSB, which oversaw the operations and staffed the personnel of this semi-governmental body with close connections to the chaebol business giants. At its peak, participation in the program hovered between 70,000 and 80,000.

But as the program grew, so did the numbers of undocumented workers – far outstripping the size of the legal stream: by 2002, 85% of foreign workers were laboring illegally. Not just exploitative work conditions, but the ITTP itself pushed foreigners into the gray zone. KITCO extracted such large fees from workers that many – 60% of program participants in 1993, according to the Ministry of Labor – entered the higher-paying illegal market to pay off the debt. But KITCO provided a solution for this as well, running twenty “consulting service” agencies, charged with helping to prevent runaways for a monthly fee. It also encouraged employers and brokers to keep an eye on their employees, collecting deposits from both that would be returned only once the migrant left the country. All of this was a boon to the KFSB, which gathered net profits of around $50 million between 1996 and 2001, mainly in fees from the agencies taking on the trainees.

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35 On the impact of civic groups on policies affecting migrants see Milly (2006).
36 As of 2003, all of KITCO’s CEOs have been retired Immigration Office officials. Corruption makes for a lucrative job, with a number of KITCO officials arrested for bribery – its chairman in 1995, its director and manager in 1996, various staff members in 1997. For a detailed history of the ITTP, see Seol and Skrentny (2004). Kim (2009) covers a broader territory in his historical overview of migration to the ROK, but see Kim (2007) for a more critical evaluation of multicultural outcomes.
37 Later, the Construction Association of Korea, the National Federation of Fisheries Cooperatives, and the National Agricultural Cooperative Federation were added as implementing agencies. For an insightful overview of the ITTP, see Seol (2005).
38 This was apparently preferable to losing the $300USD companies deposited with the KFSB to ensure they retained the migrant. Recruiters as well had to deposit $100USD with the KFSB, returned only after the migrant left the country (Kil-Sang Yoo 2003).
The copy, of course, reproduced all of the exploitative elements of the Japanese original, and by the late 1990s, dozens of civil society organizations began rallying for an improvement in foreign workers’ rights, and calling for an above-the-board work permit system based on the Taiwanese model. Though the 1997-8 economic crisis sterilized their efforts, an activist executive – President Rho Moo-hyun, a former human rights lawyer himself – shepherded the reforms through a few years later, and 2003 saw a sudden about-face with the passage of the Foreign Worker Employment and Human Rights Protection Law and the Employment of Foreign Workers Act (EFWA, implemented in 2004). The EFWA established a formal labor recruitment scheme – the Employment Permit Program (EPP) – which replaced the ITTP and granted foreign workers the same rights and minimum wages as nationals. The government took control over the areas mismanaged by the vilified KFSB (renamed KBiz in an attempt at image-enhancement). Migrant selection, registration, orientation sessions, job placement, and return were placed under the auspices of the Human Resources Development Service of the Ministry of Labor, which divvied out responsibilities for employment implementation to a field of over one hundred job-search agencies and support centers. This shift from an informal broker system to an above-ground competitive industry lowered the cost of entry borne by migrants from $3500 in 2001 to $1300 by 2008. Bilateral Memorandums of Understanding were negotiated with sending countries to stem the most usurious brokers, and quotas instituted to encourage source states to compete for limited slots. As with the ITTP, the developmental state limits participation to sectors in need of extra hands – manufacturing, construction, agriculture, fishing, and service industries, and channels or curbs flows for what it defines as the benefit of the national economy. Following the most recent economic crisis, the government cut recruitment quotas by three-quarters, and eliminated those for the construction industry. Now approximately 150,000 – largely from China, the Philippines, and Bangladesh – participate in the program.

The EPP recruits were soon complimented by another body of workers: Chinese-Koreans. In the wake of the 1997/8 economic crisis, the government passed the Overseas Korean Act (1999) in hopes of attracting the US dollars of the large Korean-American community. Worded to include well-off Yankee brethren while excluding poorer compatriots who remained in China and Russia following the collapse of the Japanese empire, the Act came under attack by Korean NGOs for ethnic discrimination. At first the government defended its position by amending the EPP to offer special work permits to Chinese-Koreans that enabled them to enter more easily than other foreigners, but restricted work to only targeted industries during their two-year stay. Criticized as both discriminating among workers and among ethnic kin, the revision was replaced in 2004 by the Visit and Employment Permit (VEP) program. Implemented the following year, the VEP instituted 5-year visas for low-skilled brethren, and has become the main mode of entry for labor migration – about 97% of its current 400,000 visa holders come from China, and about 80% in search of jobs. With 34 job sectors open to them and allowed to remain in the country even without a job contract, the Chinese-Koreans provide a pool of labor somewhat similar to that of the Brazilian-Japanese.

Though how neoliberal trends towards temporary employment may have impacted the job opportunities of Chinese-Koreans has yet to be investigated, one area in which a market logic has risen

40 With a long history of anti-government activism, civil society in South Korea is strong. As of 2004 there were at least 150 migrants’ rights organizations. See Lim (2003) on the role of civil society groups in expanding migrants’ rights.
41 For a detailed history of the EFWA, see Lee and Park (2005), in addition to Seol (2004).
42 This is sometimes translated as the Employment Permit System (EPS).
43 The ITTP still exists, but in miniature form. Companies with foreign subsidiaries can recruit trainees, though the program operates on a much smaller scale than in the past.
44 In-Jin Yoon (2009).
45 For a subtle analysis of the vicissitudes of the changing visa statuses open to Chinese-Koreans, see Chulwoo Lee (2010).
46 But the state’s initial reluctance to build a smooth road of entry for some co-ethnics suggests that its moves do not resemble those of the Japanese government, which cloaked its co-ethnic labor migration scheme in internationally acceptable standards. See Kim (2008) on the politics behind co-ethnic entrance policies.
to dominance is marriage migration. All of the cases discussed have witnessed marked increases in international marriage, with rates approaching 10% in Japan and 15% to 20% in South Korea and Taiwan. While local governments in Japan and Taiwan have taken an active role as matchmakers, only in South Korea has the state become invested in such “multicultural” unions, warranting an exploration of its relationship to the migration industries around these streams.

As higher rates of educational attainment and the lure of the cities drew women out of the countryside in the early 1990s, local governments began to take an active interest in the futures of their bachelor farmers and fishermen unable to secure lifetime mates. The “Getting Rural Bachelors Married” projects (now numbering over 60) started by municipalities offered unmarried men between $3000 and $9000 in aid for securing foreign brides. Spurred by the injection of funds, a small industry of brokers and matchmakers operating in a gray area of transnational matchmaking took hold, a trend eased by the elimination of bureaucratic red-tape, and encouraged by shifts in the domestic marriage broker market. These agencies offer their customers an ever-changing menu of international dishes – Mongolian: hearty and wholesome; Vietnamese: delicate yet strong – and provide package tours for bride selection in the country of choice. Partnered with marriage brokers in the sending states, they arrange a steady parade of women from which the Korean men select a spouse. Though the industry is lucrative, competition can be cutthroat, with Korean agencies trying to edge each other out of partnerships with their best counterparts in sending states. Not only do prospective husbands pay as much as $8000 for their services, prospective wives may pay up to $2000 for “fast-track” access to a more developed country.

The 1998 International Marriage Broker Law was a boon to the industry, moving it out of the shadows through a national licensing system, which in 2010 provided accreditation to over 1200 international marriage agencies. The law’s neoliberal formulation, modelled in part on consumer protection law, set a new framework that defined husbands as consumers with the rights to specific recourses should they be dissatisfied with their purchased products. By 2006, over 70% of matchmaking agencies were offering six- to twelve-month “sales warranties,” that include phone counselling, home visits, and Korean language instruction. If a divorce occurs within this time-period, the broker promises to supply the former husband with a new bride. But these service costs eat into profits and therefore larger companies encourage prospective husbands to sign an agreement that they will not invoke their warranties.

47 Not formally a type of labor migration, marriage migration may, in practice, serve as another means to the same end. Three-quarters of foreign women who enter marriages through brokers cite economic reasons as the main motive behind their move, and they have a higher rate of participation in the labor force and work longer – an average of 47 hours per week – than do Korean women (Seol 2006: 39, 41). Bachelors may take on spouses as a cost-saving extra hand in the family business or a cheaper version of a domestic worker, and some foreign brides view marriage as an easier path to enter the labor market than applying for an EPP visa.


49 Small-scale “marriage counsellors,” who received both matchmaking fees and a bonus for successful marriages between Koreans, were increasingly edged out by larger “marriage information businesses” that did not collect bonus fees, and many counsellors turned to the international marriage market for new customers (Seol 2006: 1-2).

50 The competition is much tighter in the popular Vietnamese market than in the Chinese or Filipino markets (Seol 2006: 4). The system is based on the business model set up in Taiwan in the late 1980s.

51 For many women participating, these partnerships represent an alternative entry on a labor recruitment scheme – and indeed many brokers sell it as such. But only a minority luck into the ideal situation of being granted the independence to work, create a life of their own, and send money home. Many are shocked to find themselves under the thumb of domineering mother-in-laws, violence is common among the poor rural men refused by Korean women, and an increasing number of these bachelors are tying knots only to secure cheap domestic workers to care for aging parents (Kim 2007).


While the government initially kept its hand out of these dealings, over the past five years it has come to target foreign brides in its pro-natalist policies. With the 2006 Healthy Family Law, the state lauded the “multicultural family” as a pillar supporting the country’s future. The same year, the Multicultural Family Support Policy Law set up a barrage of programs aimed to culturally assimilate the foreign mothers of the next generation of Korean children. The international marriage industry has been an asset in implementing these measures. When the government mandated that integration courses for multicultural mothers be offered, it turned to brokers to administer them. Now these government-sponsored classes are run as part of larger international marriage enterprises – a shining example of a state with neoliberal hues in symbiotic relationship with core migration industry businesses.

Discussion
The East Asian democracies illustrate how dirigiste states can easily take on neoliberal contours by devolving elements of the management of desired migration flows. The private actors they charge are driven by the promise of financial gain to carry out traditional state capacities. Yet configuration particularities vary across cases: Taiwan evinces a stronger mix of neoliberal marketization, Japan holds to developmental state guidance, and South Korea has moved between the two. Nonetheless, the state in all scenarios profits both by saving resources that otherwise might be drained by migration policy enforcement, and as a fee-collector from licenses of entry into the game.

Developmental states may have few qualms about delegating agents – centrally brokers and businesses – that assume a direct role in implementing short-term labor recruitment schemes. As the Taiwanese case shows, they may even foster competition among these actors, thus harnessing market forces to ensure that they enforce the government’s desire for legal and limited migration. But brokers can serve as more than agents appointed by the state to directly carry out its traditional functions; they can offer new services as well. In South Korea, marriage migration agencies have supplied a ready-made institutional infrastructure the state could hire to implement its pro-natalist multicultural programs – the two sides operating in symbiotic alliance.

But there are limits to such partnerships as well. The Japanese case illustrates how a strong commitment to nationalist principles of ethnic homogeneity can tie a developmental state’s hands when operating within the strictures of a liberal-democratic environment. By permitting Brazilian-Japanese to enter and remain in the country regardless of work contracts, the state rescinded much managerial control over this labor force. When settlement followed and integration problems emerged – making the news most recently with the tragic suicide of a ten year-old Brazilian-Japanese victim of bullying – the government could not simply send workers home, as it would otherwise. Most recently it has attempted to pay its invited brethren to leave – $3000 for one-way tickets to South America with a commitment never to return to the archipelago. Given the ROK’s concern to build a multicultural society – even an essentially assimilationist one – the outcomes there are likely to be somewhat different.

Civic groups, however, may be able to apply a stronger solvent against the thickening of collaborations between states and private migration industry actors, as South Korean successes suggest – though the Japanese case warns that their effectiveness may be blunted when migration policy making is largely in the hands of bureaucrats rather than elected officials. Indeed, without a lively civil society persistently lobbying for reform, a competitive market may yield the yet more exploitative consequences witnessed in Taiwan. Activists on the island lament that the government has become so invested in the migration industry that substantial reform is essentially stymied – lock-in effects hindering curtailment of the worst abuses. Taking on a neoliberal program of fostering market competition may be one way of curbing runaways, but at a high price. But from the perspective of many migrants – onto whom the costs are inevitably devolved – the price may be too dear already.

54Hovering around 1.22, South Korea’s fertility rate is the lowest in the world.
55 The law also narrowed the commonsense definition of “multicultural families” to include only unions between Koreans born in South Korea and foreigners. See Kim (2007) for an acute analysis of multicultural policies and marriage migrants.
Bibliography


