

Impacts of COVID-19 Pandemic on Work in South Korea

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Description

The outbreak of COVID-19 has transformed work and the labor market in South Korea since January 2020. Examining the labor statistics, this paper shows that the impact of the COVID-19 on work significantly varies according to economic sectors, employment types, and gender. The impact of the COVID-19 on work might differ across countries as industrial structure, employment practice, production system varies and the responses by the state and business vary across countries.

The health crisis has led to the economic crisis as the COVID-19 has disrupted the global value chains of production and distribution. As the Korean economy has globalized, many Korean companies have been integrated into the global value chains. The COVID-19 started from Uhan in China where it is called 'Detroit in China', the city of car manufacturing in China so that the supply of parts of cars from Chinese companies to Korean automakers disrupted and caused a stoppage of the operation of assembly lines in the major automakers in South Korea.

The Korean Government didn't impose lockdowns. Instead, it imposed social distancing and prohibited social gathering. Nevertheless, the quarantine measures such as social distancing has disrupted the national economy. The manufacturing sectors have been immediately affected by the outbreak of the COVID-19 pandemic and social distancing imposed by the Korean Government. The disruption of the consumer market was much more damaging since the service sector with the large proportion of small self-employers was suffering from low wages in South Korea. The small self-employers comprise almost one-third of the total working population.

The COVID-19 pandemic has strengthened the labor market segmentation by dividing the workers in big corporations who already enjoyed job security and high wages and workers at small and medium size companies and by dividing regular and non-regular workers. The regular workers in big corporations could work safely at home as the government imposed the strong social distancing. In contrast, non-regular workers became more precarious as employers suspended or reduced operations of shops and workplaces. The most vulnerable social group was female workers with children. As schools shut down classrooms and introduced tele-education, working women with children should find those who could care for their children at home. But most of them quit their jobs due to the difficulty of finding

them. The largest reduction of the labor forces occurred among working women with children.

Small employers in the manufacturing sector have also suffered from the shortage of workers. Many have relied on foreign workers but foreign workers could not enter Korea as quarantine measures in foreign countries. Small employers in the restaurant sector should close their shops due to the reduction of visitors and the shortage of foreign workers. Most restaurants in cities have utilized foreign workers as the wage of foreign workers has been less than 60% of the wage of Korean workers.

However, some companies have increased employees during the COVID-19 pandemic. The delivery companies have increased their workers as the demand of delivery of consumer goods has exploded. Instead of hiring regular workers, platform companies have grown to mediate the producers and consumers. The explosion of goods delivery has led to the overwork of platform workers, causing the death by overwork, "Kwarosa."

The COVID-19 pandemic has caused the economic crisis which has caused the social crisis with mass unemployment and mass poverty. The policy responses to the crisis have provoked political debates as conflict between the ruling party and the opposition party became intense. The policy responses were late due to the political conflicts.

However, the local and national elections have provided a chance to talk about policy responses to the crisis as candidates have proposed alternative policy agendas to deal with the labor market and welfare problem. One presidential candidate of the ruling party proposed the Universal Basic Income (UBI) to deal with the rising instability of job and income. The ruling party proposed the universal employment insurance which comprises self-employers as self-employers not covered by unemployment insurance. In addition, the opposition's candidate for Seoul mayor election proposed the secure income, the guaranteed minimum income, as a counter policy measure to the UBI.

Conclusion

The COVID-19 pandemic has shattered the Korean economy, generating employment crisis and the social crisis. We have observed the deterioration of workers' rights and the rise of precarious workers such as platform workers. At the same time, the regular elections open up new opportunities to make new policy alternatives to alleviate the precarity of marginalized workers.