

A decorative graphic consisting of a grid of dots in various shades of gray and red, arranged in a pattern that suggests a world map or a network of connections.

# Trade Unions in Transformation

## Rebuilding Workers' Power Beyond Corporate Boundaries in South Korea

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- Despite the low union density and various impediments to organizing precarious workers and bargaining collectively with user-enterprises, Korean unions have made progress in representing precarious workers and in increasing union presence in value chains since the 2000s.
- The case studies on the subcontracted workers of Samsung Electronics Service and cleaners on the premises of university highlight that in order to develop union power resources, demands as to reducing competition among workers, providing workers with universal platform for security irrespective of employment status, and building a strategic coalition for correcting unbalanced distribution of power between capital and labour should become a priority in terms of union strategy.
- Trade Unions in Transformation is an FES project that identifies unions' power resources and capabilities that contribute to successful trade union action. This study features among two dozen case studies from around the world demonstrating how unions have transformed to get stronger.



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## Abstract

Despite the low union density and various impediments to organizing precarious workers and bargaining collectively with user-enterprises, Korean unions have made progress in representing precarious workers and in increasing union presence in value chains since 2000s. Many legal systems such as that of Korea have a limited amount of regulatory interventions into a boundary of separate entities, and this had allowed the principal enterprise to transfer their liabilities to others downwards value chains. Nevertheless, workers have attempted to face the one that retains the real power to control over their working conditions, as Korean cases showed below. This paper illustrates two cases with regard to triangular employment relationship: subcontracted workers of Samsung Electronics Service and cleaners on the premises of university. Through these case studies, we can understand how trade union power was built and rebuilt. In order to develop union power resources, demands as to reducing competition among workers, providing workers with universal platform for security irrespective of employment status and building a strategic coalition for correcting unbalanced distribution of power between capital and labour should have to become a priority in terms of union strategy.

## 1. Introduction

In the wake of the massive labour protests of 1987 (Koo 2000), a new independent and democratic trade union movement with a very high level of rank-and-file militancy emerged in South Korea to challenge the government-controlled industrial relations system and traditional company unionism that had dominated the country since the Korean War in 1950.

Workers at large corporations within conglomerates, or *Chaebols*, and in the public service sector, who have significant workplace bargaining power, took the lead in the new democratic unionism and this brought about improvements in working conditions and a social recognition of trade unions. In response to the advent of the independent union movement, Korean capital began to adopt a new management strategy in the early 1990s. While employers agreed on a pay raise for regular employees, large corporations took a lead in reform of the wage system to increase competition between workers: in many large corporations and public undertakings, pay systems based on years of service were rapidly changed into performance-based pay systems.

At the same time, firms increased the level of automation and precarious employment to replace regular employees. In the early 1990s, precarious employment spread to jobs which regular employees disliked or regarded as peripheral. As the new hiring of personnel decreased and the intensity of work increased, regular workers did not oppose the use of precarious employment at that time. (Yun 2007)

On the other hand, *Chaebols* have reorganized production networks at home and abroad, forming vertically integrated production networks with multi-tiered subcontracting in South Korea. *Chaebols* such as Samsung Electronics aggressively expanded into foreign markets and integrated developing countries into their global production networks in the first half of the 1990s. Many domestic small and medium-sized enterprises (SMEs) were left behind this trend or became subcontractors of global value chains (GVCs), and this resulted in a decrease in union presence within these enterprises. Unions formed in large corporations also lost their power, in particular in new *Chaebol* establishments, although they somehow maintained union membership at the core.

The economic crisis of 1997 became a turning point in which capital regained overwhelming power over labour. Regular employees have been rapidly replaced by precarious workers through redundancy, restructuring, outsourcing and so on. For example, triangular employment relationships often referred to as »in-house subcontracting« have spread across all industries. In this arrangement, a worker enters an employment contract with a subcontractor, but works for a principal, subcontracting company in one of the company's workplaces. As such, new jobs have been created mostly in precarious employment relationships and precarious workers have become the core workforce.

To implement IMF restructuring programs and to save *Chaebols*, the Korean Government pushed ahead with neoliberal policies and the repression of labour rights.

Government policy and regulations for facilitating greater labour flexibility have contributed to increased precarity in employment relationships. The revised Labour Standards Act (1997) reintroduced »flexible working time«, which had been abolished after the Great Labour Protests of 1987. The government legalized redundancy and temporary agency work in 1998, which had been restricted under labour laws until then and prevented by the power of organized labour.

Moreover, the State has pursued the repression of workers' collective rights with liberalization of the trade union monopoly arrangement. For example, strikes against redundancy, restructuring or Government's policy were banned. Workers joining »illegal« collective actions are penalized under criminal law and an enormous amount of damages are levied against them for »obstruction of business«. As such, measures of collective action against user-enterprises or lead corporations are effectively restricted.

As a result, the capacity of the labour movement has decreased quantitatively as well as qualitatively. Union membership has declined since its 1989 peak of 19.8 per cent, reaching a low of 11.1 per cent in 1997. Thus far, it remains stagnant at around 12 per cent (Kim 2016). Moreover, gaps in union presence depend hugely on the firm's size and employment types. While union membership at firms with 300 or more employees is 47.7 per cent, that of firms with 100 or less employees, which hire 79 per cent of total workforce, was merely 1.2 per cent in 2013 (Park et al. 2014). Similarly, union membership among the precarious workers who account for 44 per cent of total workforce is 2 per cent, whereas among regular employees it was 20.2 per cent in 2016 (Kim 2016).

This paper illustrates how the Korean labour movement has responded to those challenges. To show how the Korean labour movement have attempted to rebuild its power, it will focus on the unionization of workers in triangular employment relationship at *Chaebol* workplaces and in the public service sector. The first case is related to organizing subcontracted workers who provide after-sales service for Samsung electronics. The second case is the unionization of subcontracted workers on university premises.

These cases are selected based on the following reasons: firstly, *Chaebols* and the Government have been

the major driving force to spread triangular employment relationship, in particular, »in-house subcontracting«. Both cases represent union initiatives which have attempted to develop industrial relations vis-à-vis user-enterprises beyond corporate boundaries. Secondly, both cases show the level of change in internal union politics and which capabilities are needed for utilising and enhancing power resources. Nevertheless, we also find different framing capabilities utilised in the two cases.

## 2. Theoretical Considerations

To explain the dramatic trajectory of labour movements in Korea, a helpful theoretical frame can be found in the work of Beverly Silver (Silver 2003). She illustrates the fact that capital movement and product cycles had brought about a crisis of labour movements in the Global North and at the same time had led to the new labour upsurges in the Global South such as South Korea.

Silver relies on the differentiating types of workers' power, which Wright distinguished between associational and structural power (2000: 962). Associational power consists of »the various forms of power that result from the formation of collective organization of workers«, most importantly trade unions and political parties. Structural power, in contrast, consists of the power that accrues to workers »simply from their location (...) in the economic system.« Structural power can be divided into two subtypes, that is, marketplace bargaining power and workplace bargaining power.

She further explains how worker's power has been historically built and re-built in relation to changes in product cycles. The leading industry of 20<sup>th</sup> century world capitalism was the automobile industry, which imparted a strong workplace bargaining power to production workers rooted in their strategic location. Yet, the emerging leading industries of the 21<sup>st</sup> century offer a very heterogeneous picture in terms of the implications for workers' power. On one hand, workers in transportation have as much as structural power as automobile workers ever had, but on the other, the power of today's low-wage workers in production and personal services is closer to what the associational power of workers in the 19<sup>th</sup> century textile industry had been.

This analysis resonates with other research observations with regard to building associational and structural power of precarious workers. Two ideas – labour market unionism and community unionism – have been identified as the core collective bargaining innovations in response to today’s labour market (Fine 1998). Labour market unionism rests on the realization that in an economy that is overwhelmingly unorganized it is not enough to organize firm-by-firm. Community unionism is the political corollary of labour market unionism. If the community has become the fundamental economic entity that connects people, then reducing wage competition across a city or industry is a community organizing project where public policy is often the central battleground.

The strategies of some of the most successful recent labour movement campaigns in service industries, such as the Living Wage Campaign and the Justice for Janitors campaigns in the US, have followed a community-based organizing model rather than a model that relies on the positional power of workers at the point of production. The community-based organizing model is described as modest-sized community-based organizations of low-wage workers that focus on issues of work and lives. Although precarious workers have relatively weak structural power, they still can enhance their associational power, addressing injustice and discrimination in the labour market as well as a broader social context. Similarly, some researchers noted another type of workers’ power resources, such as »moral power« (Fine 2005) or »symbolic power« (Chun 2009).

Consequently, these approaches give us a perspective on how workers’ identity and the scope of solidarity, or associational power, has been built and rebuilt. Silver put it another way: there is a continual struggle not only over defining the content of working-class »rights« but also over the types and numbers of workers with access to those rights (Silver 2003: 21).

While the concept of power resources relates to various dimensions of trade union power, the extent to which unions may utilize any or all of these resources will depend on whether they can be developed, meaning their capability to recognize and use power resources strategically. According to Christian Lévesque and Gregor Murray (2010), strategic capabilities around intermediating, framing, articulating and learning are of particular significance for the mobilization of union power resources.

The eruption of the labour movement in South Korea since the late 1980s was characterized as »social movement unionism«, the term through which Waterman and Webster conceptualized the features of unionism in the Third World (Waterman 1988; Webster 1988). Scholars noticed that these labour unions such as South Korea, South Africa and Brazil embraced the high level of rank-and-file mobilization; involvement in broader issues beyond the workplace; and a deep coalition with social movement groups (Scipes 1992; Seidman 1994; Moody 1999). The concept of »social movement unionism« resonates with the aforementioned analysis of workers’ power. However, there is little literature on what challenges those newly-erupted union movements are facing with, and how they utilise strategic capabilities in this specific environment.

In order to develop such an analysis of new resources and capabilities of trade union power, following above-mentioned theoretical considerations, we need to pay attention to the questions as follow:

- How has capital made use of the division of labour in the labour market and production organization? How have the changing corporate boundaries and the division of labour transformed the context of union power resources?
- How has the State institutionalised the unbalanced power distribution between capital, labour and society? How can unions address this problem and build an alternative initiative for workers’ rights?

### 3. Organizing and the Struggles of Workers in the Triangular Employment Relationship

To understand the narrative and infrastructural resources related to both cases below, it should be noted that the Korean trade union movement has developed two strategies for regaining and enhancing its power since the late 1990s. Firstly, trade unions have attempted to transform the enterprise-level union system to a larger union system. This effort resulted in the formation of industrial unions as well as community unions. For example, the Korean Metal Workers’ Federation, which was an umbrella organization of enterprise-level unions, became a national industrial union (the Korean Metal Workers’ Union, KMWU) in 2001. Similarly, in 2006 the

Korean Public Workers' Federation was transformed to an industrial union, the Korean Public Service Workers' Union, which was later integrated into a larger industrial union: the Korean Public Service and Transport Workers' Union.

Secondly, trade unions have staged strategic organizing campaigns since the early 2000s. For example, the KMWU has established plans for organizing in-house subcontracted workers in the metal industry. The Korean Public Service Workers' Union made its internal structure more conducive to organizing, and established local branches dedicated to organizing precarious workers in the public service sector.

At the same time, precarious workers themselves have struggled to secure their rights. Over recent decades Korean workers have developed a level of understanding about basic labour rights through the struggle and campaigns of the democratic trade union movement. It is the voluntary struggle and sacrifice that characterizes organizing precarious workers in Korea. One struggle was followed by another to secure labour rights, and this had a key role in establishing precarious workers' unions (Yun 2007).

The unionization of workers in the triangular employment relationship is characterized by an interrelated process of their voluntary fights and support from existing trade unions. This will be illustrated by two rather different case studies, first subcontracted workers at Samsung Electronics Service and second cleaners on the premises of university.

## 4. Subcontracted Workers at Samsung Electronics Service

### 4.1 Employment and Working Conditions

Samsung Electronics Service is a subsidiary of Samsung Electronics, and its main business is providing repair services for consumers of Samsung Electronics. Samsung Electronics Service employs two types of service engineers: 270 regularly employed engineers and 8,406 subcontracted engineers.

Subcontracted engineers enter into an employment contract with an in-house subcontractor of Samsung Electronics Service. While the subcontractors formally make

an exclusive service contract with Samsung Electronics Service, in practice the former are subordinate to the latter. For instance, Samsung Electronics Service offers offices, equipments, parts of electronics and uniforms to subcontractors for free; makes an inspection of the subcontractors' operations every year; and allocates service areas to them.

Samsung Electronics Service, establishing a partnership with subcontractors, recruits service engineers and executes job training for new recruits for three months. Only those who finish this job training can enter into an employment contract with a subcontractor, and only those who pass the regular exam of Samsung Electronics Service keep working.

Subcontractors input data regarding personal information, service records and skill level of workers into the »Integrated Computer System« of Samsung Electronics Service. When a customer rings the Samsung Electronics Service Call Centre, the computer system finds an available service engineer. The engineer visits the home of the customer to repair electronics, and inputs details into the computer system when they complete the repairing service. Samsung Electronics Service provides the subcontractors with a contract price which is composed mainly of remunerations for the service engineers<sup>1</sup> and the managers of the subcontractor.

In addition, it is Samsung Electronics Service that sets up the detailed standards of valuation and offers service engineers an incentive or imposes a penalty. For example, service engineers should act on manuals which give detailed instructions, from how to provide services for customers to even the personal appearance of the worker. Also, Samsung Electronics Service imposes a penalty on service engineers and orders them to submit an improvement plan when not awarded a perfect score by a customer or »mystery shopper«.<sup>2</sup> If a service engineer

1. If a service engineer visits customer's home and repairs a TV set, for example, his remuneration is calculated by multiplying the working minutes (30 minutes) by rates per minute (225 Korean Won). Here, the working minutes and rates per minute are in advance standardized by Samsung Electronics Service, and thus the real working time including time for driving to customer's home and time for responding to customers' inquiry is not paid.

2. A »mystery shopper« is a tool used externally by market research companies, or internally by companies themselves to measure quality of service, or compliance with regulation, or to gather specific information about products and services. Mystery shoppers perform specific tasks such as purchasing a product, asking questions, registering complaints or behaving in a certain way, and then provide detailed reports or feedback about their experiences.

takes a certain amount of penalties, they have their pay curtailed, and the subcontractor to whom the engineer belongs would have its service contract terminated by Samsung Electronics Service.

#### 4.2 Organizing Workers

As discontent over working conditions among service engineers increased, a few workers' members of the Labour-Management Council attempted to push the subcontractor for a lunch break, an 8-hour workday and overtime pay in 2012.<sup>3</sup> Then, the Samsung Electronics Service terminated a service contract with those subcontractors whose workers had demanded the improvement of working conditions, and those subcontractors closed down their business soon afterwards. Samsung Electronics Service let other subcontractors re-hire service engineers except those workers' members of the Labour-Management Council.

Dismissed workers publicized their demands and unfair labour practice of Samsung Electronics Service online and on the Social Network Service among service engineers. Also, the workers consulted the Korean Metal Workers' Union (KMWU), and requested support from labour-friendly members of the National Assembly. This effort bore a fruit in the formation of their own union, the Samsung Electronics Service Workers' Branch of the KMWU, in July 2013.

Since the early 2000s, in-house subcontracted workers at *Chaebol* plants have formed their own union, and these unions became branches of the KMWU. In 2013, in-house subcontracted workers at large corporations in the automobile, shipbuilding, steel industries etc. had their own union structures, and these unions had workplace bargaining power to a certain extent (Yun 2012). Through these experiences, the KMWU built its learning capability for organizing Samsung Electronics Service Workers.

From the beginning, the union has made clear that Samsung Electronics Service had the real power to decide

their working conditions, and has attempted to bargain collectively with Samsung Electronics Service along with the subcontractors. While collective bargaining with the user-company was needed to improve working conditions, current labour laws have not secured the right to collective bargaining at this level. To supplement weak institutional power by means of societal power, the union made effort to build alliances with various social movement groups.

The Samsung group, in particular, has stuck to the »union-free« business policy for decades, and many previous attempts to form a union have been violently put down by the management. To protect union members from suppression by the Samsung group, the union needed to build a solidarity committee with social and political movement groups. Various civic groups, including workers centres, labour rights advocates groups, and members from progressive parties joined the solidarity committee, and actively campaigned for workers' rights at the Samsung group. The union also supported other workers' disputes, for example demanding that Samsung Electronics should compensate workers who had worked at semiconductor production lines for occupational disease they had contracted. The main repertoires of action centred around responsibilities for workers' rights and demands for Samsung to drop its notorious »union-free« business policy.

In addition, the union and solidarity committee filed a complaint against the illegal use of temporary agency workers<sup>4</sup> in order to publicize the legal liabilities of Samsung Electronics Service. However, in September 2013 the Ministry of Employment and Labour determined that the service contract between Samsung Electronics Service and the subcontractors did not amount to illegal use of temporary agency work. Encouraged by this judgement, Samsung Electronics Service kept refusing to collectively bargain with the union and oppressed union members by terminating service contracts with the subcontractors they belonged to.

3. The Act on the Promotion of Workers' Participation and Cooperation stipulates that a labour-management council shall be established at each business or workplace employing more than 30 people on a regular basis. The council shall be composed of the same numbers of members representing workers and employers. Matters regarding settlement of workers' grievances, administration of working hours and recess hours and so on, require consultation by a council.

4. Under the Act on Protections for Temporary Agency Workers (APTAW), a user employer shall directly employ a temporary agency worker, where the worker has worked longer than two years or where the user employer uses the temporary agency worker in violation of provisions of the APTAW (Article 6-2).

It became the hottest issue on triangular employment relationship, whether or not »in-house subcontracting« amounts to illegal temporary agency employment. Since the early 2000s, in particular, trade unions representing in-house subcontracted workers have filed a series of suits, demanding user employers must directly hire in-house subcontracted workers according to the APTAW (Yun 2017).

The union went on a strike and held sit-ins in front of the headquarters of Samsung Electronics from January 2014 to protest against this unfair labour practice. Amid growing labour repression, two union members committed suicide to protest against Samsung Electronics Service in October 2013 and in May 2014 respectively. Eventually, the union achieved a basic agreement from Samsung Electronics Service in June 2014. Although the formal body for this agreement was made up representatives of the subcontractors' group, it would be impossible without the approval of Samsung Electronics Service. For example, the agreement covered wage increases and setting of base wage system, which could only be implemented if Samsung adjusted a contract price. The agreement also contained measures securing the right to union activities such as union time release and the rehiring of dismissed workers. This is the first case which workers at the Samsung group concluded a collective agreement with the management.

In this case, the union has attempted to build and enhance the associational power through framing their demands and fights in the context of *Chaebol* corporate liabilities. Even though their institutional power was very fragile, utilising the societal and discursive power resources contributed to achieving collective agreements.

## 5. Cleaners on University Premises

### 5.1 Employment and Working Conditions

Cleaners and janitors, whose numbers are approximately 1.1 million, were the fifth largest group of waged workers as of 2009 (Kwon 2014). In terms of demographics, cleaners are generally middle- to old-aged women in Korea: the 2013 Regional Employment Statistics Survey conducted by the National Statistics Office revealed that the proportion of women was 71.9 per cent and the average age of workers is 60.3 years.<sup>5</sup> The jobs of cleaners and janitors at buildings were replaced with agency work from the beginning of 1990s, leading to increased precarity in their employment relationships. The same survey found that 69.7 per cent among cleaners were precarious workers, and 61 per cent among cleaners were estimated to be agency workers. Average work-

ing hours were 35.5 hours per week and the average monthly wage was 869,000 Korean Won, which was close to the statutory minimum wage (1,015,740 Korean Won for 40 hours per week) in that year.

In Korea, statutory minimum wage was enacted in 1988, part of the impact of the massive eruption of the labour union movement in the late 1980s. The minimum wage is annually set by the Government following the proposal of the Minimum Wage Council, which is comprised of worker and employer representatives and experts deemed to represent public interests on the basis of equality. While the Minimum Wage Council seems tripartite and independent in theory, in practice experts take the lead in fixing the minimum wage rate and have been strongly influenced by the Government economic policy.

The ratio of minimum to average hourly wages in 2013 was 35 per cent. From a comparative perspective, the minimum wage in Korea has been relatively low in light of the fact that most countries set their minimum wages at around 40 per cent of average wages (ILO 2008: 47).

Another characteristic is that in Korea the statutory minimum wage functions as a »standard« wage rate for precarious workers such as cleaners. According to a research, among workers whose wage was calculated by the hour, those paid close to the minimum wage amounted to 32.7 per cent, while those paid the minimum wage or less formed 23.8 per cent (Kim 2013: 22).

Since the Korean Confederation of Trade Unions (KCTU) first took part in the Minimum Wage Council in 2000, it has demanded substantial increases in a minimum wage with a view to reaching 50 per cent of the average wage of the whole workers. From the beginning, the minimum wage campaign organized by the KCTU merely involved picketing in front of the Minimum Wage Council building and/or the Korea Employers Federation. After 2002, various trade unions seeking to organize precarious workers and workers at SMEs, such as regional centres of the KCTU and its affiliates, youth unions, and the Korean Women's Trade Union, began to make use of the minimum wage agenda for organizing them. These trade unions have regularly reported the working conditions of low-wage workers; demanded a higher minimum wage and/or a living wage based on surveys targeting low-wage workers; publicized the

5. In this survey, »cleaners and janitors« are referred to street cleaners as well as janitors on the premises of building owners.

statutory minimum wage; and monitored workplaces for minimum wage compliance. By setting the minimum wage system as the agenda for tackling the precarious work experienced by a majority on the labour market, the minimum wage campaign gained societal and political support across a wide base.

### 5.2 Organizing Workers

In 2009, the Seoul & Gyeonggi Local of the Korean Public Service Union (*Seogyongjibu*) launched an organizing campaign targeting cleaners on the premises of universities in Seoul together with the Korean Confederation of Trade Unions (KCTU) and various civic groups including university student organizations. Until then, the *Seogyongjibu* had organized precarious workers usually when a worker having a problem at their workplace came to the union for advice. Since the mid-2000s, the union had obtained some experience in organizing cleaners working on premises of university. There were some favourable conditions to organize cleaners on premises of university: approaching and talking to them would be relatively easy, and support from student movement groups would be expected. This organizing process was successful but rather too passive. Through this experience, thus, the union developed a strategy as follows:

This manual developed for organizing reveals the advanced learning capability of the union. In this organiz-

ing campaign, demand for a higher minimum wage became a top agenda. As their pay rates were usually set close to the minimum wage, an increase in the minimum wage directly affected their wage. As for cleaners, joining the minimum wage campaign was directly related to collective bargaining for higher pay, and thus they became the most enthusiastic and the largest participants in the minimum wage campaign.

The *Seogyongjibu* went on one step further beyond a demand for higher minimum wage. In 2011, the union demanded that the wage of cleaners should be raised to 50 per cent of the average national wage. Although the KCTU had pushed the same demand for higher minimum wage every year since 2000, this demand had not yet been covered as a practical issue in the Minimum Wage Council. *Seogyongjibu* attempted to bring this demand to life by combining it with collective bargaining. On March 8<sup>th</sup> 2011, cleaners at unionised university premises went on a strike to coincide with International Women’s Day and presented the common demand for a pay increase, namely the KCTU’s demand for higher minimum wage. This was a fight to enhance the societal power of the union through framing their demands in line with the struggle against gender discrimination.

Through this fight, cleaners achieved the pay raise which exceeded the level of statutory minimum wage for the first time, and this affected the Minimum Wage Council decision of July 2011 for a substantial increase in the minimum wage.

Table 1: Manual for organizing cleaners at university

Stage	Task
1	Selecting a target university
2	Visiting a cleaners’ lounge & conducting the interview survey on working conditions
3	Visiting a cleaners’ lounge (whenever necessary)
4	Identifying potential leaders & building up confidence in the union
5	Holding regular meeting with potential leaders & unionizing them
6	Forming a workplace unit of union & collecting an application for admission in public
7	Asking a user-employer (university) and temporary agencies to collectively bargain
8	Concluding collective agreements & securing the union activity right
9	Enlarging organizing campaign to other unorganized workers or universities

Source: Korean Public Service Union (2013)

The *Seogyongjibu* campaign is a good example with respect to union member empowerment and expansion of solidarity: firstly, middle- and old-aged women cleaners who existed at the lowest position in the trade unions, as well as in society, found a voice. The union provided cleaners with an educational course which focused on building self-respect and leadership. With the declaration »We are not ghosts«, cleaners disclosed experiences of the intersecting discrimination based on gender, age and employment status which decided their wage rates. They stepped up to fight for a decent work with a living wage and dignity and became enthusiastic organizers. Women workers in their fifties or sixties visited neighbouring workplaces to see other cleaners and talked them to join a union, presenting their experience of victory as unionists.

Secondly, the union opened its doors and encouraged various social movement organizations including student and human rights movement groups to join the campaign from the beginning. The Korean Public Service Union (KPSU), the *Seogyongjibu*'s umbrella organization, conducted a campaign entitled »Right to a Warm Lunch« to support the fight of cleaners.<sup>6</sup> That was part of the effort to overcome a shortage of union resources as well as to build social solidarity for labour rights.<sup>7</sup> Through this alliance, the societal power of the *Seogyongjibu* multiplied.

Thirdly, the campaign was aimed at collective bargaining with user-employers i. e. the universities. It was only when the university authorities agreed with the subcontractors that cleaners got a pay raise. At first, the universities refused to bargain collectively on the basis that they were not the formal employer under the employment contracts. Cleaners, with students and campaigners, publicized their poor working conditions and liability of the university authorities, and often staged collective action on the premises of university. Through this insistent fight, cleaners have obtained agreement

6. Cleaners had to bring their lunch and eat it (usually cold rice) in the toilet or the shed, because neither lunch nor a staff lounge was provided for them. The campaign »Right to a Warm Lunch« disclosed these inhumane working conditions and demanded that a user-employer (a building owner) should provide cleaners with an appropriate staff lounge and safety facilities at workplace. This has borne fruit as a revision of the Occupational Safety and Health Act in 2011, which obliges a contracting company (a user-employer) to provide sanitary facilities for employees of a subcontractor.

7. As the organizing campaign developed, the number of full-time organizers increased from 3 persons in 2009 to 7 persons in 2013.

with user-employers more and more, albeit that not every agreement is formally written.

Consequently, the number of members of the *Seogyongjibu* increased from 650 in 2006 to over 2,700 in 2015. This case shows that even the most vulnerable workers could become active and mature subjects in the pursuit of their rights through utilising learning and framing capabilities. Again, we can learn that the associational power could be rebuilt and increase in various ways, despite weak institutional power.

## 6. Comparative Analysis and Success Factors

### 6.1 Similarities

As already set out, the transformation of business organization and employment relationships has weakened trade union power, in particular structural power. It has become a twofold challenge to the power of organized workers. In a direct way, it has weakened their workplace bargaining, or *structural*, power, and indirectly but fundamentally eroded the class representativeness of unionized workers (associational/societal power).

Furthermore, government policies, current legislation and court rulings have also contributed to the erosion of trade unions' institutional power by penalizing workers exercising collective labour rights beyond corporate boundaries. For example, triangular employment workers are not allowed to conduct collective action on the premises of the user company even though this is the actual place of work. The courts, for example, have penalized union members who demanded collective bargaining with and joined collective actions against a contracting company, ruling that such union activity is an »obstruction of business« under criminal law statutes. While a user company can exert the power to terminate a contract, which results in dismissal of subcontracted workers, collective actions against the user company are banned in Korea.

Faced with these challenges, Korean trade unions have attempted to change union structure to enhance associational power. In the case studies, the newly established industrial unions were more favourable for orga-

nizing precarious workers. The KMWU and the KPSU have allocated more material and human resources for organizing precarious workers and supporting their disputes. In particular, the *Seogyongjibu* has developed community-based organizing strategy, as its targeted workers work and live in community rather than in a particular workplace. Even though precarious workers would be dismissed at one workplace, they would gain employment in the same local labour market and their working conditions would be similar to previous workplaces. Therefore, a community-based union which seeks to organize workers at local rather than workplace level and seek to improve the standards of working conditions in community has more organizational flexibility.

It is also worthy of note that the effort and experiences of existing trade unions in organizing precarious workers for years contributed to fostering of learning capabilities inside and outside of union. The process of joining a trade union provides unorganized workers with their first experience of becoming an active subject of rights in Korea. Cleaners, for example, are normally middle- and old-aged women. On the premise that women are the first caregiver and the second breadwinner, majority female jobs more easily become precarious and devalued, apparently justifying their low wages and poor working conditions. Not only employers but also members of existing unions often share this prejudice against precarious workers. However, those unjust relations at workplace have changed little by little through unionization. In Korea, the most popular slogan among unionists is: »A worker is also a human being! We want to live as human beings!« Trade unions are the most effective vehicle to provide vulnerable workers with self-confidence and self-awareness as an active subject. Union activities to take full advantage of these learning capabilities, such as union education and empowerment, are essential to building and exercising associational power.

In addition, providing workers with universal platform for labour rights need to become a top agenda, as shown in both case studies. A higher minimum wage and an observance of labour laws are relatively simple, but what is needed is powerful leverage to improve working conditions, irrespective of employment status or union membership. These demands could strengthen a base of workers' associational power and could

build a strong foundation of solidarity with the unorganized who form the majority of labour in global value chains. In the case of Samsung Electronics Service, the union has made an effort to install a base wage system and to reduce the extent of performance based wage system. This serves to reduce competition between workers, and thereby strengthen associational power. Korean cases show that labour market interests such as higher minimum wages or universal platforms for workers' protection could serve to enhance the bargaining power as well as societal power of unions. As such, framing demands towards representing all workers as well as union members is critical to union power resources.

## 6.2 Differences

The emerging triangular employment relationship is indeed becoming a challenge to union power resources in multiple ways. As traditional industrial relations institutions were established under the limited scope of the standard employment relationship and corporate boundaries, the user-company's power of control over working conditions are hardly challenged by organized workers. On top of that, division of workers along corporate boundaries often makes workers themselves accept discriminatory working conditions. It would harm associational as well as structural power resources.

Facilitating collective bargaining with the user company or the lead corporation in a value chain could be the most effective way for coping with these problems. In both case studies, unions have made an effort to bargain collectively with user companies, focusing on the fact that user companies are real employers who decide working conditions. However, the leverage in collective bargaining was slightly different.

In the case of Samsung Electronics Service, the union much more concentrated on greed of *Chaebols*. Samsung's huge profits contrasted sharply with miserable working conditions of precariously employed service engineers. The union also supported the aforementioned case of workers fighting for compensation for occupational disease. Demands were framed and articulated in terms of corporate responsibility for labour rights.

In the case of cleaners, the union's narrative focused much more on low-waged and underappreciated workers. Since the economic crisis in the late 1990s, the government has driven the public sectors to reduce personnel and to contract out their services to private enterprises. Contracting-out of municipal services such as street cleaning and garbage collection to private sub-contractors is a typical example. The logic behind contracting-out was that such jobs were peripheral, and thus cut-back of working conditions could be reasonable. Against this prejudice and discrimination, the union made an effort to raise public awareness on the inhumane working conditions and respect for the dignity of »invisible« workers.

These cases show the importance of framing capabilities in order to overcome institutions unfavourable to precarious workers. How the union's discourse is framed is also closely related to building coalitional power. Fostering coalitional power does not just mean utilizing human resources and activity patterns outside of union. Unions are encouraged to build a »reciprocal« or »deep« coalition in which common interest and long-term vision are created; the rank-and-file participates; and there is a horizontal relation between groups (Tattersall and Reynolds 2007); and efforts to do so were made in aforementioned cases. How far union actions can be combined with different social movements depends on how the union analyses problems in social and political context and what goals and orientations the union pursues.

## 7. Conclusion

Despite low union density and the various impediments to organizing precarious workers and bargaining collectively with user-enterprises, Korean unions have made progress in representing precarious workers and in increasing union presence in value chains. In particular, the unionization of precarious workers was built upon voicing a common discontent with their working conditions; utilizing the social network across an enterprise level; voluntary industrial action by the rank-and-file; effective support from the existing unions; and a deep coalition with social movements. In particular, it is the organizing strategy based on labour market interests and the pursuit of multi-employer bargaining beyond an enterprise that is found in other countries, too (Heery et al. 2004; Fine 2005).

Nevertheless, these union initiatives are not yet sustainable, mainly due to vulnerable institutional power. Government policies and regulations have also encouraged unbalanced power relations between capital and labour by penalizing workers exercising collective labour rights beyond corporate boundaries. Consequently, securing collective labour rights including right to strike as well as right to collective bargaining with the user-employers or leads corporations should be put on the table. This means that political involvement and building sustainable alliances for correcting unbalanced distribution of power between capital and labour is essential for rebuilding workers' power.



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