

SOCIAL CHANGE AND STRATIFICATION

ABSTRACT. Korean society has changed a great deal in the wake of rapid economic development and industrialization that began in the early 1960s. This article examines social change in Korea in terms of shifts in its occupational structure and class stratification. For the past four decades, industrialization has steadily reduced the agricultural labour force and significantly expanded the urban labour force to satisfy the growing manufacturing industry. Many small traditional family businesses have been replaced by highly organized and large-scale modern businesses with salaried workers. At the same time, an increasing number of women have joined the workforce of the diverse modern industrial system. More recently, the demand for high-tech, information-related occupations has been on the rise. These changes in the occupational structure have transformed Korea into a middle class society.

For the past four decades, South Korea (Korea hereinafter) has undergone great social change characterized largely by industrialization. Within a single generation, primitive industrial relations and features vanished, and an advanced industrial structure was established in Korea. As a result, Korea now has quite a different distribution and structure of social classes from the one of four decades ago. This article highlights the main features of social change in Korea by unravelling the dynamics of its occupational structure and class stratification.

OCCUPATIONAL COMPOSITION IN TRANSITION

The spectacular growth of the Korean economy over the past four decades has transformed an agricultural society into a modern industrial one. The rapidly developing economy has also brought about fundamental changes in the occupational configuration as well as the industrial structure in Korea. The most notable changes in the occupational composition can be summarized in the following four main characteristics. First, there has been a drastic decrease in the



agricultural labour force that is contrasted by a significant increase in the urban labour force. Second, as a result of the expansion of modern industrial organizations and the development of capitalism, there has been a dramatic increase in salaried workers, as opposed to workers who are self-employed or in family business. Third, females more actively participate in the modern industrial system, comprising a significant labour force in their own right, and women's work simultaneously has become diversified. Fourth, due to the recent development of the high-tech and information industry, there has been a remarkable increase in information-related occupations. In the following pages, each characteristic change of Korean occupational composition is examined.

The Decrease of the Primary Industry Sector

Over the past 40 years, the most fundamental change in Korean industry took place in the composition of the three primary industries. Table I illustrates the unmistakable transformation in the composition of persons employed by industry between 1960 and 2000. The number and proportion of workers in the agricultural, forestry, and fishery industries drastically declined, whereas that of the other industrial groups remarkably increased. In 1960, employees of the agricultural, forestry, and fishery industries constituted 79.5 percent of the total economically active population, but this figure was reduced to 8.7 percent four decades later. During the same period, the number of the workers in the sector of social overhead capital (hereinafter the SOC) and other industries increased from 15.1 percent to 70.7 percent of the total economically active population. In addition, the number of employees in the mining and manufacturing industries jumped from 5.4 percent in 1960 to 20.6 percent in 2000. Former agricultural, forestry, and fishery workers were absorbed into the other urban sectors as a result of rapid industrialization.

Another interesting point that Table I suggests is that the SOC and other industries may have attracted many mining and manufacturing workers during the 1990s. The number of the latter has steadily increased between 1960 and 1990, but it dropped by 7.0 percent between 1990 and 2000. The decline in mining and manufacturing workers may have been caused by structural changes in all

TABLE I

Composition of Employed Persons by Industry: 1960–2000 (Unit: %)

| Industry | 1960 | 1970 | 1980 | 1990 | 2000* |
|----------------------------------|------|------|------|------|-------|
| Agricultural, forestry & fishery | 79.5 | 50.4 | 34.0 | 17.9 | 8.7 |
| Mining & manufacturing | 5.4 | 14.3 | 22.5 | 27.6 | 20.6 |
| SOC & others | 15.1 | 35.3 | 43.5 | 54.5 | 70.7 |

Source: KNSO, *Social Indicators in Korea*.

Note: *As of December.

TABLE II

Changes in Employment Status: 1960–2000 (Unit: %)

| Employment Status | 1960 | 1970 | 1980 | 1990 | 2000 |
|----------------------|-------|-------|-------|-------|-------|
| Employer | 47.5 | 1.8 | 4.0 | 5.4 | 9.9 |
| Self-employed | | 33.0 | 31.4 | 24.2 | 24.8 |
| Unpaid family worker | 30.9 | 26.2 | 21.1 | 10.6 | 1.8 |
| Employee | 21.6 | 30.0 | 43.4 | 59.7 | 63.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: KNSO, *Population and Housing Census*.

of Korean industry in recent years. These statistics clearly suggest that economic activity in Korea shifted from the production of goods to the providing of services over the past four decades.

The Growth of Wage and Salaried Workers

The decrease in agricultural, forestry, and fishery workers ran in parallel with the decrease in the self-employed and unpaid family workers over the last four decades. In Korea, family members used to run the agricultural, forestry, and fishery businesses. Family members also ran many small businesses. Table II illustrates the decrease in such traditional employment types between 1960 and 2000. More than three-quarters (78.4%) were either self-employed (including employer) or unpaid family workers in 1960, but a little over one-third (36.5%) were self-employed or unpaid family workers in 2000. The more dramatic change between the two

periods occurred in the group of unpaid family workers. They dropped from 30.9 percent in 1960, to 1.8 percent in 2000. On the other hand, those who were employed by others increased to 63.5 percent in 2000, from 21.6 percent in 1960. The growth of employees, i.e., wage and salaried workers, implies that Korean industry becomes more bureaucratized and institutionalized in recent years. In addition, Korean industrial development altered traditional work relationships as well as expanded the use of modern industrial organizations.

The increase in the number of employees was contributed to, in part, by the increase in clerical and sales workers in Korean industry. They are wage or salaried employees as distinct from those who work on their own. In 1960, employees constituted less than 10 percent of the total number of sales workers, but their share increased to 17.7 percent during the 1980s, and then increased again to 29.6 percent in 2000. In addition, small businesses, which have been traditionally helped by family members, encountered great challenges from large-scale firms with enormous economic power. As the capitalistic competition intensified, small business labour forces were absorbed into the wage or salaried employee groups. Conglomerates increasingly replaced petty traders and self-employed service workers, who played major roles in the previous years in the distribution and service industries.

Moreover, whole-scale urbanization has changed traditional stores into large fancy shopping centers. In the mid-1990s, the emergence of large-scale discount stores, warehouse-type retail businesses, and franchised stores, like those long in existence in the advanced nations of the world, had a huge impact on the distributional industry. As for department stores, the oligopoly of the “big three” companies, Lotte, Hyundai, and Shinsegae, became more conspicuous, and their market share grew to 54.4 percent in 2000 (KOSCA, 2001). These industries have provided a large number of clerical and sales workers.

The Growth of the Female Labour Force

As the composition of industry and employment underwent a significant change, so did the gender ratio within the labour force. The female labour force has recently penetrated into areas that were

TABLE III
Gender Ratio of Workers Aged 20–65 by Occupation in 2000

| Occupational group | Ratio |
|---|-------|
| Legislators, senior officials and managers | 6 |
| Professionals | 62 |
| Technicians and associate professionals | 57 |
| Clerks | 126 |
| Service workers and shop & market sales workers | 192 |
| Skilled agricultural & fishery workers | 104 |
| Craft and related trade workers | 33 |
| Plant & machine operators and assemblers | 18 |
| Elementary occupations | 124 |
| All | 85 |

Source: Calculated from raw data of the Economically Active Population Survey (KNSO 2000).

Note: Sex ratio indicates the number of females per 100 male workers.

once exclusively occupied by males. Table III displays gender ratio measured by the number of females per 100 males in the year 2000. The ratio indicates that women are more frequently found than men among clerks, service and sales workers and other unskilled labourers. Among legislators, senior officials, and managers, in striking contrast, the former are outnumbered by the latter by a ratio of 6 to 100.

The feminization of clerical workers has proceeded faster than that of professional, technical, administrative, and managerial workers. In 2000, females constituted 56 percent of clerical workers. Even so, the top positions of this occupational category are occupied normally by males, while those of lower positions are by females. In addition, feminization is also found in the agricultural and fishery sectors, where the gender ratios were no more than 50 during the 1960s, but rose to 104 by 2000. These changes were directly influenced by industrialization and urbanization. When compared with earlier figures, female labour participation also increased in professional positions. The gender ratio had been less than 20 before 1960, but the ratio soared to 62 in the year 2000.

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