



Securing Equal Work Opportunities: Korea's Mandatory Quota Policy and Training to Promote Employment of People with Disabilities

#### PROJECT DATA

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#### CONTACTS

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### Introduction

Park Jeong-gil has severe cerebral palsy. While one might assume that this would limit his employment opportunities, Jeong-gil in fact works as a web designer at an advertising company. He completed a web-design training course at a job training center for people with disabilities, and subsequently found a job through the employment service provided by the Korea Employment Agency for the Disabled (KEAD). At work, he benefits from assistive technology devices, including an adjustable desk and special keyboards. He shows that "if an adequate working environment is provided, people with disabilities can surely work." He receives more than a minimum wage, is enrolled in social security insurance, and pays earned income taxes.

Prior to the early 1990s, Park Jeong-gil's situation would have been unlikely, as people with disabilities<sup>1</sup> encountered significant difficulties in finding employment. In the midst of Korea's rapid growth, national policy emphasized other arenas of economic development and reconstruction from the Korean War the in early

#### CASE STUDY

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<sup>1</sup> According to the Act on Employment Promotion and Vocational rehabilitation for Disabled Persons, the term "person with a disability" means a person whose long-term working life is substantially restricted due to a physical or mental disability. The Enforcement Decree of the Act on Welfare of Persons with Disabilities categorizes disabilities into fifteen types. Those are physical disability, cerebral impairment, visual impairment and blindness, hearing impairment and deafness, speech and language impairment, intellectual disability, autism, mental disability, renal impairment, cardiac impairment, respiratory impairment, hepatic impairment, facial disability, intestinal/urinary impairment, and epilepsy.

1950's and focused less on the welfare and employment of people with disabilities. However, awareness of the rights of people with disabilities increased throughout the 1980s, and especially with the international spotlight brought by the 1988 Seoul Olympics and Paralympics, public interest turned more to this issue. Policymakers responded to growing public calls for greater opportunities for the disabled by passing the 'Promotion, etc. of Employment of Disabled Persons Act' in order to increase work opportunities for people with disabilities. The Act created a mandatory employment system that obligated national and local governments, public organizations, and private enterprises of a certain size to hire people with disabilities for a certain proportion of positions (See Table 1). In order to enforce implementation, the Act imposed levies on employers who did not meet the proportion of employees with disabilities. Also, the government established the KEAD in September of 1990 with the mandate to implement the quota system. The implementation of the mandatory employment quota system led to additional job creation of 197,000 jobs in the competitive labor markets. Additionally, 164,000 individuals with disabilities are employed in private companies and central and local governments reaching an actual employment rate 2.14 percentage in 2015.

#### The Development Challenge

Despite the enactment of the Act to promote employment of people with disabilities, in the early 1990's their participation in the economy was still very low.

While the labor force participation<sup>2</sup> rate and the Employment to population ratio <sup>3</sup> of Korea were 61.9 percent and 52.8 percent respectively, those rates were much lower among the persons with disabilities – with a 43.9 percentage of labor force participation rate and 31.9 percentage of employment to population ratio. Also, despite the mandatory quota system introduced in 1990, the unemployment rate of the people with disabilities did not remarkably improve as the unemployment rate was 27.4 percent for people with disabilities, which was about 13 times higher than that of the total population (2.1 percent) by 1995. (Korean Institute for Health and Social Affairs, 1995). The employment rate

of people with disabilities in firms and public entities was increased only to 0.48 percent in 1995, starting from 0.42 percent in 1991, the first year of implementation. It was clear that to fully achieve its intended policies, the Korean government would need to adjust its approaches.

#### The Delivery Challenge

When the mandatory employment quota was enacted, it was criticized for imposing more responsibilities on the private sector rather than the public sector. In 1991, the first year of implementation of the mandatory employment quota system, the act made it mandatory for businesses with 300 or more workers to hire people with disabilities for two percent or more of its work force. For the public sector, the Act only included a declaratory statement, recommending that public sector organizations employ people with disabilities with no less than two percent of the total number of public officials. There was criticism of the disparity between the handling of private sector requirements and public sector recommendations, the feeling being that the government shifted its responsibilities to the private sector rather than taking a leading role in employing persons with disabilities. Implementation of promoting employment with disabilities also faced difficulties in execution due to lack of systems and resources. The government established the Korea Employment Agency for the Disabled (KEAD) in September 1990 and launched services for employment for people with disabilities. However, specific law enforcement and support system for implementation of the system, and human resources and infrastructure were both insufficient and not ready.

One challenge for the government in implementing the quota system was that private companies had an antipathy to the new obligation of employing people with disabilities. Specifically, according to the Disability Employment Survey, 41.1 percent of employers reported that attitude changes regarding employees with disabilities would be needed (Han 1991). Also, employers highlighted the importance of job training for people with disabilities. In addition to the business owners' negative attitude toward the new system, many people with disabilities lacked the marketable skills needed for them to be hired. These were definite constraints to reaching the mandatory employment quota set by the government.

The government also faced financial challenges in supporting employment of people with disabilities. It

<sup>2</sup> The labor force participation rate is defined as the ratio of the labor force to the working age population, expressed in percentages. https://stats.oecd.org/ glossary/detail.asp?ID=2008.

<sup>3</sup> The employment-to-population ratio is defined as the proportion of an economy's working-age population that is employed. https://stats.oecd.org/ glossary/detail.asp?ID=4848.

Table	1. Timeline for Changes of the Mandatory Quota System
Year	Changes in System
1990	<ul> <li>Legislation of the Promotion, etc. of Employment of Disabled Persons Act</li> <li>Establishment of the Korea Employment Promotion Agency for the Disabled</li> </ul>
1991	<ul> <li>Imposition of obligation to make efforts to keep two percent employment rate of people with disabilities among total government officials, obligation of two percent classified recruitment of people with disabilities, exceptional jobs acknowledged</li> <li>Imposition of two percent obligatory employment rate of people with disabilities at the companies with 300 or more full-time employees (Yet, one percent for 1991 and 1.6 percent for 1992)</li> <li>Training center exclusively for people with disabilities (Ilsan)</li> </ul>
1998	• The First Five-Year Plan for Employment Promotion of the Disabled (1998–2002)
2000	<ul> <li>Enactment of the Employment Promotion and Vocational Rehabilitation of Disabled Persons Act</li> <li>In government, effort regulation changed to obligation regulation</li> <li>Training center exclusively for people with disabilities (Dajeon, Busan)</li> </ul>
2002	• Training center exclusively for people with disabilities (Daegu, Jeonnam)
2003	• The Second Five-Year Plan for Employment Promotion of the Disabled (2003–2007)
2004	<ul> <li>Expansion of a range of businesses under mandatory employment obligation in private sector (business with 300 full- time workers → 50 full-time workers)</li> </ul>
2006	<ul> <li>Government sector: the range of exceptional application was reduced</li> <li>Private sector: the rate of exceptional application by type of business is abolished</li> </ul>
2008	• The Third Five-Year Plan for Employment Promotion of the Disabled (2008–2012)
2009	• Mandatory employment rate of government sector increased from two percent to three percent
2010	<ul> <li>Quota on public enterprises and quasi-government institutions increased to three percent</li> <li>Quota on private companies and other government organizations was gradually raised to 2.7 percent</li> <li>* 2.3 percent in 2010, 2.5 percent in 2013 and 2.7 percent in 2014</li> </ul>
2013	• The Fourth Five-Year Plan for Employment Promotion of the Disabled (2013–2017)
2015	<ul> <li>Establishment of customized vocational training centers (five centers)</li> <li>Vocational training center for people with development disability (five centers)</li> </ul>

implemented the mandatory employment system by imposing a levy on the companies that did not meet the requirements. Despite collecting the levy, the Employment Promotion Fund for the Disabled was depleted in the early 2000's, and it caused difficulties in supporting the employment of individuals with disabilities.

This case study examines three key challenges:

- Changing the legal system to fully implement/facilitate the employment quota system;
- Providing training and building capacity of disabled job-seekers to solve a shortage of skilled labor; and
- Implementing education programs to change business owners' negative views of people with disabilities.

#### **Contextual Conditions**

Korea's employment policy for people with disabilities grew out of protective measures for military veterans, and the government gradually expanded beneficiaries of the policy. Through the enactment of the Veterans Benefit Act in 1950, the Police Officers Benefit Act in 1951, and the Employment of Veteran Benefit Recipient Act in 1961, programs of employment protection and vocational rehabilitation for those eligible were initiated and expanded. With the enactment of the Industrial Accident Compensation Insurance Act in 1963, a vocational rehabilitation policy was implemented for people who were disabled as a result of working in industrial workplaces. In 1977, the Special Education Promotion Act was enacted, and policy began to consider individuals with disabilities other than veterans or police officers.

As the international movement for the rights of people with disabilities gained strength throughout the 1980s, and to highlight the importance of economic participation and labor rights of people with disabilities, the Korean government started to establish policies in line with the trend. The UN designated the year 1981 as the "Year of the Disabled," and the ILO adopted the "Vocational Rehabilitation and Employment (Disabled Persons) Convention (No. 159)" in 1983. Along with the international recognition of the rights of the disabled, Korea entered a new stage of providing welfare for persons with disabilities with the establishment of the Act on Welfare of Physically and Mentally Disabled in 1981 and the designation of the "Day for the Disabled, April 20." in Korea. In 1982 for the first time in Korea, employment promotion, job development, and support for employment for people with disabilities were legislated in the Employment Security Act, which was later reinforced with specific details to make it more effective.

In December 1987, just before the opening of the 1988 Seoul Paralympics, employment for the disabled became a part of the presidential election campaign platform and a basis for the current employment policy that focuses on obligatory employment. The Council of Organizations of Disabled People, and people from related fields cooperated and formed a joint committee for action for the establishment of the Employment Promotion Act for the Disabled. The council and its supporters created and operated the Welfare Committee for Disabled from September 15, 1988 to August 28, 1989. In December 1988, a bill to establish obligatory employment of people with disabilities was brought to the National Assembly by four ruling and opposition parties, and through revision and unification of the four separate bills, the Promotion, etc. of Employment of Disabled Persons Act was passed (Sim et al., 2012).

Following the ILO's principle<sup>4</sup> of legal obligations for employers to employ people with disabilities, the Korean government implemented a compulsory employment system for people with disabilities. Currently, it is also developing vocational training of persons with disabilities a core part of employment policy for people with disabilities.

## Tracing the Implementation Process

The Korean government had to establish a relevant system to support the law in order to effectively address the employment with disabilities. According to the demand, the government enacted the Promotion, etc. of Employment of Disabled Persons Act and the fund for promoting employment with disabilities. The Ministry of Labor formed a division called 'Employment for the disabled' executing related policy development, and the Korea Employment Agency for the Disabled (KEAD) executing specialized support programs. This process enabled the division of roles into employment policy development and the active involvement in the processes of training and hiring.

The mandatory employment quota system, however, faced challenges to full implementation. The legal institution was not organized in a way that allowed effective enforcement of the system, and physical infrastructure was scarce. In vocational training, there was an absolute shortage of facilities and training systems were poor. Perceptions of business owners did not improve compared to those before the enactment of the law. As a result, employment rate in both private and public sectors did not initially see significant improvements, and policymakers had to adjust approaches to ensure that the aims of the law were met.

#### Implementation and Limitation of the Mandatory Employment Quota System

The Korean government had devised a series of plans to promote employment and welfare of people with disabilities, yet faced several limitations in implementation. The Ministry of Labor devised the "Employment Promotion Plan for the Disabled (1994–1997)," increasing employment promotion subsidies, supporting special schools and welfare institutions for persons with disabilities, providing training and skills, supporting upgrades to appropriate facilities and environments for business owners, and ordaining a month of awareness regarding employment of people with disabilities. In 1995, the Promotion, etc. of Employment of Disabled Persons Act included government support for establishing 'welfare centers for the disabled' and building links between vocational training centers and companies for employees with disabilities.

Despite the employment action by the government, the employment rate for disabled people was only 0.5 percent, which was not at all close to the two percent rate mandated

<sup>4</sup> For more information, please see the "Employment of Disabled Men: Meeting of Experts for the Study of Methods of Finding Employment for Disabled. Men", 31 July, 1 and 2 August, 1923. Geneva: ILO, 1923. These efforts of the Korean government are in line with the international discussion on promoting employment of people with disabilities. The discussion originated back in 1923, at a meeting of experts under the ILO which supported governments to impose legal obligations for compulsory employment of ex-soldiers with disabilities.

by the law. In 1997, the number of workers with disabilities was 13,634 and it was far below the mandatory hiring number of 49,484, revealing that companies chose to pay levies for failing the employment quota rather than actually hiring disabled workers.

In 1997, the government established the First Five-Year Plan for Development of Welfare of the Disabled in order to build capacity for employing people with disabilities and cooperation between relevant ministries. During the first plan (1998–2002), specialized training centers were created; in addition to the training center in Ilsan that had been established in 1991, training centers were set up in other provinces, including Daejoen, Busan, Dague, and Jeonnam, the major big cities in Korea. Also, the plan expanded requirements of disability benefits to include persons of national merit and people with disabilities from industrial accidents in the mandatory employment quotas.

Through the first (1998–2002) and the second (2003–2007) terms of the Five-Year Plan, the employment rate of people with disabilities in public and private sectors steadily increased. However, inadequate systems to deliver employment caused stagnation in that rate of people, and insufficient employment of those with severe disabilities who needed policy support.

#### Adapting the Legal Apparatus: Amendment of the Act in 2000

There were two main reasons to amend the Act. Most business were falling short of the mandatory disabled employment rate of two percent, and no measures existed for persons with severe disabilities at the end of the 1990s.

A private research institute for people with disabilities first raised these problems in 1998. Regarding these issues, at the regular session of the National Assembly in 1999, two committees presented an amendment. Proposals included designating the Ministry of Labor as the competent authority for legal enforcement of the Act, assigning one third of the funds to the Ministry of Health to administer, and stipulating that project plans would be discussed with the Minister of Welfare. As a result, the Employment Promotion and Vocational Rehabilitation for Disabled Persons Act was enacted as an amendment in the entirety to the previous act. It is significant to note that private research institutions and people with disabilities were key drivers in this amendment and in resolving conflicts that arose during its consideration. The key changes included in this Act are as follows: a definition of persons with severe disabilities,<sup>5</sup> expanding the scope of employment system such as sheltered employment and support for their work lives, new regulations for supporting people with disabilities who are self-employed, and conducting a national survey on actual status of people with disabilities, obligation of the State and local governments to employ people with disabilities, which was previously only a recommendation. to be recommendation in the previous act.

#### Expansion of Employment Following Amendment of the Act

The efforts resulted in visible outcomes such as creating social consensus over employment of people with disabilities. As a result the employment rate of people with disabilities pushed past one percent.

By including Small-Medium Enterprises (SMEs) in the mandatory quota system, available jobs for people with disabilities increased. As the employment rate of people with disabilities increased at businesses with 300 or more full-time workers, the remaining jobs that could additionally accommodate people with disabilities decreased. The number of new job created at larger companies to hire people with disabilities was 16,815 (at the end of 2001), which fell short of the number of unemployed persons with disabilities-182,000. The government needed to extend the number of business owners obligated for employing persons with disabilities, and found a model in international experiences. In other countries that adopted the mandatory employment quota system, the sizes of businesses under obligation were those with 20 employees in Germany and France, 56 employees in Japan, and 50 employees in Poland. Reflecting on these cases, in 2004, the Korean government expanded the number of business owners with obligations by including smaller-sized business owners with 50 full-time workers or more. This amendment created about 38,000 jobs with the expansion of a range of subjected businesses.<sup>6</sup>

<sup>5</sup> According to the Act on Employment Promotion and Vocational rehabilitation for Disabled Persons, the term "the severity of disability" means equal, or lower than Grade 3. A disability rating is given to persons with disabilities on the basis of medical criteria. Grade 1 is given to a person with most severe disabilities, and Grade 6 to a person with least severe disabilities.

<sup>6</sup> http://elaw.klri.re.kr/eng\_mobile/viewer.do?hseq=40008&type=sogan&key=10.

The government further increased the number of employment opportunities for people with disabilities by reducing the scope of businesses that are exempted from obligatory employment of people with disabilities. Originally, the government set a certain scope of exceptions for industries and jobs that may experience difficulties working with the disabled. The rate of exceptions was 68 percent in the public sector and the remaining jobs for mandatory employment were only 5,490 in 2000, which necessitated the leading role of the government for employment of people with disabilities. Also, the exception rate in the public sector was lower than that of the private sector, 24 percent, which was criticized in terms of fairness. In addition to this, the exception rate needed to reflect and be updated according to circumstances that changed in the 10 years since the first time it was set. Especially, through technological innovation and employment environment improvement, people with disabilities could be employed for jobs that they could not perform before, and these changes needed to be taken into account. For this reason, the government significantly lowered the rate of application exceptions for the public sector from 64 percent to 16 percent in 2005 and abolished the rate in the private sector.

In order to increase jobs for people with disabilities, the government has progressively raised the mandatory employment quota of people with disabilities in both the private and public sectors. For private companies, the mandatory employment rate of persons with disabilities is increased from two percent in 1991 to 2.7 percent in 2010, and to 3.1 percent in 2015. For state and local governments, the rate was raised from two percent in 1991 to three percent in 2009. For public enterprises and semi-governmental institutes, it is increased from two percent to three percent in 2010. The policy to raise the mandatory hiring rate for people with disabilities was an effort to follow the policy direction that aimed at continuously increasing jobs for them.

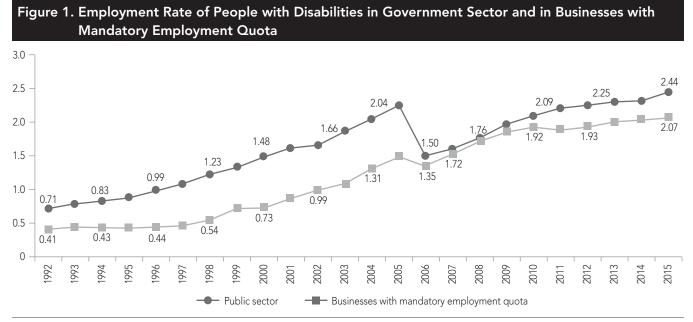
#### The Employment Policy for People with Severe Disabilities

In 2000, one of the primary changes brought about by the Employment Promotion and Vocational Rehabilitation of the Disabled Persons Act was to strengthen the employment policy for people with severe disabilities. At that time, preferential measures were given to the severely disabled or to women with disabilities. The exempted levies rate increased to induce business owners to hire more people with severe disabilities., the government enacted a preferential policy of subsidizing business owners who hire females with disabilities or people with severe disabilities with additional employment allowances.

Competitive labor markets requested that the government adopt the double counting system to alleviate the employment obligation of business owners. The double counting system counts hiring one person with severe disability as hiring two with disabilities and the government adopted it in 2010. There was a demand that the government develop business models for hiring through the nation's active intervention to create jobs for people with severe disabilities in the competitive labor market. Responding to the demand, the government introduced a concept of a "standard workplace" to promote a model for employment of people with disabilities. The standard workplace indicates one where three percent or more of the full-time workers are people with disabilities, creating an exemplary model7 facility where people with disabilities are prepared, and minimum wages or more are paid. The employment rates of people with disabilities in Chaebol (large business conglomerates) are relatively lower than that in SMEs companies, but the larger companies decided to pay the levy. In response to this, the government established the subsidiary-type standard workplace system. This system considers people with disabilities who are employed by a subsidiary company as being employed by its parent company. At the end of 2015, there were 208 standard workplaces and people with disabilities employed in those were 3,699 including 2,870 of the severely disabled. Subsidiary-type standardized workplaces were established by conglomerates such as Samsung Co. and there were 54 of them as of 2015, hiring 1,852 employees with disabilities including 1,174 employees with severe disabilities.

One representative program for people with severe disabilities is the supported employment program. Supported employment is a system to induce employment of people over age 15 with severe disabilities by placing them in jobs first, then providing necessary skills over a period of on-site training in order to help them adapt to the job and the workplace. The supported employment builds on concepts introduced from the U.S. but the program in Korea treats it as apprenticeship training focused on skill

<sup>7</sup> The percentage of people with severe disabilities applied depending on the total number of full-time workers.



Note: The blue line indicates the public sector and the orange line indicates businesses with mandatory employment quota.

transfer. The supported employment program was first piloted by KEAD, which targeted persons with intellectual disabilities in the late 1990's, and then expanded to all types of disabilities after positive outcomes of the pilot project. In 2000, the budget for the supported employment program increased as the employment policy for the severely disabled was strengthened after the amendment of the Act. After implementation of the supported employment, employment of the intellectually disabled has sharply risen. Among the job seekers at KEAD, the employment rate of persons with intellectual disabilities increased from 21.0 percent (100 people) in 1994 to 69.8 percent (1,799 people) in the second quarter of 2016, which shows the positive contribution to employment of people with severe disabilities. KEAD has annually increased the objective of the supported employment program since 2000. The program is also carried out in the private sector by vocational rehabilitation institutes (other than KEAD) for people with disabilities. This is an example of a program that KEAD has developed and expanded nationwide. For permanent employment of people with severe disabilities whose employment rate is usually low, other services such as internships, subsidies for internships, and subsidies for switching to permanent contracts are provided. In order to support people with severe disabilities, and enable them to have stable and sustainable work lives, workplace personal assistance service is provided. Moreover, assistive technology devices, such as working instruments, automobile assistive instruments,

information access, and communication are also provided for people with severe disabilities.

As a result of the system, people with severe disabilities hired in mandatory employment companies increased by five percent, from 18.3 percent (19,953 people) in 2010 to 23.1 percent (38,066 people).

#### The Outcome of the Mandatory Employment Quota System

The result of adaptations of the mandatory employment quota system has been an increasing employment rate for people with disabilities in both government and private sectors. Figure 1 shows that the employment rate in the government sector increased from 0.71 percent in 1992 to 2.44 percent in 2015 and in the private sectors, the rate increased from 0.41 percent in 1992 to 2.07 percent in 2015. In 2006, employment rate in both sectors decreased to 1.50 percent and 1.35 percent respectively compared to the previous year because the number of obligatory employment of people with disabilities applied in public and private institutes was temporarily enlarged after the rate of application exceptions by industry and job classification was reduced and abolished. Since 2006, the employment rate of people with disabilities in both sectors displays an increasing trend. At the end of 2015, there were total 164,876 workers with disabilities, consisting of 28,712 workers in the government sector and 136,164 workers in the private sector.

### Addressing a Shortage of Skilled Labor through Vocational Training for People with Disabilities

While the introduction of the mandatory employment quota system in 1991 required companies to hire people with disabilities, resources and infrastructure for vocational training to prepare them for employment were insufficient. Prior to 1991, vocational training for people with disabilities existed in several forms. Some were vocational rehabilitation training at welfare centers or job rehabilitation facilities for people with disabilities under the Ministry of Health and Welfare, vocational education at special schools under the Ministry of Education, and vocational training at public or authorized vocational training institutes under the Ministry of Employment and Labor. There were also rehabilitation programs for veterans with disabilities or people with disabilities from industrial accidents. However, due to limited resources and the narrow range of targeted trainees, the circumstances hardly met their training needs. It was necessary, indeed a top priority, to build a training system that could nurture welltrained skilled labor to meet the demands of companies. Especially, since 1991 when the employment quota system began as the main basic system, business owners needed many trained people with disabilities in order to conform to the obligation of the quota system. However, at that time, basic infrastructure such as training centers that could proceed systemic and professional job training was scarce. Also, there was a lack of professionals, including job trainers, as well as budget to carry out job training.

The quota system led to increasing demand for trained people with disabilities, and this, in turn, led to needs for policy change to support their vocational training at a national level. Yet the supply of the labor was an absolute shortage. In this context, in order for people with disabilities to have work life, national-level policy was needed to support vocational training that took into consideration characteristics of different disabilities. These kinds of requests became more numerous after enactment of the Promotion, etc. of Employment of Disabled Persons Act in 1990 (renamed as Employment Promotion and Vocational Rehabilitation for Disabled Persons).

Mr. Guk-ju Lee, Manager of Competency Development Bureau at KEAD found the problems when establishing the training centers were the perceptions that the centers were considered as aversive facilities, so that it had to be constructed in the outskirt of the city, which hindered accessibility to them. Later the situation improved as transportation and housing facilities were developed along with urbanization of the area. To operate centers that were built around different capacities of people with disabilities, categories of 15 types of disabilities were identified, and enhanced specialized training for each type of disability was created, especially concentrating on specialized training for the disability related to vision/hearing impairment, autism, and intellectual disability. Diversifying training program continues today to meet level of skills based on differences among individuals with disabilities.

The center provided additional education to the trainers (on top of acquiring of national certification to teach), such as on new technology through the Korea University of Technology and Education, company 'on-the-job-training' programs, and study-abroad programs in advanced countries. The training curriculums started to develop based on demands of industries—the training available, for instance in the electronics and electricity fields now meets criteria of 'National Competency Standard.' There is a plan to build centers for people with developmental disabilities in 17 administrative districts, reflecting increasing demand for their training.

#### KEAD's Vocational Training for People with Disabilities

The Korea Promotion of Employment Agency for the Disabled (now called, the Korean Employment Agency for the Disabled, KEAD) established vocational training centers and have trained skilled people with disabilities. The Ilsan Vocational Training Institute, which was the only vocational training institute exclusively for people with disabilities, was operated by the Human Resources Development Service of Korea. The institute opened on April 3, 1991 following the President's order to establish vocational training institutes for persons with disabilities. A total of 157 trainees entered at the time, and 141 trainees completed the training program (KEAD 2016a). The history of the Agency's major development of vocational training service is summarized in Table 2.

Table 2.	Timeline of KEAD's Vocational Training for People with Disabilities (1992–2016)
1992	Acquisition and operation of Ilsan Vocational Training Institute (Human Resources Development Service of Korea)
1996	Begin subsidization of private training institutions for training people with disabilities
1997	Announcement of the expansion plan of public vocational training institution in five areas through the first five-year Plan for Welfare Development of the Disabled
2000	Opening of Daejeon Vocational Training Institute (March), Busan Specialized Vocational School (September)
2002	Opening of Daegu Vocational Training Institute, Jeonnam Specialized Vocational School (September)
2004	Reform of the "Vocational Training Institute" which focused on skill training to the "Vocational Competency Development Center" that provides comprehensive service (November) Beginning of customized training in connection with companies
2005	Implementation of Specialized vocational training by types of disability (4 types: visual and hearing impairment, brain lesions, mental disability)
2008	Expansion of Specialized vocational training by type of disability (intellectual disability is added, two types per a center)
2010	Change of name from "Vocational Competency Development Center" to "Research Institute for Vocational Education & Training"
2011	Operating 'program to foster training'
2012	Operation of skill training together with "Training Support Program" for trainees
2013	Operation of the "preparation courses for vocational training" to provide opportunities to the severely disabled to join trainings.
2014	Establishment of demand-based vocational training centers (Seoul)
2016	Establishment of a training center for the hearing impairment (Goyang) Establishment of a training center for people with developmental disabilities (Seoul, Incheon)

#### Developing a Long-Term Plan for the Vocational Training Institute

For Korea, the most urgent issue was how to develop and sustain vocational training in the face of weak basic infrastructure. What contributed to the solution was the establishment and implementation of various midand long-term plans by the government and public organizations (e.g., KEAD) such as the Five-Year Plan for Employment Promotion of the Disabled. The Fourth Five-Year Plan (2013~2017) is in progress now and in all these plans, vocational training is one of the primary policy areas. The First Five-Year Plan (1998~2002) set the objective as expansion of vocational training centers for raising more skilled people with disabilities in each district, revitalizing training at public training centers, and expanding and strengthening the public training centers (Relevant Ministries 1997).

The Second Five-Year Plan (2003~2007) emphasized expansion in the areas of job training, strengthening its operation in order to expand labor market participation of

people with disabilities to improve the quality of employment. Strengthening customized vocational training, adopting adequate training methods for different characteristics of disabilities, improving training programs for youth and highly-educated people with disabilities, substantializing public training centers, vocational rehabilitation institutes, and specialized educational institute were objectives of the policy (Ministry of Labor 2003).

The objective of the Third Five-Year Plan (2008~2012) was "advancement of human resources" of people with disabilities. To expand customer-oriented vocational training, the Third Plan's main tasks were providing individualized vocational training services, creating a disability-friendly educational environment, and fostering company-friendly human resources. To enforce the foundation of vocational competency development services, strengthening vocational training for vocational rehabilitation facilities and vocational education in special education institutes, and constructing provincial vocational competency development networks were suggested as main tasks to perform (Ministry of Labor, 2008).

The objective of the Fourth Five-Year Plan (2013~2017), which is being currently implemented, is to expand and

strengthen vocational training of people with disabilities through various support measures that will expand supply of and participation in training, including providing customized training courses based on the demand survey. The plan also includes measures to promote expertise of training teachers and to expand specialized training by type of disability (Relevant Ministries 2012). Meanwhile, besides the Five-Year Plan, the government has established and implemented comprehensive measures for employment with disability, such as the first Comprehensive Measures on Support for Disabled Persons in 2006, Comprehensive Measures on Expanded Employment of Disabled Persons (Relevant ministries 2006; Relevant ministries 2012; Ministry of Employment and Labor 2016). As noted previously Korea successfully conducted vocational training programs for people with disabilities through State-led establishment and implementation of midto long-term plans with cooperation among relevant ministries.

#### **Budget**

An important factor for a smooth conduct of vocational training service for people with disabilities is securing appropriate budget. In Korea, the main financial source for implementing vocational training for people with disabilities was the Employment Promotion Fund for Disabled Persons (now called Employment Promotion and Vocational Rehabilitation Fund for Disabled Persons, hereafter referred to as Fund) which was collected from levies paid by business owners who employ fewer persons with disabilities than the specified quota rate. Compared to Germany, France, and Austria, which served as models for other aspects of the program, Korea had a relatively smaller amount of financial support from the general account and social insurance. In order to construct a basic infrastructure for vocational training of people with disabilities and systematically conduct vocational training projects in a relatively short time, the necessary strategy relied on the creation of financial sources based on the levies. While it has still been necessary to expand the total amount of funding from the general account and social insurance, including employment insurance, to implement employment policy for people with disabilities, the vocational training program has survived shortfalls in these areas due to funds collected from the levies.

# Strengthening of Vocational Training

Vocational training for people with disabilities in Korea is mainly provided through the five Vocational Competency Development Centers and the Seoul Customized Training Center. However, the number of the centers has remained insufficient to meet the demands for vocational training. In this situation, the Korean government appointed several public and private institutes already offering vocational training – albeit not to people with disabilities – as training institutes for people with disabilities and subsidized the cost of training. This allowed people with disabilities additional social, training, and career opportunities.

In order to meet changing demands of companies and individuals with disabilities, KEAD has introduced and operated "customized training" and "specialized training by type of disability" (hereafter referred to as "specialized training") in addition to existing general training programs. Specialized training provides systematic vocational education and training, considering individual's characteristics and ability, intended to develop the trainee's own strong points. It includes training in etiquette and information education and training to strengthen personal competence. It is conducted in a convenient, non-lecture environment at five Vocational Competency Development Centers and provides specialized training for those with visual, hearing, mental, brain, and intellectual disabilities. In addition, customized courses-vocational competency development training designed to have the trainees acquire job-performing ability demanded by companies—is offered. Trainees are specifically recruited for customized training to meet the actual demands of companies. A Vocational Competency Development Center enters into a contract with a business owner/group related to job category and training level and methods. The Center conducts training and the contracted owner/group preferentially employs trainees who have completed the training.

Customized training is similar to training on specific skillsets in response to demands of business or industry, and because it builds the capacity of disabled employees to acclimate to their environment the satisfaction of the companies and the trainees with disabilities appear high. Customized training, introduced in 2002 and fully implemented in 2005, is now operated in all five Vocational Competency Development Centers under KEAD. It is actively utilized in vocational training for people with disabilities as it allows provision of adequately trained people that the companies seek (Nam & Lee 2013). Looking at the data on the customized training, the number of trainees is 875, and the employment rate through the training is 95.7 percent (KEAD 2016b).

Differentiated from customized training, specialized training provides systematic vocational education and training in consideration of capabilities and characteristics of each trainee, creating opportunities to develop individual trainee's particular skill in reference to each one's interest. These programs also offer etiquette education, information education, and individual capability strengthening training. Specialized training for those with visual, hearing, mental, brain and intellectual disabilities is provided in five Vocational Competency Development Centers. Through strengthened customized training and specialized training as well as through reform and improvement of training categories that meet the demand of industries, training methods, training facilities and equipment, and promotion expertise of training teachers, KEAD is yielding achievements that meet the demand of industries, companies, and people with disabilities. The number of trainees of the specialized training was only 30 in 2005, but it drastically increased to 583 the following year and employment rate through the training has reached 90 percent in (KEAD internal data 2016b).

## Performance of Vocational Training

Thanks to a series of policy changes, vocational training programs delivered through KEAD's Vocational Competency Development Centers have shown positive quantitative and qualitative growth since 1991. The opportunities to participate in the training have been increasing as basic infrastructure is expanded. In 2015, there were a total 3,784 of participants in five training centers run by the Korea Research Institute for Vocational Education and Training (KRIVET) (KEAD 2016), a substantial increase from 157 participants in 1991, and 2,961 participants in 2010. The government's financial support was 14.3 billion Korean won in 2015. Also, the number of trainees who received training through the KEAD-supported private or public institutes or through the KEAD's individual support was 1,347, and the budget for supporting projects was three billion Korean won. The employment rate of 1,665 individuals who completed the training at KEAD was 92.6 percent; the employment rate of those who completed the customized training was 95.7 percent; and for individuals who completed the specialized training was 90.6 percent (KEAD 2016a)

Table 3 shows the number of trainees who were trained for one month or longer at the Korea Research Institute for Vocational Education and Training.

(unit: Persons, %)										
Classification	No. of Trainees	On-training	Completed	Employed	Employment rate	Early Drop-out	Drop-out			
Total of 2015	3,784	1,149	2,423	2,002	82.6	212	5.5			
Total Training	874	383	400	348	87.0	91	10.4			
Specialized Course	583	198	351	316	90.0	34	5.8			
Customized Course	446	15	371	359	96.8	60	13.5			
Short-term Task Program	566	_	543	516	95.0	23	4.1			
Advanced Course (Current workers' competency development training)	(372)	()	(369)	(369)	(100.0)	(3)	(0.8)			
Specialized Course (Public-private sector training)	943	553	389	94	24.2%	1	0.1			

Table 3. Result of Vocational Trainings through the KEAD (Year 2015)

\*Note: The number of trainees is the sum of people who are on-training, who have completed training, and early drop-out trainees among those who have received training for one month or longer. Values in parenthesis () are the number of incumbent people.

\*\*Source: Based on the authors restructure of data from the KEAD (2016a, 2016b).

#### Countering Negative Perceptions about People with Disabilities

Bias, discrimination, and widespread lack of understanding has still hampered efforts to increase employment opportunities for people with disabilities and limits increasing employment in businesses in general. The Social Survey Report of Korea (2007) published by the Office of Statistics showed that 76.3 percent of the population thinks there is a severe discrimination in society against persons with disabilities. According to the Survey on the Disabled Laborers 2008 by the Korea Institute for Health and Social Affairs, people with disabilities experience discrimination when entering or transferring day-care centers, at schools from other students, and in employment and wage. It is shown that especially when looking for a job, 35.0 percent of individuals with disabilities experienced discrimination.

The employment rate of persons with disabilities has increased since 1990, when the quota system was adopted. However, the increasing trend did not show in all industries, types of job, and various sizes of companies. The rate is still low and not much ameliorated in big companies that have relatively better employment environments. In regard to this situation, it is argued that the negative attitudes of business owners and recruiters toward hiring individuals with disabilities needs to be improved.

These consequences are largely because business owners have not had accurate information about disabilities. Most of business owners visually recognize disabilities and unilaterally judge the capability of people with disabilities. Some business owners lack understanding of types of disabilities.

The attempts to overcome the prejudice and negative view on people with disabilities were made mainly at local rehabilitation centers and specialized schools. However, this has been limited to lectures on general introducing and experiential learning about disabilities.

According to Byeon, Park, and Kim (2010), most business owners conceptualized the disability by 'visual image of severe disability' and consider persons with disabilities as ones who need protection and care but do not consider possibility of recognizing them as colleagues in work places. Stereotyical settings of disability, general perception and capability of working were found as follows:

"As performing daily activities is difficult for them without others' help, society as a whole would need to take responsibility for people with disabilities."

"Probably, that person would feel bad, but I would think I need to help him or her. Some kind of compassion."

"Generally, it is believed that people with intellectual disability are a lot less capable to think. As a bias, although I have not seen them, I assumed so... Not intentionally, but because the strongly embedded perception of severe disability, many have prejudice that they would not perform well."

"From the view of an employer or a company, it may be a burden. I need to care more about in those parts. Severity levels are different, and I would need to support many things for the severely disabled. Cannot be said cumbersome, but It is a burden."

#### Implementing Education Programs to Raise Awareness

In order to deal with this prevalent discrimination against persons with disabilities, the Korean government enacted a new law and developed new education programs. In 2008, the Act on the Prohibition of Discrimination against Disabled Persons, Remedy against Infringement of their rights, etc. was enacted. It clarified that business owners are prohibited from discriminating people with disabilities at recruitment, employment, wage and benefits, education, assignment, promotion, transference, retirement, and dismissal. The revision of the Employment Promotion and Vocational Rehabilitation for Disabled Persons Act in 2007 (Article 5.3 of the Act) required business owners to carry out education on disability issues since 2008. These provisions aimed to lower the employment barrier and to accomplish stability in employment by preventing discrimination toward disabilities in employment process or at work. The Act also stipulates that the Minister of Labor needs to develop and disseminate information in order to provide education for improving awareness on people with disabilities (Article 5.4 of the Act).

To implement the statute, the KEAD developed a program that could improve discriminatory practices in employment of those with disabilities, reflecting possible situations in each stage of employment such as recruitment, tests, interviews, education, promotion, and job assignment. The program is based on the Windmills Program in the U.S. and consists of 18 modules which takes 30 to 40 minutes each. The education is customized depending on the targeted participants' level of understanding of disabilities and their characteristics. Examples of contents of the modules are as follows: preparing recruitment advertisement that can prevent discriminations against disability; devising ways to provide accommodation considering types of disabilities during an interview process; way to focus on ability, not on disabilities at interviews; education methods considering types of disabilities; how to offer fair accommodation for job performance; and how to assign people with disabilities in adequate job positions.

Through the programs, business owners experience changes of their perceptions on disabilities through understanding characteristics of persons with each type of disability, and concrete information about level of disabilities. Depending on tasks, experiences of hiring people with disabilities who have higher productivity than those without disabilities also change the perceptions of business owners.

"There are always some people who are excellent at work, those who are crucial for the company. We work at factories, but their roles became like that for our company. I once hired him, and he was so good. So, I decided to increase employment of people with disabilities. I hired them, and they actually performed better in tasks like setting and packing, compared to those without disabilities. Now people with nondisabilities do not want to work next to them because the performance the gap is big."

#### The Effect of Improvement of Awareness of People with Disabilities

Improving awareness on disability works as an important factor in shifting negative perceptions about disabilities to positive ones. KEAD directly implements education for bettering awareness. The education is not one-way information delivery, rather, it is a participatory education experience that reduces biased views on individuals with disabilities. There are 108 specialized teachers for education. There were 13,154 people in 2014 and 22,996 people in 2015 that received the education.

Recently, KEAD publicized the list of companies with a low rate of employing people with disabilities and offered to provide the education. The system urges companies to abide by the obligations of hiring individuals with disabilities by publishing the list of business owner or institutes that recorded the distinctively low employment rate. It is published twice a year on websites or in official gazettes based on the employment survey. The criteria that companies have to abide by are i) accomplishing employment rate, 1.35 percent, ii) indirectly employing people with disabilities in cooperation with the standard workplace for people with disabilities during the notice period, iii) making an effort to hire persons with disabilities by participating in the customized training at Korea Research Institute for Vocational Education and Training or by supporting employment during the notice period. This is to make the organic connection between the education for improving awareness on disability and employment of persons with disabilities.

As a result of the education, employment rate of people with disabilities increased in 263 companies, and the number of workers with disabilities increased in 191 companies. By providing education to the companies in advance that are expected to be on the list in the following second-half of the year, the number of companies on the list was also reduced.

#### **Lessons Learned**

#### The Continuous Effort of the Mandatory Hiring Quota System

Korea has attempted to make changes in the mandatory employment quota system since it was adopted in 1990. The attempts began with concerns when employment with disability did not increase much despite the introduction of the system. The role of government in the employment of people with disabilities was weak, but it has been strengthened and adapted over time, especially since the revision of the employment promotion and vocational rehabilitation law in 2000.

The major policy change was the expansion of the number of companies subjected to the policy by lowering the standard for the companies that need to abide by the mandatory employment quota system. The rate of application exceptions by industry and job specification was also reduced or abolished. Also, the mandatory employment rate increased from two percent in the beginning to three percent. As a result of implementation of the government policies, the percentage of the labor force made up of people with disabilities now exceeds two percent.

The sharp rise in the employment rate of individuals with disabilities is clearly the outcome of continuous efforts of the government. In addition, the professional role of the KEAD has supported the details of the policies and implementation of projects. The Korean government established the First Five-Year Plan in 1998. The five-year plan aims to set the employment policy with agreement from relevant ministries and to implement the policy. The Fourth Five-Year Plan is now in progress, and subsequent plans will be continuously devised.

This shows the importance of adaptive implementation of systematic planning that focuses on the mid to long term for policies that deal with shifts in social norms.

#### Ensuring a Stable Flow of Funds through Levies on Non-Compliant Business

Implementation of employment policy for people with disabilities requires a large budget. Korea spent 270 billion Korean won (US\$235 million) for the fiscal year of 2015. Korea runs the fund for employment promotion for people with disabilities with funding from levies against companies that did not satisfy the mandatory hiring rate. The fund was once depleted in early 2000 and went through difficulties in performing the employment system. The government tried to diversify fund sources by expanding contributions from the general account; however, it was not enough. To this, amount of subsidy for business owners who exceeds the set employment rate was adjusted, and differential rates of levies depending on employment rate were imposed. As a result, the fund is now financed in a stable manner, and employment policy for people with disabilities can be smoothly implemented.

Levies against under-employment of those with disabilities were launched with the mandatory employment quota system. The levy system works as a ground for stabilizing the fund. Countries that try to promote employment policy for people with disabilities may consider benchmarking the levy system to acquire budget for policy.

## Strengthening Employment Measures for Persons with Severe Disabilities.

Expanding opportunities of people with severe disabilities proved a more difficult task than promoting employment of people with disabilities writ large.

Persons with disabilities initiated the modification of 'Employment Promotion and Vocational Rehabilitation Act in 2000,' and they provided grounds to increase supported employment programs and induce employment of the severely disabled by accepting the double counting system. Supported by specialized education and career development during job transition, the employment rate of the people with severe disabilities is gradually increasing.

#### Expansion of Vocational Training That Responds to Demand

Korea has achieved qualitative and quantitative success in vocational training for people with disabilities in a relatively short period of time; however, despite the achievements, it is necessary to make improvement on the process of the training. First of all, in order to eliminate the shortage of training opportunities despite continuous establishment of training centers for people with disabilities, it is essential to increase trainees through institutes for vocational education and training. Additionally, ties between public and private sectors need to be strengthened. Also, companies have cited lack of adequate job applicants with disabilities and it is difficult to meet the different demand for trainings depending on individuals' characteristics (KEAD 2013). For improving the problems mentioned above, the customized training in connection with companies' needs to be strengthened, and building more specialized training centers for persons with visual impairment and development disabilities and for youth with disabilities must be addressed. Also, it is necessary to build a connection between local training centers and systematically operate them as it enables provision of vocational training services to people with disabilities.

Countries that are interested in vocational training of people with disabilities need to put effort on constructing a vocational training system that can meet the demand of companies as well as considering characteristics of each type of disability.

#### Expanding Awareness Improvement Education on People with Disabilities

Many studies point out that negative perceptions toward individuals with disabilities is the major hindrance for their employment. The negative perceptions toward people with disabilities was pervasive in 1990. Yet, this has been improved compared to 20 years ago. At that time the Korean government had focused all its resources on having people with disabilities to enter the labor market without much attention to improving negative perceptions about them.

In late 2000's, Korea adopted the system for prohibition of the discrimination toward people with disabilities in recruitment, as an additional incentive, with the mandatory employment quota system, for increasing employment of people with disabilities. Regarding people with mild disabilities the government strengthened the anti-discriminatory policy, and, through the mandatory employment quota system, actively intervenes in the employment market for those with severe disabilities.

Since 2010, the Korean government also obligated business owners to conduct education to improve perceptions of disabilities. The law has increased the number of educational sessions conducted every year. The policy for improving perception of disability needs to be expanded with an enhanced connection with education policy.

Countries that implement the employment policy for people with disabilities would need to choose education for improving the negative perception as a core project. Looking back at the past 20 years, the Korean government keenly feels how the perception of disability has had a great influence on employment with disability.

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