

# **Equal Employment Policies in Korea**

## **- An Introductory Guide -**

**Hee-Kyung Kim**

(Senior Consultant, Korea Labor Foundation)

**Myung-Sook Jun**

(Professor, Chonnam National University)



**Equal Employment Policies in Korea**  
**- An Introductory Guide -**

Hee-Kyung Kim/Myung-Sook Jun

©2011

Korea Labor Institute

All rights reserved. No part of this book may be reproduced in any form without permission in writing from the publisher.

KOREA LABOR INSTITUTE  
30, Eunhaeng-ro, Yeongdeungpo-gu,  
Seoul, 150-740, Korea  
<http://www.kli.re.kr>

ISBN : 978-89-7356-869-7 93330

### **1. Background**

A. Social Aspects .....	1
B. Economic Aspects .....	1

### **2. Types of Equal Employment Policies**

A. Prohibition against Direct Discrimination .....	3
B. Prohibition against Indirect Discrimination .....	3
C. Exceptions to Prohibitions against Discrimination .....	4

### **3. Affirmative Action**

A. Background .....	5
B. Definition .....	5
C. Coverage .....	6
D. Procedure .....	7
E. Operation System .....	12
F. Incentives and Penalties .....	12
G. Major Results .....	13
H. Evaluation of Affirmative Action .....	20
I. Major Issues and Direction for Future Development .....	21

### **4. Policies to Promote Equal Employment**

A. Maternity Protection .....	23
B. Child-Care Leaves or Shortened Working Hours while Parenting a Young Child .....	25
C. Support for Child-Care Facilities within Workplaces .....	28
D. Consulting for the Promotion of Women's Employment .....	29

---

# List of Tables

Table 1. Industrial Classifications for Affirmative Action ..... 9

Table 2. Workplaces with Affirmative Action (2006 to 2010) ..... 14

Table 3. Percentage of Women Workers and Managers by  
Company Size (2006 to 2010) ..... 14

Table 4. Women’s Employment by Position (2006 to 2010) ..... 16

Table 5. Percentage of Women Employees by Occupational  
Category (2006 to 2010) ..... 17

Table 6. Women Employees by Industry (2006 to 2010) ..... 18

Table 7. Women Managers by Industry (2006 to 2010) ..... 19

Table 8. Payment of Maternity-Leave Benefits (2006 to 2009) ..... 24

Table 9. Child-Care Leaves and Benefits Paid (2006 to 2009) ..... 27

Table 10. Child-Care Leave Incentives (Substitute Labor)  
(2006 to 2009) ..... 28

Table 11. Support for Child-Care Facilities within Companies  
(2006 to 2009) ..... 29

Table 12. Support for Labor Costs for Teachers  
(2006 to 2009) ..... 29

Table 13. Consulting Costs (2007 to 2009) ..... 30

---

## List of Figures

Figure 1. Comparison of the Percentages of Economically Active Women in OECD Member States .....	2
Figure 2. Comparison of the Percentages of Economically Active Women by Level of Education .....	2
Figure 3. Template for the Submission of Data on Men and Women Workers .....	7
Figure 4. Organization of the Affirmative Action Operation System .....	12



# **1. Background**

Korea's equal employment policies have continued to advance since the enactment of the *Equal Employment Act* in 1987. Affirmative Action was mentioned for the first time in the 1989 amendment of the *Equal Employment Act* that was intended to increase the employment of women and to redress various forms of discrimination. In 1996, a system to set goals for women's employment among public servants was introduced, and in 2004, a trial run of Affirmative Action was conducted in government-funded institutions and government-affiliated institutions.

The backdrop for the introduction of equal employment policies in Korea has both social and economic aspects.

## **A. Social Aspects**

Redressing of past discriminations: Discrimination in employment is the result of accumulated past discriminations as well as current discriminations, and therefore, the starting point for all persons should be made equal in order to provide fair opportunities for competition.

More diversity: With competition becoming fiercer, a variety of viewpoints and opinions from a wide range of groups rather than a homogenous group may become the source for a stronger competitive edge.

## **B. Economic Aspects**

Changes in the social environment: Korea is expected to become a super-aged society in 2026. The significantly faster rate of aging in Korea compared with rates in other advanced nations will result in a shortage of labor, hindering the overall growth of the national economy.

Changes in the corporate environment: Although levels of education and job skills for women do not fall behind those of men, the labor provided by women is seriously undervalued, and the utilization of women as human resources is highly inefficient (see Figure 1 and Figure 2).

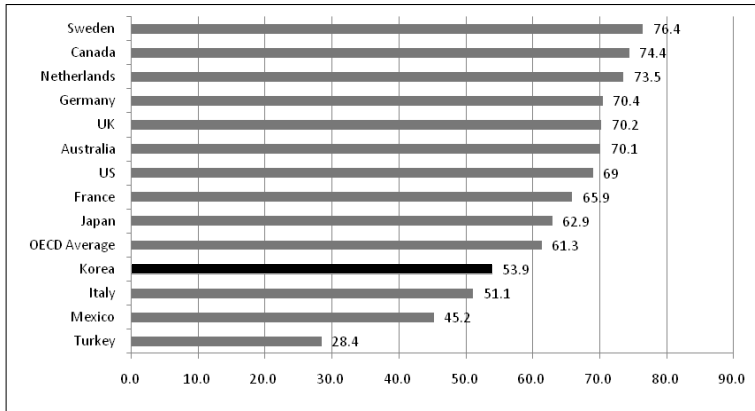


Figure 1. Comparison of the Percentages of Economically Active Women in OECD Member States. Data from OECD, Employment Outlook 2010, Women Aged 15 to 64.

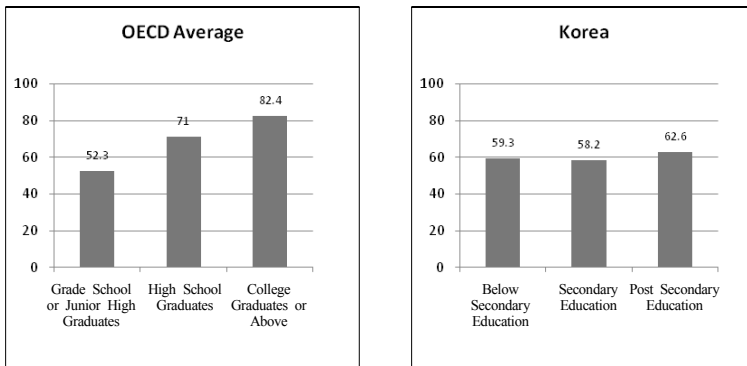


Figure 2. Comparison of the Percentages of Economically Active Women by Level of Education. Data from OECD, Employment Outlook 2010, Women Aged 15 to 64.



## **2. Types of Equal Employment Policies**

### **A. Prohibition against Direct Discrimination**

Discrimination against individuals based on inherent or acquired characteristics such as gender, age, physical condition, or sexual orientation is prohibited.

#### **Standards for judging direct discrimination**

- Existence of differences in employment or working conditions, or other disadvantageous measures based on gender or other characteristics
- The employer acting as the agent of differences in working conditions or other disadvantageous measures
- The lack of rational grounds for differences in employment or working conditions, or other disadvantageous measures

### **B. Prohibition against Indirect Discrimination**

Direct discrimination has become subject to legal sanctions, resulting in a decrease in intentional and direct discrimination based on gender, age, or disability; therefore, discrimination has become predominantly more intangible and indirect.

Although gender-neutral standards are applied, discrimination should be prevented by providing rational conveniences — preferential treatment — to prevent those standards from inflicting disadvantageous results on members of minority groups.

#### **Standard for judging indirect discrimination**

- Use of gender-neutral standards
- Existence of disadvantageous effects
- Failure to prove the legitimacy of gender-neutral standards

### **C. Exceptions to Prohibitions against Discrimination**

- In cases where workers of a specific gender are needed given the attributes of a particular job
- In cases where measures for maternity protection are in place
- In cases where affirmative action, which gives preferential treatment to a specific gender in order to gradually solve existing forms of discrimination, are in place

## **3. Affirmative Action**

### **A. Background**

Although a foundation for gender equality has been secured through legal institutions, gender inequality persists in the areas of recruiting, employment, jobs, positions, and promotions. Affirmative Action is designed to facilitate the use of female human resources by improving intangible and indirect discriminatory practices, such as the existence of a glass ceiling.

### **B. Definition**

Affirmative Action is intended to achieve a specific employment goal during a given period of time in order to achieve employment equality for a group deemed to be experiencing discrimination in employment.

#### **Broad Definition**

All tentative measures or other subsequent procedures taken by the state, local government, or employer to redress existing forms of discrimination or to promote equal employment by applying Affirmative Action in employment.

#### **Narrow Definition**

All procedures based on Article 17 Clause 3 of the *Act for Equal Employment and Support for Work-Family Reconciliation*.

The procedure requires companies, whose figures in the submitted data on men and women workers fall below the 60% mark from the average of companies in the same size bracket or industry, to voluntarily submit implementation plans for improving the employment of women and conducts follow-up inspections.

Various policy measures such as quotas or employment goals may be used for the purposes of Affirmative Action. In Korea, companies subject to the Affirmative Action are required to set goals voluntarily rather than to use quotas to mandate that a certain percentage of employment goes to women.

### **C. Coverage**

#### **Private companies with 500 or more full-time equivalent employees (based on the yearly average)**

At the beginning of each year, the local office of the Ministry of Employment and Labor confirms the companies subject to the Affirmative Action by collecting information on changes in the number of full-time equivalent workers at workplaces within its jurisdiction.

#### **Public institutions (with 50 or more employees) subject to Article 4 of the *Act on the Operation of Public Institutions***

These institutions are publicly announced by the Ministry of Strategy and Finance.

Since March 1, 2006, Affirmative Action has been implemented within private companies and public institutions with 1,000 or more full-time equivalent employees, and a 2-year grace period was applied to private companies with 500 to 999 full-time equivalent employees.

Unlike in other countries, where Affirmative Action applies to companies with government procurement contracts, in Korea Affirmative Action is implemented within public institutions that are in a position to create women's employment and companies of a certain size that have proper HR and labor management systems; this is because 60% of Korean companies with government procurement contracts are construction companies.

## D. Procedure

### Step 1: Submission of data on men and women workers by occupational category and position (by March 31 of each year)

A company subject to the Affirmative Action inputs and submits data by job and position via the *AA-NET* website by March 1 of each year (Figure 3).

Men and Women Workers by Occupational Category and Position								
1. Management Number: 2. Business Type: 3. Name of Workplace: 4. Industrial Category:								
	Sum		Position Level 1		Position Level 2		Position Level 3	
	Total	Women	Total	Women	Total	Women	Total	Women
All Occupational Categories								
1. Managers								
2. Experts and related practitioners								
3. Office workers								
4. Service workers and sales workers								
5. Skilled workers in agriculture, forestry, and fisheries								
6. Technicians and related technical practitioners, and machine/device operators and assembly workers								
7. Manual workers								

Figure 3. Template for the Submission of Data on Men and Women Workers.

Based on the submitted data, companies subject to the Affirmative Action are evaluated and compared with other companies within the same size bracket and the same industry in order to identify companies with insufficient employment of women. These companies are required to submit implementation plans for improvement.

**Selection Criteria:**

- Companies whose percentage of women employees falls below the 60% mark, based on the average of comparable companies
- Companies whose percentage of women managers falls below the 60% mark, based on the average of comparable companies

The occupational category is divided into seven categories according to the Korean Standard Classification of Occupations:

- Managers
- Experts and related practitioners
- Office workers
- Service workers and sales workers
- Skilled workers in agriculture, forestry, and fisheries
- Technicians and related technical practitioners, and machine/device operators and assembly workers
- Manual workers

The category *managers* refers to administrative or management managers of the government standard job classification, and to administrative or management managers who establish policies and plans for companies, organizations, or departments within companies or organizations, and who direct and coordinate their activities, such as high-level executives or production/operation department managers.

Table 1. Industrial Classifications for Affirmative Action

No.	Industry	No.	Industry
1	Agriculture, Forestry, Fisheries, and Mining	11	Air Transportation
2	Light Industry 1: Food and Beverage Manufacturing, etc.	12	Information and Communications
3	Light Industry 2: Lumber and Wooden Product Manufacturing, etc.	13	Finance and Insurance
4a	Chemical Industry	14	Real Estate, Renting, and Leasing
4b	Heavy Industry	15a	Professional, Scientific, and Technical Activities
5	Electronics Industry	15b	Business Facility Management and Business Support Services
6a	Electricity, Gas, and Water Supply	16	Education
6b	Sewerage, Waste Management, Materials Recovery, and Remediation	17	Human Health and Social Work
7	Construction	18	Art, Sports, and Recreation-Related Services
8	Wholesale and Retail Trade	19	Membership Organizations, Repair, and Other Personal Services
9	Accommodation and Food Services	20	Public Administration, Defense, and Compulsory Social Security
10	Land and Pipeline Transportation		

Managerial positions are categorized according to three levels:

- Level 1: Executives or above
- Level 2: Managers to positions below executives
- Level 3: Assistant managers or below

Industries are classified according to the Korean Standard Industrial

Classification based on the final output, finished goods, or services provided. For the manufacturing and transportation industries, a total of 23 categories are in use.

**Step 2: Submission of implementation plan (by March 31 of each year)**

A substandard workplace submits an implementation plan to actually increase women's employment using the *AA-NET* website.

The submitted implementation plans are categorized according to three levels (satisfactory, partial supplementation needed, or redraft) by evaluating how concrete the implementation plans are and how appropriate the level of the set goals is.

A company that receives an evaluation of *partial supplementation needed* or *redraft* resubmits and implements the plan after supplementing the contents according to the evaluations with specific requirements for supplementation.

The following are included in implementation plans:

- Analysis of human resource utilization: Every workplace should analyze the appropriateness of its human resource utilization and review its employment management plan step by step in case there are serious imbalances in the utilization of male and female resources.
- Setting employment goals for women: Employment goals are set for all occupational categories and women managers in 1-year units (from January 1 to December 31).
- Employment management improvement plan: A plan for improving institutions and practices to achieve employment goals for women is set, including the period for implementation.
- Others: In cases where the percentage of women in employment is significantly low but is difficult to improve in a short period



of time, reasons for such difficulties are noted. Other issues, such as the employer's opinions about necessary policy measures to expand women's employment, are also noted.

**Step 3: Submission of implementation report (by March 31 of the year following the submission of the implementation plan)**

A workplace that has submitted an implementation plan reports the results of implementation by March 31 of the following year.

The implementation report consists of the results of the goals for women's employment, the status of new employment, and results of the employment management improvement plan.

The implementation report includes the following:

- Results of the goals for women's employment: The level of achievement compared with goals for women's employment presented in the implementation plan
- Status of new employment: The percentage of women employees and women managers for the given year
- Results of employment management improvement plan: The level of the goals presented in the employment management improvement plan, and its results and progresses

The submitted implementation plans are categorized as *satisfactory*, *average*, or *implementation required* after evaluating the results of the employment goal and the implementation and effects of improvement tasks.

Companies that receive an evaluation of *implementation required* are given separate implementation deadlines, and are urged to implement the contents of the implementation plan.

Companies with outstanding implementation results are awarded every April as companies demonstrating outstanding equal employment.

## E. Operation System

The headquarters and local branches of the Ministry of Employment and Labor are in charge of affirmative action, and the operation of the system is entrusted to the Korea Labor Foundation.

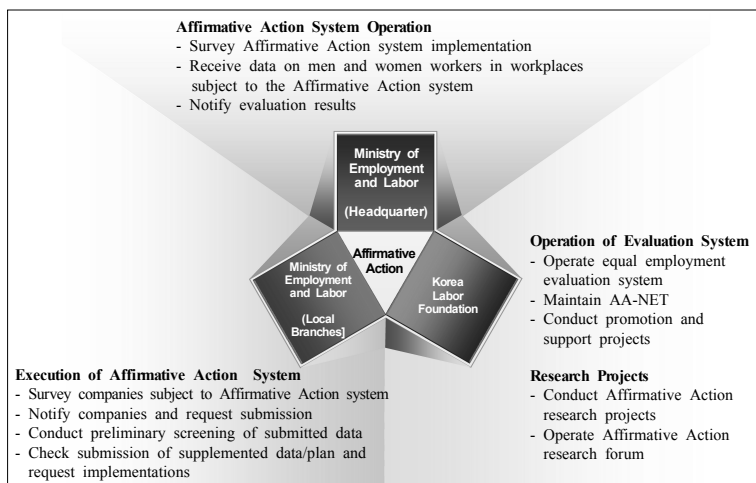


Figure 4. Organization of the Affirmative Action Operation System.

## F. Incentives and Penalties

The Affirmative Action programs of countries such as the United States, Canada, and Australia exact strong sanctions for noncompliance or violations such as the suspension of government contracts, exclusion from subsidies, and fines.

On the other hand, in Korea only incentives are in place, as follows:

- Use of the certification mark for companies with outstanding equal employment (for 3 years)
- Exemption from rolling inspections by the local branches of the Ministry of Employment and Labor for violations of the labor relations laws and regulations

- Provision of additional points (0.5 point) when being screened for a procurement bid with the Public Procurement Service
- Provision of additional points (0.5 point) in the domain of credit ratings when participating in competitive bidding for SMEs with the Public Procurement Service
- Priority given in projects to provide loans for improving the employment environment for women, projects to provide scholarships to workers by the Korea Labor Welfare Corporation, and projects to provide loans for welfare facilities within SMEs
- Priority given when providing loans for job-skill development to workers in outstanding companies (Article 64 Number 4 of the Employment Insurance Act Enforcement Decrees)
- Enhanced corporate image through promotions via the media and the Internet, and nationwide distribution of booklets introducing companies with outstanding equal employment

## **G. Major Results**

### **Changes in the number of workplaces subject to Affirmative Action**

Affirmative Action was first applied in 2006 at a total of 546 public institutions and companies with 1,000 or more employees, and the number of workplaces subject to Affirmative Action increased greatly in 2008 with the expansion of coverage to include private companies with 500 or more full-time equivalent employees. Currently, Affirmative Action is applied to a total of 1,576 workplaces. The detailed figures for the changes in the number of workplaces are shown in Table 2.

Table 2. Workplaces with Affirmative Action (2006 to 2010)  
(Unit: Workplace)

Year	All institutions			Public institutions			Private companies		
	All	1,000 or more employees	999 or less employees	All	1,000 or more employees	999 or less employees	All	1,000 or more employees	999 or less employees
2010	1,576	658	918	255	66	189	1,321	592	729
2009	1,607	666	941	246	66	180	1,361	600	761
2008	1,425	622	803	115	31	84	1,310	591	719
2007	613	–		115	–		498	–	
2006	546	–		107	–		439	–	

*Note.* The number of public institutions for the years 2006 to 2008 includes government-invested institutions and government-affiliated institutions.

### Percentage of women employees and percentage of women managers

The percentage of women employees at companies subject to the Affirmative Action was 30.8% in 2006, and increased by 3.3 percentage points (or 10.7%) to a record 34.1% in 2010. The percentage of women managers also grew, from 10.2% in 2006 to 15.1% in 2010, a 3.9 percentage-point (or 48.0%) increase.

Table 3. Percentage of Women Workers and Managers by Company Size  
(2006 to 2010)  
(Unit: Number of persons, %)

Year	Institution	No. of workers	No. of women	Average percentage of women employees	No. of managers	No. of women managers	Average percentage of women managers
2010	Total	2,598,082	846,957	34.1	230,008	29,404	15.1
	1,000 or more employees	2,032,547	659,087	35.6	183,855	22,431	16.2
	999 or less employees	565,535	187,870	33.1	46,153	6,973	14.3

Year	Institution	No. of workers	No. of women	Average percentage of women employees	No. of managers	No. of women managers	Average percentage of women managers
2009	Total	2,566,715	825,850	34.0	254,598	35,836	14.1
	1,000 or more employees	2,000,024	636,226	35.1	212,024	30,131	14.8
	999 or less employees	566,691	189,624	33.2	42,574	5,705	13.6
2008	Total	2,430,320	775,922	33.6	217,717	22,887	12.5
	1,000 or more employees	1,913,122	606,219	35.0	180,063	18,021	13.2
	999 or less employees	517,198	169,703	32.4	37,654	4,866	12.0
2007	Total	1,748,552	536,445	32.3	166,009	15,373	11.0
2006	Total	1,597,617	458,584	30.8	169,983	14,178	10.2

*Note.* Percentages for women employees and women managers have been calculated using the average of percentages at individual companies.

### **Percentage of women employees by position**

The percentage of women employees by position at companies that are subject to the Affirmative Action has been structurally distorted during the last 5 years, with a high concentration of women in positions equivalent to assistant managers or below and low percentages of women in positions equivalent to managers or executives.

The percentage of women employees in executive positions increased from 3.3% in 2006 to 6.8% in 2010, a 3.5 percentage-point (or 106.1%) increase.

The percentage of women employees in positions equivalent to managers increased from 10.0% in 2006 to 14.6% in 2010, a 4.6 percentage-point (or 46%) increase.

The percentage of women employees in positions below the managerial level increased from 36.4% in 2006 to 39.5% in 2010, a 3.1 percentage-point (or 8.5%) increase.

Table 4. Women's Employment by Position (2006 to 2010)

(Unit: %)

Year	Executives			Managers to positions below executives			Positions below managers		
	All	1,000 or more employees	999 or less employees	All	1,000 or more employees	999 or less employees	All	1,000 or more employees	999 or less employees
2010	6.8	6.2	7.3	14.6	14.7	14.4	39.5	41.2	38.3
2009	6.5	6.1	6.6	13.8	13.3	13.3	39.2	40.5	38.4
2008	6.1	5.7	6.5	12.0	12.6	11.6	38.5	40.1	37.3
2007	4.4		—	11.1		—	37.9		—
2006	3.3		—	10.0		—	36.4		—

### Percentage of women employees by occupational category

Women's employment is concentrated in services and sales (47.7% in 2006→54.3% in 2010), office work (38.7% in 2006→42.3% in 2010), and manual work (41.6% in 2006→38.3% in 2010), and gender differences remain solid.

Table 5. Percentage of Women Employees by Occupational Category  
(2006 to 2010)

Occupational category	2010		2009		2008		2007	2006
	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	All	All
Manager	16.2	14.3	14.8	13.6				
Expert and semi-expert	32.0	34.2	31.2	33.6	21.0	23.9	19.4	16.5
Office worker	42.3	42.4	41.9	41.2	39.3	37.9	37.7	38.7
Service and sales	54.3	54.3	55.4	55.4	49.0	57.0	51.4	47.7
Skilled worker in agriculture, forestry, or fisheries	15.0	10.9	30.3	6.7	14.6	15.0	5.8	3.8
Technician and assembly worker	15.3	12.2	16.6	15.1	19.7	16.0	17.1	16.1
Manual worker	38.3	43.0	39.2	42.2	41.6	40.1	43.9	41.6

**Percentage of women employees and women managers by industry**

Women are becoming more active in industries such as human health and social work, accommodation and food services, wholesale and retail trade, and business services, and are still not active in industries such as sewerage and waste management, heavy industries, electricity and gas & water supply, and construction.

Table 6. Women Employees by Industry (2006 to 2010)

Industry	2010		2009		2008		2007	2006
	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	All	All
Total	35.6	33.1	35.1	33.2	35.0	32.4	32.3	30.8
Agriculture, Forestry, Fisheries, and Mining	13.8	16.3	9.2	17.7	9.1	17.4	9.0	6.3
Light Industry 1	38.2	43.9	39.5	44.8	37.0	44.2	38.5	40.4
Light Industry 2	21.3	18.5	20.1	21.3	22.1	10.6	13.0	13.1
Chemical Industry	15.2	19	17.0	19.7	11.8	14.2	10.5	9.9
Heavy Industry	7.3	9.5	7.8	10.9				
Electronics Industry	30.6	24.3	32.0	28.0	32.9	34.5	30.6	32.9
Electricity, Gas, and Water Supply	8.5	8.4	7.9	7.6	7.8	7.1	7.8	7.3
Sewerage and Waste Management, etc.	4.5	10.8	–	8.8				
Construction	8.8	8.1	8.9	8.6	9.7	6.4	10.1	10.2
Wholesale and Retail Trade	50.9	48.4	49.6	49.9	49.6	46.5	47.6	41.5
Accommodation and Food Services	52.7	61	58.5	49.9	57.9	51.9	56.7	56.3
Land Transportation	9.5	9.4	10.6	9.7	10.2	13.0	10.3	8.1
Air Transportation	44.2	–	44.7	–	45.2	–	44.6	38.8
Telecommunications	34.8	26.3	30.8	26.0	13.7	7.7	12.4	12.1
Finance and Insurance	43.6	34.9	43.3	35.7	42.7	31.6	37.4	36.1
Real Estate, Renting, and Leasing	23.4	23.4	22.9	24.3	21.1	19.9	16.7	14.2
Professional, Scientific, and Technical Activities	16.1	26.2	17.8	25.3	40.9	40.0	37.5	36.7
Business Services	50	48.1	46.7	49.3				
Education	38.8	43.7	39.2	42.5	37.9	37.8	37.2	37.8



Industry	2010		2009		2008		2007	2006
	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	All	All
Human Health and Social Work	68.3	67	68.4	65.2	68.2	68.5	68.1	64.2
Recreation-Related Services	42.6	40.7	47.2	38.6	38.9	33.9	32.5	29.0
Personal Services	35.4	39.5	26.1	35.0	23.3	25.5	27.5	27.5
Public Administration, etc.	–	–	23.7	34.2	–	–	–	28.1

Table 7. Women Managers by Industry (2006 to 2010)

Industry	2010		2009		2008		2007	2006
	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	All	All
Total	16.2	14.3	14.8	13.6	13.2	12.0	11.0	10.2
Agriculture, Forestry, Fisheries, and Mining	1.5	3.1	0.7	3.8	0.7	3.4	1.2	1.0
Light Industry 1	6.8	6.5	7.3	9.3	6.0	11.8	6.5	6.0
Light Industry 2	6.4	2.6	1.8	4.1	8.7	2.1	3.9	2.5
Chemical Industry	3.1	5.9	2.8	4.8	2.3	2.7	2.1	1.1
Heavy Industry	2.3	1.4	2.5	1.5				
Electronics Industry	8.3	3.3	7.6	3.6	6.1	4.0	5.8	6.0
Electricity, Gas, and Water Supply	1.2	1.6	1.4	0.7	0.8	0.3	0.4	0.7
Sewerage and Waste Management, etc.	0.9	0.1	–	0.3				
Construction	3.0	5.1	1.7	8.1	1.2	2.3	1.1	1.6
Wholesale and Retail Trade	19.0	19.9	17.6	19.5	15.0	18.2	12.8	10.4
Accommodation and Food Services	35.5	32.5	38.2	32.2	32.3	28.9	26.7	30.0

Industry	2010		2009		2008		2007	2006
	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	1,000 or more employees	999 or less employees	All	All
Land Transportation	3.9	3.7	1.6	4.0	2.6	5.6	2.0	1.0
Air Transportation	3.4	–	1.4	–	1.6	–	1.3	2.1
Telecommunications	17.9	11.6	14.7	9.1	2.8	0.7	1.8	1.5
Finance and Insurance	10.9	8.3	10.3	6.9	8.7	3.6	7.5	5.0
Real Estate, Renting, and Leasing	8.1	3.4	6.5	4.3	7.3	5.1	5.9	2.8
Professional, Scientific, and Technical Activities	6.7	9.0	7.5	7.6	18.8	15.9	14.6	15.0
Business Services	26.6	24.6	23.5	24.0				
Education	18.8	23.5	18.3	22.2	15.2	17.3	15.4	16.4
Human Health and Social Work	44.6	42.7	43.0	39.2	41.1	43.8	40.4	42.8
Recreation-Related Services	8.8	18.8	8.4	15.2	7.2	10.4	8.0	9.6
Personal Services	4.2	17.7	2.8	14.3	4.4	9.0	7.7	12.5
Public Administration, etc.	–	–	1.0	13.2	–	–	–	10.6

## H. Evaluation of Affirmative Action

Jin-Hwa Jung et al. (2010) evaluated the effect of Affirmative Action on women's employment and corporate performance as follows.

A difference-in-difference analysis using Human Capital Corporate Panel (HCCP) data revealed that the percentage of women increased by 6.05% due to Affirmative Action, and return on equity increased by 4.64%, leading to the judgment that the Affirmative Action helped to increase women's employment.

Tae-Hong Kim (2010) pointed that the factor that affected the

percentage of women employees and women managers in companies subject to the Affirmative Action is the careful preparation of implementation plans.

The drafting of implementation plans was especially effective in increasing the percentage of women managers, resulting in an increase of 4.6 percentage points from 2006 to 2007, 2.4 percentage points from 2007 to 2008, and 3.3 percentage points from 2008 to 2009.

## **I. Major Issues and Direction for Future Development**

The effect of Affirmative Action is clear, but if we are to deepen and improve the qualitative aspect of employment and to achieve even more distinct results, changes are needed in the details of the current system, conditions within companies, and the sociocultural environment.

### **System operation**

#### *The need to consider the qualitative aspect of employment status*

In Korea, women's employment is mostly non-regular employment, resulting in the criticism that the increase in percentages does not consider the qualitative aspect and rests at achieving short-sighted goals.

Yet, unlike originally designed, the employment status of women is not being surveyed, and therefore the qualitative aspect needs to be supplemented by gradually restructuring the system to require the reporting of the state of employment and the establishment of implementation plans by employment status.

#### *The need to introduce strong incentives and penalties*

As has been pointed out by Jiyeun Chang (2006) and Jun-Mo Jo et al. (2008), Korea's Affirmative Action drew much of its concepts and

methods from the United States, but whereas a certain level of legal binding power and forcibleness is applied in the United States, many parts of Korea's Affirmative Action are left up to companies, and therefore the results of the Affirmative Action are not remarkable.

The incentives for implementing the Affirmative Action are also not realistically established, which is another design-related issue that results in the lax implementation of the system.

Systems to attract the active participation of private companies, such as incentives, should be developed, and the system must be modified if it is to have appropriate binding power.

### **Corporate and sociocultural environment**

#### *Expansion of the social infrastructure*

The high tendency of women to leave a job because of marriage, childbirth, or child care is another reason companies may be reluctant to hire women.

Preventing women, through continuous career management, from becoming economically inactive, requires the expansion of the social infrastructure, such as support services for childbirth and child care.

#### *Promotion of affirmative action, and raising awareness*

The recognition that Affirmative Action infringes on the autonomy of companies is dominant.

There needs to be increased awareness that the active utilization of women workers is essential in enhancing competitiveness, and actual changes within companies should be promoted through the development and dissemination of gender-equal HR systems.

## **4. Policies to Promote Equal Employment**

Tae Hee Kwon et al. (2007) pointed out that the reasons for the low utilization of women workers within companies include insufficient infrastructure for managing the female labor force, and a corporate culture that prefers men.

The government is actively implementing policies to support the promotion of equal employment within companies, taking into consideration the difficulties, such as those related to childbirth and child care, that companies encounter when fostering women workers to become managers

### **A. Maternity Protection**

#### **Maternity-leave benefits**

A protective leave of a total of 90 consecutive days is granted before and after childbirth to women workers who are pregnant, and of the 90 days, at least 45 days are allocated to the time after childbirth.

Maternity-leave benefits are subsidized by the Employment Insurance Fund, and their amount is based on the ordinary wage of the first day of the leave; but in cases where the ordinary wage is greater than the amount subsidized by the employment insurance, the difference is paid by the employer for the first 60 days.

Upon returning to work after a maternity leave, a woman must be guaranteed a job equal to the job she held before the leave or a job that pays a wage equal to the wage she received before the leave.

Table 8. Payment of Maternity-Leave Benefits (2006 to 2009)

(Unit: Million won, number of persons)

Year	Budget	Number of persons
2006	90,886	48,972
2007	132,412	58,368
2008	166,631	68,526
2009	178,477	70,560

### **Miscarriage and Stillbirth Leave Benefits**

For miscarriages and stillbirths after 16 weeks of pregnancy (including abortions allowed according to Article 14 of the Mother and Child Health Act), leaves are guaranteed and benefits are paid for the period of the leave.

Benefits are paid based on the same standards as maternity leaves subsidized by the Employment Insurance Fund, and the period of the leave is from 30 days to 90 days depending on the duration of the pregnancy.

### **Support for prenatal examination**

An employer is obligated to allow a pregnant woman worker to take time off for the time necessary for prenatal examinations upon request, and wages may not be cut for reasons such as prenatal examinations.

### **Paternity leave**

Men may request a leave without pay for up to 3 days within 30 days of their spouse giving birth.

An employer is not obligated to grant paid paternity leaves, but should comply with agreed-upon provisions such as those stipulated by collective agreements, employment rules, or labor contracts.

## **B. Child-Care Leaves or Shortened Working Hours while Parenting a Young Child**

### **Child-care leave benefits**

A worker with a preschool child/children age 6 or under may take a child-care leave of up to 1 year, and during the leave, receives 500,000 won per month regardless of income (to be amended in 2011 to 40% of the wage before childbirth within the bracket of 500,000 won to 1,000,000 won).

A child-care leave must be at least 30 consecutive days, and the employment insurance subscription period must be at least 180 days.

In cases where both parents take child-care leaves alternately for the same child, the leaves can be taken for a total of 2 years, but in cases where both parents take a child-care leave simultaneously, child-care leave benefits are paid to only one person.

An employer is imposed with a fine not exceeding 5,000,000 won if he/she rejects a request for child-care leave. Unfavorable treatment or termination of those who request a child-care leave is prohibited. Upon returning to work, the worker must be guaranteed the same work. When calculating the average wage, the period of the leave is to be excluded.

### **Shortened working hours while parenting a young child**

A worker concerned about breaks in her career due to child-care leaves may choose to work shorter working hours.

A worker with a preschool child/children age 6 or under may request to work shorter working hours, just as with child-care leaves, for up to 1 year.

The period of child-care leave and shortened working hours while parenting a young child added together may not exceed 1 year.

This system may be used with the approval of the employer to work shorter working hours, and the shortened working hours per week is between 15 to 30 hours.

An employer may reject a request to work shorter working hours, but must notify the worker in writing and must conduct negotiations.

Working conditions are to be established between the employer and worker in writing, but cannot be made unfavorable on the grounds of shorter working hours other than those conditions that are relative to working hours, such as wages or annual paid holidays.

A worker working shorter working hours while parenting a young child may not be asked to work overtime, but with the explicit request of the worker, overtime is possible for up to 12 hours per week.

Just as with child-care leave, the period for shorter working hours is not included in the calculation of the average wage.

Child-care leave and shortened working hours while parenting a young child may be used in two separate periods, and the two systems may be used together. However, a child-care leave must be used for at least 30 consecutive days.



Table 9. Child-Care Leaves and Benefits Paid (2006 to 2009)

(Unit: Million won, number of persons)

Year	Budget	No. of persons (total)	No. of persons (women)	No. of persons (men)	Monthly benefits	Average no. of days of leave
2006	34,521	13,670	13,440	230	400,000	Women: 216 days Men: 191 days
2007	60,989	21,185	20,875	310	500,000	Women: 216 days Men: 191 days
2008	98,431	29,145	28,790	355	500,000	Women: 246 days Men: 202 days
2009	139,724	35,400	34,898	502	500,000	Women: 276 days Men: 215 days

### **Incentives for child-care leave and shortened working hours for employees parenting a young child**

Employers who approve child-care leaves and/or shortened working hours for a worker parenting a young child, who allow the worker to use the leave and shortened working hours for 30 days or more, and who employ the worker upon his or her return to work for 30 days or more will be paid 200,000 won per month while the child-care leave and/or shortened working hours are in effect

### **Incentives for substitute labor**

For employers who hire new workers to substitute for workers during child-care leaves or while working shorter working hours, 200,000 won is subsidized per month for every new worker hired during the period of employment as substitute labor.

To facilitate the changeover, substitute labor should be hired 30 days prior to the start of the child-care leave or period of shortened working hours.

Table 10. Child-Care Leave Incentives (Substitute Labor)  
(2006 to 2009)

(Unit: Number of places, million won)

Year	No. of cases	No. of places	Amount paid
2006	2,011 (194)	6,436 (466)	9,815 (392)
2007	2,424 (435)	7,761 (796)	12,373 (1,154)
2008	3,754 (810)	11,780 (1,658)	18,378 (2,488)
2009	4,771 (1,109)	14,439 (1,957)	23,896 (3,444)

*Note.* Figures in parentheses are the incentives for substitute labor.

## C. Support for Child-Care Facilities within Workplaces

### Loans for establishment

Employers and employer groups are provided with support to establish child-care facilities needed for the child care of workers, such as for construction costs, acquisition costs, rents, repair costs, and facility-conversion costs.

Loan limit: 700 million won (within the scope of the actual cost)

Repayment method: Payable in five equal annual installments, with a 5-year grace period

Interest rate: 1.0% annual interest for SMEs and 2.0% annual interest for large enterprises

### Aid for establishment costs

Employers and employer groups are provided with support for the cost of converting facilities into child-care facilities and for equipment to lighten the burden of child care for workers.

Facility-conversion cost: Up to 200 million won (up to 500 million won for employer groups)

Equipment cost: Up to 50 million won (30 million won once every 3 years for replacements)

Table 11. Support for Child-Care Facilities within Companies  
(2006 to 2009)

(Unit: Number of places, million won)

Year	Aid		Loans	
	No. of places	Amount	No. of places	Amount
2006	33	3,245	4	511
2007	21	2,675	9	2,700
2008	27	3,229	2	300
2009	31	2,351	6	1,777

### Support for labor costs such as teachers

Employers and employer groups who establish and operate child-care facilities within the workplace are provided with support for labor costs for teachers.

Amount provided: 800,000 won per month per teacher at child-care facilities within the workplace

Table 12. Support for Labor Costs for Teachers (2006 to 2009)

(Unit: Number of places, million won)

Year	Payments made		
	No. of workplaces	No. of persons	Amount
2006	147	1,309	8,106
2007	165	1,592	10,429
2008	173	1,921	12,610
2009	181	2,118	14,968

## D. Consulting for the Promotion of Women's Employment

Employers are provided with part of the cost for professional consulting services for recruiting, work allocation, promotions, compensation, working conditions, and improvements in organizational

culture in order to stabilize and promote women's employment.

Amount provided: 80% of the consulting costs (up to 50 million won)

Table 13. Consulting Costs (2007 to 2009)

(Unit: Number of workplaces, million won)

Year	No. of workplaces	Amount provided
2007	9	300
2008	9	300
2009	10	300

*Note.* Condition for support: 80% of the cost (up to 50 million won).