

Discussion papers

DP/107/1999

Labour  
and  
Society  
Programme

**Labour unions in the  
Republic of Korea:  
Challenge and choice**

Ho Keun Song  
Department of Sociology,  
Seoul National University

---

The *International Institute for Labour Studies* was established in 1960 as an autonomous facility of the International Labour Organization (ILO). Its mandate is to promote policy research and public discussion on emerging issues of concern to the ILO and its constituents – labour, business and government.

The *Labour and Society Programme* examines the outlook for labour at the beginning of the new millennium in the light of changes at the workplace and in society at large. Focusing initially on organized labour, the programme seeks to identify approaches and strategies to enhance the profile of labour as a major actor in civil society, and as a contributor to dynamic and equitable growth. Specifically, the programme will review the changing environment of labour and unions; document trade union responses to these changes; highlight promising approaches for trade unions in civil society and the global economy in future; and outline the type of policy and institutional environment required for the growth of free and effective trade unions. This work is undertaken in close collaboration with international and national trade union organizations and international trade secretariats, and will be implemented through networks consisting of trade union practitioners, academics, research institutes and other policymakers. These networks, both international and regional, will also be a means of disseminating research outcomes to a wider audience.

The *Discussion Paper Series* presents the preliminary results of research undertaken by the ILS. The documents are intended for limited dissemination with a view to eliciting reactions and comments before they are published in their final form in the *Research Series* or as special publications.

---

**Labour unions in the  
Republic of Korea:  
Challenge and choice**

Ho Keun Song

International Institute for Labour Studies Geneva

---

Copyright International Labour Organization (International Institute for Labour Studies) 1999

Short excerpts from this publication may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the Editor, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

---

ISBN 9014-615-X

*First published 1999*

---

The responsibility for opinions expressed in this paper rests solely with its author, and its publication does not constitute an endorsement by the International Institute for Labour Studies of the opinions expressed.

Requests for this publication should be sent to: IILS Publications, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

---

## **Table of contents**

<b>1. Introduction: Unions in transition</b> .....	1
<b>2. Labour politics and the structure of unions</b> .....	3
Labour politics .....	3
The growth and structure of unions .....	5
Union growth .....	5
Union structure .....	7
Union activities .....	7
Collective bargaining .....	7
Routine activities .....	8
Industrial disputes .....	8
<b>3. Trade unions in the transition to democracy</b> .....	10
Democratization in the Republic of Korea .....	10
The rise of democratic unionism .....	11
Unions in a reform democracy, 1993-1996 .....	12
<b>4. Challenges to unions: Economic liberalization and globalization</b> .....	16
The impact of globalization .....	16
Union struggle and labour orientation .....	17
The economy, wages and employment .....	18
Wages and employment .....	20
<b>5. Unions and the politics of crisis management: Labour reform and conflict</b> .....	21
IMF regulation .....	21
Kim's power base and the first Social Compact .....	22
The limits of tripartite negotiation .....	23
Unemployment as a bottleneck .....	24
Improvement of human rights .....	26
<b>6. Politics in unions: Leadership and recent issues</b> .....	29
Recent issues .....	29
Difficulties of leadership .....	30
Union finance and expenditure .....	32
Exploring new resources for solidarity .....	33
<b>7. Conclusion: Future tasks</b> .....	35
<b>Notes</b> .....	38
<b>Bibliography</b> .....	39

## ***1. Introduction: Unions in transition***

For many years unions in the Republic of Korea have struggled for democratic industrial relations despite repressive policies which continued until the end of the 1980s. Unions have also played an important role in the country's remarkable economic growth. Since the industrial revolution really got under way in 1961, state and employers have considered unions as a danger to social stability and economic growth whenever firms and factories are disturbed by labour disputes. Politicians and employers have always maintained that workers involved in industrial disputes are imbued with pro-socialist and communist ideology. This sort of anti-labour feeling is so deeply rooted in Korean society that organizations such as unions, pursuing social justice and workers' rights, cannot develop normally.

Apart from public hostility towards trade unions, repressive labour laws were the most serious impediment to union development. These laws limited union activity and blocked the intervention of industrial unions in labour disputes and collective bargaining at enterprise level. Labour leaders who dared to call a legal strike were likely to be arrested on charge of violating other regulations. In the first half of the 1980s when authoritarian laws were strengthened, more than 2,000 labour leaders were imprisoned. Many young and innocent workers, male and female, spent years in gaol. This situation received international attention since labour repression generated serious problems concerning human rights and workers' rights. The labour movement remembers the 1970s and 1980s as years of bitter struggle against political repression and unfair labour practices. During this period there were massive and violent strikes at shipyards, automobile factories and steel mills, some of which received worldwide attention, notably the labour disputes of 1987. These continued for four months in most factories and workplaces in support of workers' rights and better working conditions, epitomizing the struggle against state repression and employers' brutal and inhuman treatment. About 1.3 million workers actively joined these disputes which were a watershed in Korean labour history, not only in the number of workers mobilized but also in the impact on industrial relations. The government had to accept workers' demands unconditionally in face of the breakdown of authoritarianism. As a consequence, repression was relaxed, unfair labour practices largely disappeared, workers' rights improved, and unions gained some power to negotiate with government and employers. The era of bitterness seemed to be over. But unions had to wait a few more years before they had any real influence.

The labour movement had to enter an entirely new epoch after the political opening of 1987 and went through a period of trial and error in adapting to a new environment. The upheavals of 1987 provided a good chance for workers to organize, so that many unions, big and small, were new. New unions did not have the experience to organize the labour movement effectively and to manage labour demand. Workers began to organize in all industrial sectors, but there was no coherent leadership at the top level to control local unions and rank-and-file workers. Unions, old and new, realized that they had to cope with entirely new issues regarding democratization and globalization. Thus, the years after 1987 are a period of challenge and response, of success and failure, and of satisfaction and frustration to Korean unions. They improved their organizing skills and capacity to manage worker demand, but inter-union alliance and cooperation was seriously weakened by intensified market competition.

The focus of this study is on the successes and failures of Korean unions since 1987. The paper analyses the strategies and policies that unions have implemented in a time of democratization and globalization. It also sheds some light on the consequences, explaining how the labour movement has

been affected, modified and split in the process, and how it has responded to new challenges. The issues and problems that unions have faced are described in the analysis.

The paper is structured as follows. Chapter 2 provides some basic facts on labour laws and amendments, union density and development, apex bodies and organizational structure, leadership, union movements and industrial strikes, the rules and regulations of collective bargaining and wage negotiation. The next two chapters address the role of unions in democratization and economic reform. Chapter 3 examines how organized labour was excluded from reform politics and how it responded to the exclusion. Chapter 4 analyses employer efforts to cope with the pressure of globalization, focusing on industrial restructuring and re-engineering and their consequences for the economy. It explains why union orientation shifted from politics to economics and why working class unity and alliances between enterprise unions declined as labour market conditions changed.

The next two chapters concern union strategies and responses to structural change. Chapter 5 deals with union efforts in the reform of national labour law and describes negotiations with the ruling party during the economic crisis of 1998. Labour law was amended twice in the 1990s. Was this beneficial to industrial democracy? Was it conducive to improving productivity and competitiveness? The amendments are the subject of heated debate on these questions among union leaders. Policy packages under the IMF are examined in the discussion of President Kim Dae Jung's labour politics. The chapter analyses how the government violated human rights by strictly enforcing the national security laws on strikers and by having labour leaders watched by police and intelligence agencies. The situation improved significantly under Kim Dae Jung's government. Chapter 6 looks at union organizations, conflict surrounding the emergence of new leaders, relations between leadership and rank-and-file workers, union strategy in collective bargaining and wage negotiation. The chapter examines recent issues, notably the question of improving their public image, which is essential if unions are to influence society as a whole. They are now trying to expand their networks and makes alliances with other social movements in order to develop common interests and cooperation. They exchange information and share ideas on political and economic issues with organizations representing new social movements. The paper concludes with a discussion of further ways of improving unions' contribution to social, political and economic reform and strategies for adapting to globalization.

## **2. Labour politics and the structure of unions**

### **Labour politics**

“Labour politics” refers to the policy packages implemented by government and employers to achieve their own goals vis-à-vis organized labour. The term covers the political, legal and institutional instruments regulating interactions between employers and unions in the workplace and the limits imposed on collective action. It defines the legal status of unions, the structure of labour relations, the procedures for organizing workers and the role of unions in politics and the economy. Labour politics are structured through tripartite cooperation between government, employers and workers in democratic countries, while they are enforced by an authoritarian state or monopoly capital in non-democratic settings. The Republic of Korea relied on authoritarian labour politics until 1987.

The approach was authoritarian not only in the workplace but in the control exercised over workers who rebelled against state policies. The government relied on violent and repressive means to resolve industrial conflict and subdue worker militancy. The police and intelligence agencies frequently intimidated labour leaders who expressed discontent and complained of maltreatment. Industrial disputes were commonly terminated by violent police attacks prior to 1987. The state legitimized repressive labour policies by stressing that workers should accept such practices until economic prosperity was achieved.

Rapid economic growth was supported by authoritarian labour control, which squeezed maximum productivity out of workers. Since authoritarian labour control was a common feature of East Asian NICs, it is often argued that there is a structural affinity between export promotion strategy and labour repression (Deyo, 1987, 1989; Deyo, Haggard, and Koo, 1987; Gereffi and Wyman, 1990; Koo, 1987). The argument is particularly true of Korea, which made a radical turn to authoritarian repression with increasing industrialization in 1972. During the Yushin regime (1972-1979) state repression was enforced so strongly that organized labour could not expand its activities and make demands without suffering reprisals.

The labour regime aimed at demobilizing and depoliticizing industrial workers. Demobilization was designed to discourage unionization and destroy established unions which disturbed industrial stability through frequent work stoppages and strikes in protest against state policies. Depoliticization was designed to prohibit organized labour from political participation and deny opportunities for partnership with the government. Organized labour has been regarded as a necessary evil throughout the history of the Republic of Korea since the liberation. The odd combination of rapid growth and anti-labour ideology is an interesting feature of the country's economic miracle. Repressive politics integrated the economy into a coherent policy of export-led industrialization.

During the period of legal and political repression, the labour regime had some distinctive characteristics: enterprise unionism, and administrative and political control. The enterprise union is the basic unit of worker organization and activity. Only regular blue-collar workers within a firm are entitled to join the enterprise union. Enterprise unions can be associated with the industrial union and the Federation of Korean Trade Unions (FKTU), but affiliation is not obligatory. The state vigorously constrains union activity within the workplace, defining the enterprise union as an institution for settling grievances and maintaining cooperation between employer and employees.



Apex bodies at both industrial and national level cannot intervene in collective bargaining at plants. They can only send policy recommendations and, sometimes, petitions to employers when collective bargaining has reached a stalemate. According to a survey conducted by FKTU in 1983, only 3 per cent of firms with 500 or more workers engaged in collective bargaining at all: in these firms bargaining concerned only minor issues like paid vacation, work allocation, and some trivial aspects of working conditions.

Second, the Ministry of Labour controls the administrative and legal functions of unions. A new trade union has to get a certificate of registration from the Ministry, known as the Labour Office until 1981. If no certificate is granted the new union has to be disbanded. Before 1987, there were numerous disputes about the certificate of registration especially when the Ministry, in collaboration with employers, refused to issue a certificate to unions that fulfilled all the qualifications. The labour code also empowered the Ministry to withdraw the legal status of established unions if they were deeply involved in politically significant industrial disputes, or accused of agitating violent strikes. Besides this, union leaders had to report on their activities and submit their annual budget to the Ministry. If the annual budget was not used for activities permitted by the labour code, union leaders could be charged with violating the law. Administrative inspection was an efficient way of controlling unions involved in many troubles and disputes.

Third, the political control of unions relied on institutions such as the police and intelligence agencies. While the Ministry of Labour inspected and supervised the daily activities of unions, including disputes on working conditions, wage negotiation, and unfair labour practice, the intelligence agencies were mainly concerned with security. Their role was to prevent unions from being connected with and affected by militant groups outside factories. It is not long since security police disappeared from big factories and industrial parks. During the authoritarian period, the national intelligence agency frequently intervened in violent strikes which threatened political stability. In these years, numerous workers were arrested on charge of violating the national security laws and imprisoned. This explains why unions have pressed for abolition of the national security laws, as promised by President Kim Dae Jung. Organized labour was thus surrounded with and regulated by multiple types of surveillance. As a consequence, unions could not develop the horizontal and vertical linkages which were essential to the growth of the labour movement. Union activities were confined to the enterprise and those that tried to make alliances across firms were subject to severe and violent repression.

Union leaders in strikes had no legal protection from dismissal and arrest. Once they were gone, it took a considerable time to reproduce leadership and to recover solidarity with the rank-and-file. Making use of repressive measures, the state aimed at strengthening enterprise consciousness as an essential element of the Korean tradition of paternalism. Employers were basically responsible for the welfare of their employees as sons and daughters, in exchange for discretionary powers of control. In reality, the system generated wealth for the state and employers but failed to include employees in the benefits of high productivity because of its exploitative and repressive character. As social ills such as inequality and political repression became worse, however, workers gradually turned away from the illusion of government promises and began to engage in class conflict in close association with revolutionary student groups. This explains why militant factions of the labour movement were oriented to a radical socialist revolution instead of gradual social reform in the latter half of the 1980s.

## **The growth and structure of unions**

### **Union growth**

The proportion of organized workers has risen and fallen over the last three decades according to the political and economic climate, but overall it has fluctuated between 15 and 24 per cent. It seems that 25 per cent was the highest organizing rate, during the years of rapid growth. Chun Do Hwan's regime (1980-1987) recorded the lowest figure: unionization was relatively higher during the Yushin regime (1972-1979) than during the period of democratization after 1987. This does not mean that union power to negotiate after the transition to democracy is weaker than in the Yushin regime. The higher rate during the 1970s is mainly attributable to a rapid increase in the number of industrial workers due to growth in heavy industry and chemicals, and also to relaxation of political repression by President Park in the late 1970s. Controls were eased in order to placate growing discontent at workplaces. Unions have grown dramatically in number over three decades although union density has changed very little. Ten industrial federations have recently been established, the number of local unions has tripled, and membership expanded from 200,000 in the early 1960s to approximately two million in the early 1990s. The growth of unionization can be described under several headings.

First, five industrial federations were established during the labour dispute of 1987 by splitting existing federations and unionizing previously unorganized white-collar employees. The Federation of Korean Rubber Workers was created at this time, while newly organized workers included insurance staff, taxi drivers, clerical and financial workers, and city subway workers. The new federations had a progressive and somewhat radical orientation in contrast to the passivity that FKTU maintained over many years. During 1992 five more new federations were created. These brought together the unions representing journalists, hospital workers, university employees, maintenance workers, researchers, professionals, and technicians. These federations sprang up shortly after 1987 and were very active in the period of democratic transition, receiving state recognition in 1992-93. This was a significant time in Korean labour history because it marked the establishment of the first white-collar unions, which were unimaginable in the past. Federations of white-collar unions fought hard for state recognition, in cooperation with progressive groups of blue-collar unions. After 1987 these industrial federations were allowed to decide freely whether to choose FKTU as their national centre or to remain independent. As of November 1995, however, Korea entered an era of multiple unionism at apex level as many unions formed another national centre, the Korean Confederation of Trade Unions (KCTU), competing with FKTU.

Second, local unions grew fast during the 1970s, reaching 5,000 at the end of the decade, but then dropping sharply to just over 2,000. Chun Do Hwan's regime was detrimental to union growth, but the labour dispute of 1987 precipitated an explosion of new activity, and almost 1,500 unions sprang up within six months. Industrial workers had an unprecedented chance to organize in the transition to democracy and almost 8,000 new unions were created in the two years after 1987, the rate of organization rising from 15 to 23 per cent. But this was the high spot of the movement.

**Table 1. Growth of unions**

Year	Industrial unions	Local unions	No. of members	Organizing rate		
				Male	Female	Total
1963	16	2150	224420	20.8	18.5	20.3
1965	16	2634	301522	23.5	19.1	22.4
1970	17	3482	473259	20.1	19.7	20.0
1971	17	3507	497221	20.1	18.4	19.7
1972	17	3391	515,292	20.3	19.7	20.4
1973	17	3268	548054	20.3	20.0	20.4
1974	17	3784	655785	21.3	22.9	22.1
1975	17	4073	750235	21.4	26.6	23.0
1976	17	4371	845630	21.6	26.4	23.3
1977	17	4580	954727	22.6	27.9	24.3
1978	17	4857	1054608	22.7	26.2	24.0
1979	17	4947	1088061	22.7	25.0	23.6
1980	16	2618	948134	18.5	23.3	20.1
1981	16	2141	966738	18.5	21.6	19.6
1982	16	2194	984136	18.1	21.2	19.1
1983	16	2238	1009881	17.8	18.5	18.1
1984	16	2365	1010522	16.5	17.2	16.8
1985	16	2534	1004398	15.9	15.2	15.7
1986	16	2658	1035890	16.2	14.2	15.5
1987 (June)	16	2742	1050201	15.6	12.9	14.7
1987 (Dec)	16	4103	1267457	18.5	15.0	17.3
1988	21	6164	1707456	23.9	18.1	22.0
1989	21	7883	1932415	25.8	18.5	23.3
1990	21	7698	1886884	24.4	16.3	21.5
1991	21	7656	1803408	22.8	14.2	19.7
1992	21	7527	1734598	21.9	12.2	18.4
1993	26	7147	1667373	20.5	11.3	17.2
1994	26	7025	1659011	19.9	10.0	16.3
1995	26	6606	1614800	18.7	9.3	15.3
1996	26	6424	1598558	18.4	8.4	14.7
1997	26			17.5	7.0	13.5

Source: Korea Labour Institute: *KLI Labour Statistics* (Seoul, Korea Labour Institute, annual).

Third, the proportion of organized workers culminated at 23.3 per cent in 1989 due to expanded political opportunity, falling back to 13.5 per cent in 1997. The rate will probably go up again to about 20 per cent when the new labour laws allowing teachers and public sector employees to organize comes into force in 1999. It is notable that the trends for male and female workers crossed in the mid-1980s, when more men were joining unions but fewer women. This cross-over was associated with the transformation of Korean industry from labour-intensive to technology- and capital-intensive production. The centre of the labour movement shifted from unskilled women workers in light industry in the 1970s to skilled male workers in the 1980s. The shift altered the goals and orientation of the labour movement, as detailed in a later chapter.

## **Union structure**

The structure of unions in Korea is relatively simple, since the state did not permit multiple unionism until recently, and enterprise unions were the basic unit of national organization. For many years the Federation of Korean Trade Unions was the only national centre which had official status. However, competing groups of organized labour set up another centre in November 1995, which they called the Korean Confederation of Trade Unions (KCTU).<sup>1</sup> The new centre brought together progressive and active unions which were dissatisfied with FKTU. The new national centre strove for government recognition as a legal organization, and this was finally achieved in 1996.<sup>2</sup> Thus, organized labour in the Republic of Korea has two national centres. Labour laws stipulate that enterprise unions can join a national centre but not individual workers. However, enterprise unions are more closely affiliated with industrial federations than with national centres. Although the national centre is an apex body regulating both industrial unions and enterprise unions, labour leaders at workplaces tend to regard the industrial federation as their supreme organization. The national centre is remote from rank-and-file workers in unionized factories. The tie between industrial federation and enterprise unions tends to be stronger in industries such as textiles and metals, which have had industry-wide collective bargaining for a long time. In general, however, membership in a higher organization meant little because of labour laws that prohibited third party intervention in disputes at the workplace. But now it is likely that the amendments of 1996 and 1998 which abolished the prohibition will make vertical links stronger and more meaningful in the near future.

Another sort of federation grouped the occupational unions which mushroomed in white-collar sectors shortly after 1987. Among the 12 federations of occupational unions that were active at that time, six were successful in getting legal recognition by 1993. They launched another apex body, the Korean Congress of Independent Industrial Trade Union Federations (KCIIF) in 1990. Thus, three kinds of apex body emerged during the transition to democracy.

## **Union activities**

### **Collective bargaining**

Unions are mainly concerned with collective bargaining and daily routine activities. For a long period, authoritarian governments banned enterprise unions from engaging in collective bargaining. Instead, the Labour-Management Cooperative Council (LMCC) was set up to deal with working conditions and grievance settlement, while unions were concerned with welfare and safety in the workplace and also outside. The Ministry encouraged monthly meetings of the LMCC, which was composed of managers and worker representatives, and mandated to report on its discussions and decisions to the government. A department of the LMCC was established in the Ministry of Labour to guide and regulate the Council and to send guidelines on state policies to all factories. Collective bargaining was not illegal but was politically banned.

But rules and customs changed dramatically after 1987. Most enterprise unions, old and new, claimed the right of collective action and wage negotiation, sometimes with support from the industrial federation, but mostly on an independent basis. It was a tradition to carry out collective bargaining and wage negotiation separately in the Republic of Korea, even under an authoritarian government. Wage negotiations take place in all industries every spring, as in Japan, while collective bargaining begins early in September and continues until November or December. The system probably originated when the Japanese implanted company welfarism in the colony. Unions deal with job security, worker participation in management and welfare issues through collective bargaining.

This dual system actually prolongs the bargaining period over the entire year. However, a consensus between employers and unions emerged in the early 1990s on ways to curtail institutional inefficiency and reduce unproductive costs. The result was a rapid shift from the dual system to a single round of negotiations. Now, most large firms hold wage talks and engage in collective bargaining simultaneously.

### ***Routine activities***

Since 1987 enterprise unions have been overwhelmed by large and small demands from rank-and-file workers. Employees in trouble resort to union representatives first instead of seeking help from the head of their production team or a supervisor as in the past. This shows that unions have gained the confidence of the rank-and-file in most factories. To counteract the increasing influence of union representatives in the workplace some employers have attempted to strengthen the managerial hierarchy by giving more power to section heads and supervisors. This caused serious conflict between employers and unions concerning the direction of managerial innovation in the early 1990s. In addition to dealing with the concerns of individual workers, most large unions have started to publish newsletters which discuss broad labour issues ranging from unfair labour practice to firms' reinvestment schedules.

According to a survey (Yee and Kwon, 1995, p. 180), the priority activities for unions are: wage negotiation, worker welfare and fringe benefits, industrial accidents, organizational consolidation, job security, solidarity with other unions, work sharing, union democracy, job grading, development of policy packages, abolition of discrimination, and reform of work organization.

### ***Industrial disputes***

Unions in the Republic of Korea are well-known for their militancy. Labour militancy is ascribed mainly to a repressive state that closes the political space through which organized labour expresses and accomplishes its political and economic demands. Factory size and worker homogeneity are other factors enhancing militancy. Chaebol firms (conglomerates) employ over half of all industrial workers and they are not split into different groups by race or religion. Some researchers argue that a high degree of egalitarianism in national society is conducive to labour militancy, which is interpreted as an expression of frustrated upward mobility and income disparity (Kim, 1992).

It is widely accepted that the main causes of labour militancy are political repression and perceived economic inequality. These two factors are closely interwoven in an authoritarian setting in which the ruling groups always emphasized a "development-first-and-distribution-later" policy when confronted with worker demands. The worker challenge has taken various forms according to perceptions of isolation and discrimination. As economic success reduced absolute poverty in the 1970s, the focus of discontent shifted to the relative deprivation that most workers thought was the result of government reluctance to distribute wealth equally. Worker discontent was amplified by illegal property accumulation through speculation and corruption. Bognanno (1988, p. 435) observed: "at some point during the past five to ten years workers and the public seemed to shift from a concern over absolute poverty to a concern over relative poverty."

Relative poverty and corrupt links between politics and business explain the "strange paradox" that although Korean citizens, including industrial workers, received economic benefits, workers expressed anger at their government, political leaders and business managers (Lindaeur et al., 1997). Research identifies four factors which explain the paradox: the excessive prolongation of authoritarian controls that favoured management over workers; outrage at disrespectful treatment by superiors; an acute sense of relative deprivation; the perception that wealth was acquired by illegitimate means (pp. 111-113).

A great many industrial disputes occurred after decades of rapid economic growth. Unions were well-prepared to embark on strikes, demonstrations, and sit-ins at a time of frustrated collective bargaining, illegal dismissals, and unfair labour practices. But a careful look at the statistics reveals that, except at the time when the government changed, there were relatively fewer industrial disputes in the Republic of Korea than in some advanced European countries such as France and Italy. The two periods around 1980 and 1987 were extremely unstable. In 1980, most industrial workers took part in strikes and demonstrations, demanding political freedom, equal distribution of wealth, and humane treatment. In that year, a violent revolt occurred in a mining village in protest against a supervisor's appropriation of worker wages and an employer's unfair labour practice. The industrial disputes of 1987 are known as the "Ulsan Typhoon" since they were ignited by violent turmoil in the Hyundai Heavy Industry Co. located in Ulsan. About 1.3 million workers in 3,300 firms all over the country were involved in these disputes. This was unprecedented in Korean labour history. Blue-collar workers fiercely attacked employers and managers in a kind of class war. This vociferous and unstable atmosphere continued over two more years of numerous industrial disputes. But the frequency of disputes has declined since the early 1990s and fell below one hundred in 1997.

Labour statistics on type of conflict, number of participants and working days lost indicate that work stoppages and sit-ins are the most common type of dispute in Korea. Whereas industrial disputes were ignited mainly by wage-related issues in the 1970s, workers' concern shifted to diversified issues including collective bargaining, dismissal, and unfair labour practices in the 1980s.

### 3. Trade unions in the transition to democracy

#### **Democratization in the Republic of Korea**

Undoubtedly, the Republic of Korea has made remarkable progress towards democracy since the political opening of 1987. First of all, the machinery of authoritarian politics was removed and the rules of fair competition were introduced into the political and economic arenas. National politics now satisfy the criteria of procedural democracy suggested by Dahl (1971). In 1998 the door was opened to organized labour when worker representatives were invited to take part in tripartite negotiations, i.e. almost ten years after the political opening. Although the ruling party invited organized labour to the politics of crisis management in January 1998 under IMF regulation, how far this process will go and how it will be institutionalized remain uncertain.

How have unions organized their struggle for better democracy? What did they do during the ten-year transition to democracy? What are the political and economic consequences of the struggle? How have unions themselves been affected? The present chapter addresses these questions. It is helpful to begin with a brief description of the democratization process with regard to the structural obstacles that hindered the political participation of organized labour at national level.

Democratization proceeds through three consecutive phases; political opening, transition and consolidation (O'Donnell and Schmitter, 1986). It is widely accepted that the Republic of Korea successfully passed through the first two phases in a short span of time. *Political opening* began with the general election of February 1985, when the opposition party won a majority in the National Assembly. This phase culminated in the Announcement of 29 June 1987, which set out the political concessions to civil society. The country began its *transition* to democracy with the Rho Tae Woo regime (1987-1992) at the end of 1987. The Rho regime can be defined as a restricted democracy since it reduced political repression but the nucleus of power remained unchanged from the previous Chun regime. Its contribution to democratization was the appointment of Kim Young Sam, an opposition leader, as presidential candidate for the ruling party. This appointment meant the end of authoritarianism strongly backed by the military. The Kim Young Sam government (1993-1997), the first civilian government since the military coup of 1961, started democratic *consolidation* by carrying out a series of reforms during the first half of its term. But the effort was only partly successful due to the lack of political skill and strong reactionary attacks from conservative power groups. Consolidation is protracted. Although it is too early to say whether it will proceed successfully under the Kim Dae Jung government (1998 – present) there are many positive signs.

What role did organized labour play during these three phases? Did unions succeed in expanding organizational and political space as a supreme goal of the labour movement? Have they strengthened their bargaining power vis-à-vis the government and employers? It is notable that organized labour actually gained much less than it contributed to democratization. Organized labour pushed the authoritarian regime to relax political repression by calling mass strikes in the years after 1985, and it expanded the organizational foundation of opposition movements by making alliances with student and religious groups. Finally, it triggered the transition to democracy in 1987 by repudiating labour laws that upheld authoritarian repression. The abolition of authoritarian rules and the achievement of political freedom are by no means negligible. But labour problems were not

included in the package of reform policies of the Kim Young Sam government and it was not until April 1996 that the government announced the schedule of labour reform.

Gains are observable in the fact that wage and fringe benefits almost doubled in a short time. Although many warned that the sudden increase in labour costs would eventually ruin national competitiveness it was more urgent to satisfy worker demands than to avoid future economic problems.

Democratization in the Republic of Korea shows distinctive characteristics. First, the process falls into the category of reform democracy rather than rupture democracy. Reform democracy occurs when old authoritarianism does not collapse completely and political power is shared between the old élites and opposition leaders. In this model, authoritarian élites adopt a passive strategy to accommodate the demands of opposition groups. The advantage of reform democracy is that political stability is maintained throughout the process, but fundamental changes are hardly expected. In the Republic of Korea democratization resulted in the removal of authoritarian rules but there was no fundamental change in the party system, electoral system or power structure. In these circumstances it was natural that labour codes remained almost untouched until 1996, and organized labour had no part in reform politics.

Second, Korean politics do not reflect class interests since these were long suppressed by authoritarian governments that gave priority to public rather than private interests, and national rather than individual causes (Stepan, 1978). In this context, labour leaders could not penetrate the power nucleus that was monopolized by politicians.

Third, organized labour did not have access to “the ultra-élitist agreements” which facilitated the transition to democracy. Political agreement commonly emerges in a period of transition to minimize socioeconomic costs and political instability. But in the Republic of Korea, organized labour was alienated not only from these ultra-élitist agreements but also from policy implementation in the absence of “a social pact”.

The factors described above determined union experience during ten years of democratization. The consequence is the disparity of union power between national and enterprise levels: union influence is still limited at national level, while it has grown much stronger within the firm. Bridging this gap became the supreme goal of union movements after 1987.

### ***The rise of democratic unionism***

A careful examination reveals that the labour dispute of 1987, called the “Ulsan Typhoon”, was not an organized and strategic strike with a clear purpose but an explosion of worker protest against authoritarian repression. Thus, it seemed that meeting worker demands was the best strategy for the state in crisis. The government accepted and announced its intention to reform the labour code. The strike gave an impetus to the emergence of informal and progressive groups of workers, who developed a revolutionary and socialist ideology. These groups initiated strikes and street rallies during the labour disputes, supported by student activists, religious groups and political opposition factions. They emphasized the importance of unionism in eradicating authoritarian repression and achieving the “liberation of labour”. More radical factions of workers proclaimed a socialist ideology as the most viable ideological weapon against the state and monopoly capital. Consequently, the new unionism grew in pursuit of the liberation of labour and presented a radical and progressive vision of future society. Establishing the Korea Trade Union Congress (KTUC), an apex body independent of FKTU in 1990, unionists rigorously pursued the amendment of labour codes as the platform for mobilizing workers. The new unionism was known as “democratic unionism” because of its goal of abolishing authoritarian repression.



A close look at the components of the new unionism gives us useful information about the origin and nature of democratic unionism. First, the new unionism developed in labour-intensive industries, characterized by low wages and long hours of work. During the 1970s, a period of heavy industrialization, the labour movement was mainly led by workers in textiles and electronics. They adopted desperate means such as suicide and self-immolation to protest against labour repression under the Yushin regime. A militant and revolutionary vision of the new unionism was the legacy of the labour movement in this sector. It also indicates that the new unionism, which had a radical and militant orientation, could not easily penetrate capital- and technology-intensive manufacturing.

Second, owing to its industrial origin, the new unionism had a closer affinity with young female workers at the lowest level of the labour market pyramid. Simply put, workers in lower and less advantageous positions were more likely to support democratic unionism than FKTU compliance with authoritarian rule. The disparity by age and sex is also closely associated with the generational change in the labour movement. The rise of democratic unionism was closely associated with the new generation of workers who were less tolerant of economic inequality and political repression. This was the result of a learning process that was closely linked to student movements and to the presence of student activists in factories.

Third, KTUC workers strongly pursued the "liberation of labour" as a common vision of future society. However, its meaning and the strategy to achieve it showed wide variation. The moderates thought of the liberation of labour in terms of economic affluence but the radicals thought in terms of the political domination of the working class over the state and the bourgeoisie. While the moderates asserted that power should be gained through electoral means, the radicals used revolutionary methods to build a socialist society as an alternative to bourgeois politics. Since the revolutionary ideology was, of course, a menace to the National Security Law, the state imprisoned a number of students and union activists when KTUC was established. This created human rights issues that will be described later.

Comparing the power of FKTU and KTUC, it was reported that KTUC workers numbered 193,000 when the Congress was established compared with 1,739,000 in FKTU. This means that KTUC membership was only one-tenth that of FKTU and only 2.7 per cent of the industrial workforce. Simply put, KTUC represented only a small fraction of industrial workers with a radical and militant ideology. Though the new unionism successfully launched its apex body as the headquarters of worker struggle, it faced formidable pressure. The pressure included state repression, the lack of consistent programmes, and competition with FKTU for members. It is understandable that the democratic unionism could not assure autonomy from the beginning.

### ***Unions in a reform democracy, 1993-1996***

The reform politics of the Kim Young Sam government excluded organized labour from policymaking and implementation. Although it satisfied the requirements of formal democracy, political power was largely monopolized by individual élites who were loyal to the former leader of the opposition. In contrast to claims made in his election campaign, President Kim did not offer an opportunity to social groups to participate in central politics. Instead, he attempted to bring the leaders of social movements into the ruling party as members of the Assembly, and appointed influential leaders to important government positions. Organized labour was no exception. Some prominent figures in the labour movement became members of the Assembly, while others became independent researchers on labour problems or consultants on labour relations. Political democratization at state and national level weakened political unionism, which emphasized inter-union cooperation and collective action.

Nevertheless, organized labour continued trying to strengthen its influence on politics and the economy. Union leaders adopted various strategies to increase their political influence; these included attempts to establish a labour party, strengthen industrial unions, amend labour laws, and construct a strong national centre by mobilizing the unorganized. Competition between two national centres was a noticeable feature of this period. The centres were FKTU and KCTU (Korean Council of Trade Union Representatives, which was established by combining KTUC and KCIIF in 1993). In 1995, a new KCTU-Korean Confederation of Trade Unions was created. The two national centres sometimes cooperated in pressing the government to start amending the labour code, but there were significant differences between the centres in their approach to most labour issues. Government opened channels for negotiation and discussion only to FKTU because KCTU was not officially recognized. KCTU grew faster in size and influence in the first half of the 1990s by incorporating large unions in strategic industries such as automobiles, shipbuilding and metals. FKTU abandoned its passive and submissive attitude to government in order to cure the identity crisis accelerated by its declining membership, but this strategy did not slow the growth of KCTU. KCTU functioned as a centre of the working-class struggle during these years. As a centre of democratic unionism KCTU gained great influence over most large unions in manufacturing industries, as well as over the new white-collar unions. What did the centres do in these years? And what were the main goals they pursued? These can be summarized as follows.

First, amendment of the labour laws was the prime goal that FKTU and KCTU pursued together without discord. The two national centres demanded the repeal of laws which violated ILO labour standards, insisting that the ban on political activity and third party intervention in labour disputes should be abolished first. However, the state did not accept this demand since it would have meant a fundamental change in labour relations, giving more power to unions.

Second, the demand for third party intervention was closely related to the long-term goal of strengthening industrial unions. Industrial unions were a desirable alternative to company unions, as these limited union activity to the enterprise. While the state objected strongly to industrial unionism, the national centres made strenuous efforts to accomplish it. Local union attitudes varied according to labour orientation. A survey reported that labour leaders at plant level who favoured enterprise unionism outnumbered those who preferred industrial unionism (Song, 1992). A survey conducted by Song in 1992 gave further support to this finding. The study of 250 labour leaders in small and large manufacturing firms dealt with union activities, worker attitudes, financing, and other issues. It seemed that labour leaders had less toleration of control by a higher organization. Political liberalization with economic recession pushed labour leaders to be more inward-looking.

Third, KCTU lobbied the government to legalize multiple unionism at both national and firm levels. FKTU strongly opposed this for fear that multiple unionism would wipe out the FKTU advantage and make collective bargaining less effective at workplaces.

Fourth and finally, the two national centres put the emphasis on rapid and broad-based social reform. They pressed for the eradication of links between politics and business, punishment of corrupt politicians and bureaucrats, the introduction of transparency in banking transactions, and finally, tax reform. In April 1993, FKTU accepted wage concessions on condition that the government would immediately implement social reforms. Even though KCTU criticized FKTU's decision at that time, it did not repudiate the social reforms set out in the wage agreement.

In this respect, the contribution of organized labour to democratization is not negligible. It put formidable pressure on government to implement a package of reform policies, regardless of the final outcome. But organized labour continued the struggle to gain its goals until April 1996 when government announced the schedule for labour law amendments.

It is peculiar to the Republic of Korea that white-collar unions collaborated with blue-collar unions in pursuit of social reform in the process of democratization. Most white-collar unions emerged shortly after 1987 as a result of political concessions to worker demands for union freedom

(see table 2 for unionization of white-collar workers). Of the many new unions those representing journalists, hospital workers, clerical and financial workers were influential in terms of size and activities. The journalists' unions achieved solidarity and extended a strong influence on the media through a massive and violent strike at KBS, the public television station, in 1990. They demanded free speech and protested against government control over news broadcasts and other programmes. Workers in all the media joined and supported the KBS strike as a symbol of resistance to state control. The journalists' unions thus earned an image of pioneers at the frontier of democratic labour relations. In 1993, six out of 13 white-collar unions acquired legal status through decisions of the Supreme Court. The struggle of the hospital unions to acquire legal recognition is well-known. Members of these unions were mainly nurses, mechanics and other low-paid workers who had many complaints about working conditions. Their demand for better conditions was naturally connected to the quality of public service. The clerical and financial workers' unions made it their prime goal to implement banking transactions under real names immediately. They claimed that new institutions were needed to eliminate corrupt links between politics and business. It should be pointed out that worker demands for economic well-being and better working conditions included social and political reforms in the three sectors represented by the unions of journalists, hospital staff, and financial and clerical workers.

The white-collar unions established a national centre to organize workers and promote independent occupational unions. In May 1990, the Korea Congress of Independent Industrial Trade Union Federations (KCIIF) was created as an umbrella organization for white-collar unions. It participated actively in general strikes, street rallies, and other public events demanding amendment of the labour laws and union freedom in support of KCTU. (Needless to say, some elements in KCIIF were closer to FKTU.) But, in general, KCIIF contributed to social and political reform by improving the quality of public services and pressing government and employers to change the authoritarian regulation of jobs and workplaces.

The white-collar unions are significant in three respects. First, they are occupational unions mobilizing workers in similar jobs with no distinction between private and public sectors. Occupational unions can easily penetrate the public sector in spite of the legal ban on unionization. Thus, the emergence of white-collar unions was a serious threat to state labour regulation. Second, they have a strong preference for industrial unionism because of occupational similarities across firms. Third, it is highly likely that their economic interests are associated with social and political reform since their jobs are mainly in the public services. These features are well described in an analysis of white-collar unions by Suh (1998, p. 9).

The two characteristics of the contemporary white-collar movement in Korea - the promotion of social reforms and the intensification of interunion solidarity - are, therefore, a reproduction of the historical tradition of the labour movement on the one hand, and the representation of white-collar workers' collective will to overcome the weakness of enterprise unionism on the other. In view of the institutional and structural context, it is remarkable that the contemporary white-collar labour movement in Korea, even in its beginning stage, is in a transition period from business unionism to social unionism and from enterprise unionism to industrial unionism.

**Table 2. Some features of federations of occupational unions**

Name	Date of establishment	No. of affiliated unions	Membership
Council of Researchers' Professionals' and Technicians' Unions	32339	38	12000
National Federation of Clerical and Financial Workers' Unions	27 Nov. 1987	85	25000
National Federation of Journalists' Unions	26 Nov. 1988	43	13600
National Federation of Hospital Unions	17 Dec. 1988	98	35000
Council of Democratic Publication and Press Unions	16 Jan. 1988	18	1752
National Council of University Employees' Unions	1 Feb. 1999	54	9200
National Council of Unions of Facility Maintenance Employees'	28 Jan. 1989	50	4500

## **4. Challenges to unions: Economic liberalization and globalization**

### ***The impact of globalization***

As political liberalization contributed significantly to the introduction of “new rules of the game” in the political arena, so open competition was encouraged in the national economy. In the state-led capitalism practised in the Republic of Korea, the market had long been distorted by government intervention. Strategic industries and big business enjoyed tremendous benefits in the shape of cheap loans, tax exemptions and tariff rebates. The government invested heavily in strategic industries and protected big business from foreign competition. But the structure of market competition suddenly changed as the state retreated from the forefront of the national economy in response to external pressure to open national markets and follow the international trend towards free trade.

Changes in economic structure and in markets took place in two stages: *economic liberalization* from 1988 to 1993 and *globalization* from 1994 to the present. This distinction is peculiar to the Korean context in that people began to pay attention to globalization when the Kim Young Sam government used the concept (*segeywha* in Korean) as a political slogan. The economic changes after 1987 were understood as a parallel between economic liberalization and political liberalization with a withdrawal of state intervention in the national economy. In fact, globalization attracted public attention with the sudden collapse of socialist countries and the establishment of WTO in 1993, as a consequence of the Uruguay Round. However, neither government nor business knew how to prepare for the changes in world markets. Organized labour was no exception.

The Kim Young Sam government turned the focus of economic policy onto globalization in 1994, when the national economy entered a serious recession as a consequence of incomplete industrial restructuring. At that time the Korean economy was fully incorporated into the global economy. In the global economy, capital and services move fast and without restriction across national boundaries, due to advanced information technology. As many writers stress, globalization fundamentally changes the traditional relations between capital and labour since it enhances the fluidity of capital and services across nations, while information technology lowers the input of labour in manufacturing goods. In a global economy capital can move anywhere in pursuit of cheap labour and less regulation. Thus, globalization reduces employers’ need to negotiate with unions when they demand higher wages and better protection. Globalization has become so universal in capitalist countries that business takes full advantage of it to avoid challenges from unions and state regulation, while unions have to lower their voice to maintain job security in the face of flexible production. Just as unions in advanced capitalist countries are all in trouble under a global economy, so the worldwide change may inflict a fatal blow on the Korean unions which have only just settled after from the turmoil of 1987.

First of all, the introduction of flexible production is a menace to unions. Flexibility has three distinct aspects: employment, wages and skills. Employment flexibility means job instability for workers and a fundamental change in their perception of firms. Workers are no longer paid by contribution and seniority but according to merit and ability once wage flexibility is introduced. Finally, workers are obliged to learn a range of skills in preparation for product diversification and new production technology. The shift in managerial strategy to flexibility was a great shock to

Korean workers who were familiar with life-long employment, high commitment to the firm and a seniority-based wage system. Management attempts to introduce flexibility thus provoked very severe conflict between capital and labour. The situation caused tension during the Kim Young Sam regime from 1993 to 1996, but unions had to accept these changes when the government decided to join OECD in 1996. The changes brought about by flexible production and union response can be summarized as follows.

First, numerous workers lost their jobs because of the closure of many labour-intensive firms, notably in the clothing industry and textiles. Rising labour costs were the main reason for bankruptcy, and many employers decided to move to less developed countries in central America and South-East Asia in search of cheaper labour. Capital flight and overseas investment affected the industrial parks and export-processing zones where light manufacturing was concentrated. This caused a sudden drop in the membership of FKTU and KCTU during these years.

Second, the conglomerates began to downsize and lay off workers in order to reduce their debts and increase profitability. This was the first time that the employees of conglomerates experienced job instability and the collapse of life-long employment. FKTU and KCTU expressed strong opposition to the managerial strategy but could not stop it.

Third, the privatization of state-owned enterprises and public services was a controversial topic because of their accumulated deficits and negative effect on economic growth. Globalization legitimized and strengthened the argument that public enterprise cannot compete with the private sector in terms of efficiency and productivity. It is commonly accepted that a bureaucratic hierarchy, lack of incentives and guaranteed job security are the main factors undermining efficiency and productivity in the public sector. When government started to discuss the possibility of selling and privatizing state-owned enterprises in 1994, public-sector unions expressed strong and persistent opposition, and called a general strike when it was carried out. As the public utilities had long held a monopoly position, the unions in that sector were well-organized with a high commitment to leadership. Thus, the government inevitably collided with strong unions such as the Korea Electronic Power Corporation and Korea Telecommunications. Public-sector unions set up a joint committee to oppose privatization and waged serious and violent struggles in 1994 and 1995. KCTU supported the struggle and public-sector unions became the main agent of so-called democratic unionism. The confrontation continued until 1998 when the Kim Dae Jung government announced an official schedule of privatization to overcome the economic crisis. At this time, no opposition was heard because it was channelled through tripartite negotiations that included FKTU and KCTU.

Fourth, the conglomerates took huge foreign loans in order to move into new areas such as information and financial services as a means of industrial restructuring. Unfortunately, the new industries in which they invested had little effect on job creation and the reduction of unemployment. Instead, financial deficits accumulated and eventually exploded into the foreign debt crisis of December 1997.

### ***Union struggle and labour orientation***

FKTU and KCTU began to cooperate in the struggle to gain managerial initiative. From 1993 to 1995 there were large-scale strikes against the government's privatization policy and downsizing in the conglomerates. The national centres, FKTU and KCTU, cooperated closely at this time to achieve their common goals of maintaining job security and protecting the rank-and-file from massive lay-offs. They also drew up alternatives to the new wage and promotion system that big firms were trying to introduce. Employers wanted to reduce the seniority element in wage scales and promotion systems and to reward workers according to merit and ability. Unions contended that this would undermine the national employment system which maximized worker commitment to the

company. In spite of strong union opposition, the new pay schemes and promotion systems were gradually introduced in most big firms during these years and FKTU and KCTU finally set the amendment of labour codes as a new target.

The conflict surrounding job security and pay schemes significantly affected labour orientation. First of all, political unionism began to lose its attraction for the working class. The “democratic unionism”, which was associated with politically active and radical factions of the working class, dwindled and shrank. Attention was focused instead on union democracy. This does not mean that political unionism died out completely or disappeared from the scene. There was a disparity between the national centre and local unions. As Ramos (1981) observed in the case of Japan, while the national apex body attempted to pursue worker interests through political routes, local unions were more concerned with economic well-being and better working conditions.

The rapid economic transition altered the structure of the labour market. Workers who were laid off by large firms tried to find new jobs in the service sector. Small-and-medium-sized firms in competitive industries went out of business or relocated to less developed countries in search of lower wages. Managerial innovation and industrial restructuring fragmented the labour market and disrupted industrial relations. Increasing heterogeneity in labour markets and intensifying market competition turned yesterday's colleagues into today's rivals.

### ***The economy, wages and employment***

The turn to a market-oriented policy yielded considerable results in the first half of the 1980s owing to the sudden economic recovery in world markets and an improvement in the domestic industrial environment. High economic growth continued until 1988. Surprisingly, the political turmoil and labour disputes of 1987 did not disrupt economic growth. On the contrary, the growth rate was over 10 per cent for three years before and after 1987. A sudden drop occurred in 1989 and the decline continued thereafter. Although there were no signs of crisis in terms of economic indices, the economy has experienced various “crisis phenomena” since 1989 (see table 3 for economic indices, wage trends and employment). The Roh and Kim governments warned that economic decline would result from political turmoil and labour unrest. Unions accused the government of using the term as a political tactic to suppress the legal demands of workers. For instance, an official alert about economic recession was made every spring when wage negotiations started in all industries. Almost a decade after 1989, and after government warnings of recession, numerous crisis symptoms were actually observed. They included a growing balance of payments deficit, high inflation,<sup>3</sup> wage hikes,<sup>4</sup> excessive expansion of service-related consumption, external pressure to open the domestic market especially from the United States, and finally, the decline of international competitiveness. The GNP growth rate was only 5 per cent in 1992, the lowest since the collapse of the Yushin regime. This rate, still better than the European average, was hardly acceptable to the Korean people who had become accustomed to high growth of about 10 per cent for many years. The economic crisis afflicting the Roh and Kim governments had many causes: exhaustion of the government's export-promotion strategy, the partial failure of structural adjustment in industry, delayed technological upgrading, market opening to foreign manufacturers and foreign capital, and skyrocketing labour costs caused by the wage explosion after 1987.

**Table 3. The economy, wages and unemployment: Increase rate (%)**

---

Year	GNP	Investment	CPI	Real wage	Unemployment
1971	9.3	24.8	13.4	7	4.5
1972	5.4	20.9	11.7	5.2	4.5
1973	13.5	25.2	3.2	8.0	4.0
1974	8.3	31.8	24.3	6.1	4.1
1975	7.1	28.6	25.3	3.3	4.1
1976	12.9	26.5	15.3	17.5	3.9
1977	10.1	28.3	10.1	19.9	3.8
1978	9.7	32.5	14.4	18.0	3.2
1979	7.6	35.8	18.3	8.4	3.8
1980	-2.2	31.9	28.7	4.1	5.2
1981	6.7	29.9	21.3	0.5	4.5
1982	7.3	28.9	7.3	7.9	4.4
1983	11.8	29.4	3.4	7.4	4.1
1984	9.4	30.6	2.3	6.3	3.8
1985	6.9	30.3	2.5	5.6	4.0
1986	12.4	29.2	2.6	5.4	3.8
1987	12.0	30.0	3.0	7.1	3.1
1988	11.5	31.1	7.1	8.4	2.5
1989	6.2	33.8	5.7	15.4	2.6
1990	9.2	37.1	8.6	10.2	2.4
1991	9.1	39.1	9.3	6.9	2.3
1992	5.1	36.8	6.2	8.9	2.4
1993	5.8	35.2	4.8	5.8	2.8
1994	8.4	36.2	6.2	8.7	2.4
1995	8.7	37.4	4.5	5.2	2.0
1996	6.9	38.8	5.0	6.9	2.0
1997	5.5	35.3	6.6	2.4	2.6

Source: Ministry of Labour, *Yearbook of Labour Statistics*, annual; National Statistical Office, *Social Indicators in Korea*, annual.

Two points are worth mentioning.

First, business made huge investments in information and advanced technology during the Kim government (1993-1997) as reflected in the high investment rate during this period. This indicates that business chose investment as the best strategy for crisis management. But, unfortunately, most investment was procured from foreign loans and government could not control the conditions of such loans. The annual repayments caused a sudden drain of foreign currency holdings in the second half of 1997 and, eventually IMF intervention in December 1997.

Second, unions distrusted attempts by government and employers to weaken worker demands for new labour laws by stressing the economic crisis. Although there were signs of a downturn in the economic indices, unions contended that this was by no means a "crisis". In addition, the national economy made a sudden recovery in 1994/1995 mainly owing to the short-lived boom in semiconductors. Most conglomerates reported higher profits in these two years. Firms seemed prosperous and money flowed everywhere. In this atmosphere, union distrust of government and business deepened. No one recognized, however, that the national economy would soon be in real trouble.

## **Wages and employment**



It is worth studying the effect of the wage explosion in connection with the decline in political activism among labour unions. In spite of the rapid decline in international competitiveness and firms' inability to pay, wages have risen steadily at a pace well above productivity rates since 1987. Moreover, working conditions have gradually improved, with a shorter working day and better fringe benefits including children's education and housing allowances. Improved working conditions, the valuable fruit of the great struggle, promote worker compliance and commitment to firms, bringing employees back from street rallies into the workplace. As usual, the unlimited labour supply in the private sector weakens workers' bargaining power so that unskilled workers are prone to political activism. But better working conditions and a labour shortage in the new sectors of industry caused worker interest to shift from political unionism to economic unionism. Intensified competition in domestic markets as a consequence of economic liberalization and globalization favours compromise between employers and workers in their common fear of bankruptcy and unemployment in the midst of economic recession. This explains the change in labour orientation from the political to the economic and pragmatic.

## **5. Unions and the politics of crisis management: Labour reform and conflict**

### **IMF regulation**

In 1998, the Republic of Korea introduced an IMF austerity policy. The Kim Dae Jung government had no other option but to accept the terms of the IMF intervention, whose main goal was economic stabilization. The direction of the reform policies was imposed before Kim's government was inaugurated. However, implementing the policies and resolving conflicts of interest depended on the political capacity of the new regime. It is not surprising to find more congruencies than divergencies between IMF recommendations and Kim's reform which had been presented to the public during the Presidential election. But it remained uncertain how far the IMF package was consistent with and supportive of Kim's political platform, described as a "democratic market economy". This is a broad and abstract concept that fits different types of liberal and capitalist economies, in contrast to the German concept of a "social market economy" which is closer to welfare capitalism. There was no disagreement with Kim's strategy of strengthening the market function in the national economy through a series of deregulation and privatization policies, but how far, in what ways, and in which direction, caused heated debate and conflict between government, employers and workers.

This explains the delayed reform of conglomerates and financial institutions, which is the key to economic recovery. The "democratic market economy" has three elements that distinguish Kim's government from previous regimes: a better balance between large and medium-sized firms in the national economy, more equity, and more reliance on the market. President Kim Dae Jung is well-aware of the inefficiency and negative effects of state-led capitalism and rapid growth with heavy reliance on conglomerates. But the crisis management policies prepared and implemented by the Kim government included remedies that were challenged by business and the upper class. The government planned to break up the conglomerates into smaller and more manageable units, but employers argued that restructuring these "chaebols" would ruin national competitiveness. The business community and shareholders were alarmed by the policy emphasis on more equity since this was conceived as income transfer from the upper class to the workers. In addition, people asked how the government could improve welfare under an austerity policy. Some critics stressed that more reliance on the market could be detrimental to social justice, as was the case in the United States.

Kim's government imposed a variety of reforms on the conglomerates. These included reducing the firm's debt ratio to 200 per cent, increasing transparency in all transactions, and selling unproductive and inefficient firms to foreign investors. Government empowered the Bank Surveillance Office to terminate financial transactions and recall bank loans if chaebol firms could not satisfy these conditions. As the IMF package emphasized deregulation and structural adjustment, Kim's government put more emphasis on the market economy than on democratic issues such as equity and welfare. In the economic crisis efficiency took priority over social justice. This provoked discontent among wage earners in the lower and middle classes who had voted for him in the Presidential election. Employers and shareholders also expressed strong doubts about some aspects of the economic reform, contending that selling out strategic firms would lead to the breakdown of industrial competitiveness in world markets. Crisis management meant implementing unattractive

and unpopular policies, but without economic recovery conflicts of interest between different social groups would constrain the capacity of the ruling party.

### ***Kim's power base and the first Social Compact***

Kim Dae Jung's election victory did not lie in convincing voters of his party's capacity but in the sudden breakdown of the national economy. Voters' confidence in the ruling party collapsed with the foreign debt crisis that occurred a month before the Presidential election. President Kim's power base is much weaker than that of the previous regime in several respects.

Even though the ruling party is supported by workers, the middle classes and intellectuals, its power to force the conglomerates to restructure is very limited. The austerity policy is likely to raise popular discontent against the Kim government. With inflation above 10 per cent, a large proportion of Koreans are suffering from wage cuts and drastic increases in interest rates. Mass unemployment has hit consumption and deepened the recession. The longer the austerity policy continues, the more discontented the population becomes.

President Kim decided to construct a consensus-building mechanism, i.e. a tripartite committee of government, employers and workers. In January 1998, shortly after his election victory, he announced the creation of a tripartite committee responsible for negotiating pending issues and setting reform agendas. After three weeks of heated debate, the committee reached a compromise on ten areas of reform, which specify 90 items regarding the social protection of workers, economic restructuring, economic policies, industrial relations and labour laws. They include the structural reform of conglomerates, economic stabilization, legalization of lay-off, government protection of the unemployed, improvement of social security and the construction of a social safety-net. This is the first Social Compact since the liberation. It contains agreements on various issues as follows:

- (i) Government and employers will construct nation-wide organizations and prepare a policy package to combat unemployment;
- (ii) All parties represented on the tripartite committee will help improve job security by introducing work-sharing.
- (iii) All parties will strive to minimize lay-offs and to support firms in financial trouble.
- (iv) All parties will do their best to eliminate unfair labour practices and establish monitoring.
- (v) The policy-making process will be open to labour unions. Unions will participate in making and implementing important policies affecting wage-earners' standard of living.
- (vi) All parties have rights and duties in restructuring conglomerates.
- (vii) The reform of public enterprises will reflect labour-manager agreements.
- (viii) The teachers' union will receive official recognition.
- (ix) All parties will strive to improve worker participation in management.
- (x) Labour laws will promote industrial democracy.

The items listed above indicate that government and employers accepted worker demands for participation in policy making in favour of industrial democracy. The agreement helped to placate angry workers and labour unions that blamed government and employers for the foreign debt crisis. Without this agreement worker discontent could have exploded into massive turmoil and labour unrest just after the IMF intervention and the serious economic recession of 1998. In this respect, Kim's government succeeded in including organized workers in the politics of crisis management and persuading them to support the restrictive economic policy imposed by the "Technical Agreement" with IMF. However, the success of the first phase of crisis management did not last long before the government was confronted with a serious dilemma in that it was unable to implement the Agreement fully. The government could not pacify employers who insisted that massive lay-offs were essential in a period of austerity. Unions contended that employers were betraying the spirit of the Social

Compact. A tremendous number of firms collapsed during the first half of 1998. Government ordered 15 financing companies to shut down as well as two conglomerates. As unemployment soared with the passage of time, unions began to demand job security in accordance with the Agreement. Workers at Hyundai Motor Company, the largest automobile firm in the country, went on strike in protest against a management decision to lay off a large number of regular workers and reduce production lines and facilities. The struggle was not violent as in the authoritarian past, but continued for almost two months with KCTU support. KCTU leader Kap-Young Lee mobilized 120,000 workers from 16 major cities in the struggle against the lay-off policy and job instability. In spite of government efforts to act in the spirit of the Social Compact, the economic crisis and soaring unemployment undermined the tripartite committee. There was a lack of trust between the three parties and increasing discontent among the rank-and-file.

### ***The limits of tripartite negotiation***

The compromise satisfied the conditions of the "Technical Agreement" signed by the previous government. The Social Compact provided President Kim with a firm foundation on which to base the rigorous reform policies. During the first half of 1998 he frequently reminded the public of the spirit of compromise whenever the media accused the government of delaying the necessary reforms. At first he succeeded in gaining working-class confidence and meeting challenges from business and shareholders. But KCTU threatened to withdraw from the tripartite committee unless the other members accepted the employment security laws. Finally, the Confederation pulled out in February 1999, claiming that the committee had no power to implement any agreement that it reached. FKTU, another labour member of the committee, also threatened to withdraw unless its demands were satisfied. These demands corresponded closely with the points that caused KCTU to withdraw: they included six important questions that had remained unresolved since the labour code was amended. The unions wanted to stop employer-led lay-offs and to ensure labour-manager consensus prior to dismissal. They also wanted to introduce an Employment Security Act, to prepare complete unemployment protection, and to improve worker participation in management. They wanted to introduce work-sharing programmes without wage cuts, and finally, to ensure full implementation of the tripartite agreement and recognition of the legal and political status of the tripartite committee. In other words, the second tripartite committee achieved no more than the first committee. In fact the first agreement, containing 90 items of reform, exceeded the political capacity of Kim's regime and, to make matters worse, the relative success of the first Social Compact turned out to be a tremendous political burden. Trade unions began to organize a general strike just after they withdrew from the committee in the spring of 1999.

There are several reasons for the very limited success of tripartite negotiation in the Republic of Korea. First of all, although it takes the form of a tripartite agreement, any compromise is in fact an élitist agreement between leaders at national level. Participation in making policy and monitoring its implementation is required for tripartism to be effective. An organizational and administrative infrastructure is needed to put any tripartite agreement into effect. However, there are no organizational and administrative bodies at regional and local level through which employers and workers can collaborate in implementing policies. It is true that the Social Compact as a national consensus helps to calm unrest and reduce social costs; it also strengthens the political platform on which the ruling party has based its reform policies. However, it is an élitist committee without official networks through which business and labour can work together to produce results at local level; it is therefore extremely fragile. When KCTU threatened to strike just after it withdrew, employers found that the committee was not an effective channel of communication. As the economic crisis continued deeper and longer than expected, serious doubts arose about the role of the tripartite

committee and its political significance. The broad and vague political slogan "democratic market economy" could not persuade the partners to be faithful to the spirit of compromise. Of the many doubts and questions raised, three are worth mentioning here.

First, to what extent should conglomerates implement downsizing and was the restructuring imposed by IMF and government truly necessary for economic recovery? President Kim seemed to emphasize the role of small- and medium-sized firms in the national economy but that did not have to mean the entire break-up of chaebols into independent firms. It meant that economic concentration should be reduced so that conglomerates would have less influence on politics and society. But, how far, in what degree, and in which direction remained uncertain. It is still questionable whether downsizing chaebol firms to fulfill government guidelines ensures competitiveness in world markets.

Second, the legalization of lay-off promotes labour market flexibility whereas long-term employment increases labour costs. However, mass lay-offs reduce organizational adaptability to new technology and rapidly changing business environments. Since the mid-1980s some Japanese firms have adopted American-style employment systems in response to the rapid decline in international competitiveness. But will American-style flexibility result in productivity improvement in the Republic of Korea, where firm-centred employment is a long tradition, and to be dismissed means "social death", as there is practically no chance of re-entry into larger firms which prefer to recruit young workers without job experience? Firm-centred employment maximizes functional flexibility as employees acquire multiple skills by rotating through many tasks. Does the replacement of functional flexibility with flexibility in the size of the workforce guarantee a rapid recovery from economic recession and high productivity growth, as neo-liberal market theorists claim? No clear answer has emerged as yet.

Finally, will the austerity policy be conducive to economic recovery in spite of the drastic decline in domestic consumption as a result of wage cuts, tax increases and soaring inflation? Wage earners are very doubtful about the government policy of "hardship-sharing" manifest in the sudden reduction of annual income by almost 30 per cent. It is now believed that the debt crisis was caused by an inflow of tremendous foreign loans to conglomerates and undisciplined investment in production facilities. If we admit that large firms and financial institutions are primarily responsible for the foreign debt crisis, does it help the situation to make them bankrupt? What compensates for numerous medium-sized firms, financially solid and prosperous in the product market, if they are in danger of bankruptcy because of the frozen money market? If we accept that there is no other option except to endure economic hardship, what can console frustrated and distressed wage earners? All these questions await a clear answer. The "democratic market economy" is not so clearly thought out as to persuade wage earners to sit and wait until living conditions get better. Moreover, misgivings are growing, since government policy packages have frequently revealed inconsistencies and contradictions.

### ***Unemployment as a bottleneck***

Unemployment is a situation that wage earners cannot tolerate over a long period. Whereas inflation is the most urgent issue for business, wage earners are mostly concerned about unemployment. The National Statistics Office announced that the number of unemployed had almost tripled in the year after the IMF intervention, reaching 1,850,000 at the end of 1998. The unemployment rate soared from 3.1 per cent in December 1997 to 4.5 per cent in January, 5.9 per cent in February, and 6.5 per cent in March 1998. When underemployment was included, i.e. 17 hours or less in a week, the rate was over 10 per cent, the highest for 40 years. Statistics for 1961-1998 show that the GDP growth rate fluctuated between 5 and 15 per cent except for a sharp drop to -5 per cent in 1981. Inflation was also unstable during the 1960s and 1970s, culminating at 29 per cent in 1979, the year

when the Yushin regime collapsed with the assassination of President Park. Since then, inflation has been relatively stable throughout the 1980s and 1990s. However, the foreign debt crisis terminated the stability and inflation went up to 13 per cent within a few months of the IMF intervention.

Inflation is not new to the Republic of Korea, where rapid growth was inevitably accompanied by moderate rates of inflation. However, high unemployment is entirely new to the Korean people and the government. As reflected in the overall trend, successful economic growth curbed unemployment for four decades, the rate remaining below 5 per cent since the early 1970s. Korea has been praised for achieving almost full employment without a rigorous labour market policy. But the record has been broken by an 8 per cent unemployment rate that approximates the average for European countries. Although it may be inevitable, the steep increase in unemployment is problematic.

More serious is the fact that the government is unprepared for mass unemployment. It is often contended that the country is least prepared for unemployment and worker protection since joblessness has been solved by the "growth-first policy". Policy-makers in government were convinced for decades that speedy growth would create plentiful jobs for skilled and unskilled workers alike, and that allocating a government budget to unemployment programmes was wasteful. This explains why the government did not respond to unemployment until the mid-1990s and delayed the introduction of employment insurance until 1995.<sup>5</sup>

Unemployment policy differs considerably in advanced capitalist countries, but all governments make use of three programmes with varied emphases: unemployment benefits, macroeconomic policies to stimulate the economy, and direct intervention in the labour market. Some governments choose passive measures, concentrating on unemployment benefit and indirect macroeconomic policies. Others adopt active labour market policies (ALMP) in a combination of job creation, job replacement and job training. Major research in European countries shows that ALMP can be a valuable and effective method placing the unemployed in job vacancies, training workers with obsolete skills for new demand, and creating new jobs. The Republic of Korea lacks this concept. ALMP does not exist and there is no agency responsible for coordinating and managing complicated labour administration, such as the Swedish *AMS* and the German *Bundesanstalt*.

President Kim has attempted to expand government intervention in order to keep the Social Compact, allocating a very large special budget to this policy area. The unemployment budget for 1998 amounted to US\$11 billion, one-third of which was reserved for unemployment benefits and living allowances; a small portion was for job creation, job replacement and job training. The sums allocated represented about 13 per cent of the government budget for 1998. The allocation was increased to US\$16 billion in 1999. As far as the size of the budget is concerned, the government effort was remarkable. The reverse side of the policy was to alleviate the burden on employers by permitting the right of lay-off. Policymakers believed that foreign capital would come back once the right of lay-off was guaranteed, and unemployment would then be resolved naturally. President Kim repeatedly emphasized that it would not be long until the crisis ended, possibly within one-and-a-half years. At the beginning stage of policy implementation, however, the unemployment rate was still expected to go up as a result of the massive downsizing of chaebol firms that would be completed in the second half of 1999.

Continuing high unemployment puts tremendous pressure on Kim's regime. It is both a cause and an effect of the politics of reform. If unemployment continues over a considerable period and other reform programmes are delayed, it is likely that the government will face a serious political challenge from its supporters, i.e. wage earners. In addition, the lack of experience in labour market intervention and the loose organization of labour administration make labour politics ineffective. Unemployment is a bottleneck in the politics of reform. It is fair to say that the success of reform depends on maximizing the feedback effect, curbing unemployment effectively, introducing active

labour market policies and establishing an administrative infrastructure to carry out the spirit of the Social Compact.

### ***Improvement of human rights***

The Republic of Korea is notorious for human rights abuses - civil rights, political rights and worker rights. For three decades of authoritarian repression, torture, imprisonment and illegal dismissal were inflicted on political dissidents and social and labour activists. Human rights are the most sensitive issue for leaders of the labour movement and rank-and-file workers alike, since political oppression is an obstacle to the improvement of working conditions and workers' standard of living. It has been widely recognized that the Republic of Korea is not among the countries with advanced human rights by international standards. This explains why Amnesty International has always expressed deep concern at the country's record, especially with regard to the labour movement. In this arena the violation of human right occurs frequently and apparently through both formal and informal methods. However, President Kim Dae Jung promised to improve human rights and eliminate illegal and unfair treatment of political dissidents and labour activists in his inauguration speech. The recognition of human rights has been improved under the present government. In this regard, President Kim deserves praise for taking some positive steps.

In June 1998 when President Kim visited the United States he announced a political schedule for the establishment of a National Human Rights Committee to monitor and indict illegal and violent actions on the part of ruling groups including bureaucrats, the police and employers. His promise was fulfilled in March 1999 when a law was passed creating the National Human Rights Committee. The committee is a politically neutral and financially independent organ in charge of all official tasks concerning the violation of human rights. It is too early to say how much it will contribute to improving human rights and to eliminating brutality and violence at workplaces. However, the establishment of the Committee is a sign of progress. Before the law was passed the government released most of the labour activists who were in prison, in celebration of March 1st. Over 400 activists were imprisoned in 1998 but many were released in 1999. There are still many laws that hold back the progress of human rights; these are the focus of discussions on legal reform.

In spite of the improvement, there are still many human rights abuses in the labour movement and employment relations. Such cases increased dramatically with the deepening of economic recession and mass dismissals during the foreign debt crisis. Unemployment hit disadvantaged groups disproportionately, so that women, unskilled workers and casual labourers were the first to lose their jobs. Although legislation to prevent discrimination against women at work was introduced by the previous government, young women workers were the first to be dismissed since people did not think of them as the family bread-winner. This was accepted without resistance in the unprecedented economic crisis, but the process hid many cases of abuse. Male workers threatened with dismissal were no exception. Most employees were forced to accept sizeable wage cuts in the face of economic disaster. Otherwise their firm would close down because of bankruptcy and restrictive government policy.

Democratization has promoted concern for human rights since the early 1990s. Leaders of social movements criticized government for using riot police to break industrial strikes and for banning collective action and street rallies. Violation of rights falls into four categories.

First is unfair labour practice. Before democratization, unfair labour practice occurred in most workplaces, regardless of firm size. Physical punishment was not uncommon. Employers enforced overtime and if employees refused to work more than their regular hours they could be dismissed without notice.

Second is the imprisonment of unionists who organize protests and strikes. Industrial disputes tended to result in damage to all parties: wounded police officers, arrested workers and broken production facilities. The government used riot police to suppress worker protest, while employers hired guards to protect their production facilities. Even when workers declared a peaceful protest, riot police were deployed in front of the factory. Unionists who organized protests and respected all the procedures stipulated in the Labour Union Laws and the Laws on Arbitration of Industrial Disputes were also subject to arrest on charge of "obstructing business". In 1998, when KCTU called a general strike against the restructuring policy that generated and legalized massive lay-offs, many strike leaders were imprisoned. The story of Mando machinery indicates how strikes were destroyed by the riot police and the NSL (National Security Law). The Mando strikers were attacked by 10,000 riot police and dozens of workers were arrested and beaten by armed policemen. The strikes occurring in the years just before and after IMF intervention yielded a long list of arrests (Amnesty International, 1999). Most were important union figures, including the Secretary-General of KCTU and the President of the Korean Federation of Public Sector Unions. The number of arrests fluctuated over time, culminating with 611 detentions in 1989. It then declined gradually but began to show a steep increase with the amendment of labour laws in 1996 and the economic crisis of 1998. Table 4 shows the number of workers imprisoned from 1987 to 1995 and the charges made against them.

**Table 4. Number of workers in prison by charge, 1987-1995**

Cause of imprisonment	No. of cases
Obstruction of business	1433
Use of violence	892
Violation of Arbitration Law	513
Violation of association and demonstration	377
Obstruction of government administration	185
Violation of prohibition on third party intervention	163
Violation of NSL	144
Forfeit of official document	64
Violation of Labour Union Law	54
Illegal intrusion	50
Use of explosives	48

Source: Korean Confederation of Trade Unions, 1996.

Third, illegal dismissal caused concern during the economic crisis of 1998. As mentioned earlier, the number of unemployed increased dramatically from 500,000 in 1997 to 1,850,000 in 1998. It is difficult to calculate how many people were dismissed illegally and how many were allowed to petition their employer. Workers dismissed during this period rarely had an opportunity to appeal because of the economic crisis and firms' desperate battle for survival. Unemployment statistics indicate that the massive lay-offs mainly affected disadvantaged groups in the labour market, who lacked skills, experience and education.

Fourth, discrimination on the basis of gender or physical defect is a serious problem. The Republic of Korea is one of the countries that offer lower wages and fewer opportunities of promotion to women and disabled workers. During the last two decades the average wage for women was 60-70 per cent that of men, and disabled people could not find jobs in the formal sector.



Ironically, however, female workers were over-represented in export manufacturing in those years. Employers with labour-intensive factories liked to hire young female workers to operate assembly lines in order to reduce labour costs and to accelerate labour turnover. Moreover, female workers could not appeal to courts or resist employer decisions on termination of employment. This explains why female workers constituted the main force of the labour protest in the 1970s. But this climate has changed rapidly since the labour dispute of 1987.

The Kim Dae Jung government introduced legislation to outlaw gender discrimination in employment and promotion in 1998. The law stipulates equality of job opportunity and promotion in internal labour markets between men and women, with sanctions against employers who do not respect the law. Government also encourages the recruitment of disabled workers by providing wage support to employers who offer them jobs and training. Despite these efforts, feminist groups and social organizations claim that female workers were the main group to be sacrificed in the massive lay-offs of 1998. This claim is supported by statistics that show a sharp decline in the number of young, female, and unskilled workers compared to other demographic groups.

There are many legal and institutional constraints that undermine trade union activities and workers' rights to organize, negotiate and express opinion. Trade unionists began to request international organizations to exert pressure on the government. Such organizations have sent inspectors and observers quite frequently since the labour dispute of 1987. Their reports to the Government of the Republic of Korea contain a common recommendation that labour laws and other legislation should be reformed in the light of ILO Conventions. The ILO examined two complaints from Korean trade unions and sent an official letter to the government in November 1998 (Amnesty International, *op. cit.*). It reads: "The Committee must express its deep concern over the fact that trade union leaders and members are still detained or on trial, it would appear, for activities linked to collective labour disputes. The Committee is convinced that it will not be possible for a stable industrial relations system to function harmoniously in the country as long as trade unionists are the subject of detentions and judicial proceedings." Although the Republic of Korea became a member of ILO in 1991 and joined OECD in 1996, the government has still not ratified ILO Convention No. 87 on freedom of association or Convention No. 98 on workers' right to organize and to bargain collectively.

## **6. Politics in unions: Leadership and recent issues**

### **Recent issues**

In the midst of the economic crisis of 1998, workers at the Hyundai Motor Company went on strike to demand the unconditional repeal of the company's lay-off policy, claiming that it violated the spirit of the Social Compact which required that efforts be made to avoid lay-off prior to the final decision. Since the Hyundai Motor Company, the number one auto manufacturer in the country, was a major contributor to exports, government observed the strike carefully and studied its effect on unions in other sectors. The strike continued for two full months from June to July with no intervention from outside, e.g. shutdown of factories or attack by riot police. Government tried to conciliate angry workers who were protesting against the mass lay-offs which were declared unilaterally without negotiation with company unions. Workers claimed that the dismissal of 10,000 workers within a few months was illegal and immoral. After two months the strike was resolved peacefully with government mediation. Government successfully persuaded the employer to minimize the lay-offs and also persuaded the union to accept the employer's promise of maximum severance pay for dismissed workers. Government also accepted the union request that strike leaders should not be punished or arrested and that the employer should not indict the union for lost production.

This outcome gives the impression that the union won the strike and strengthened its power to negotiate with the state and employers. But the opposite is true. The union lost the game and lost its power to negotiate in the midst of unprecedented economic recession caused by the austerity policy. The union of the Hyundai Motor Company is one of the strongest and most militant in the Republic of Korea. The fact that Hyundai workers finally accepted the government recommendation and the employer's lay-off schedule had a tremendous impact on the unions in FKTU and KCTU. Lay-off was accepted. After this event workers main attention turned from aggressive attitudes to defensive and pragmatic issues such as compensation and severance pay. Industrial disputes rarely occurred in the latter half of 1998 and compensation became the most important issue in dismissal.

In 1998, the government undertook four important tasks under IMF surveillance: legalization of lay-off for labour market flexibility; privatization; reform of financial institutions; rationalization of chaebol firms (conglomerates). All these programmes had a negative impact on unions in terms of job insecurity, declining membership, and especially loss of the leading unions in KCTU, i.e. unionized public enterprises. FKTU and KCTU collaborated in the struggle against government policy, KCTU being more active and aggressive than FKTU. KCTU elaborated counter-agendas: job sharing against lay-off, opposition to privatizing public enterprises and introduction of Employment Security Laws. FKTU expressed support for this platform. They developed six agendas in opposition to the second tripartite committee, claiming that the committee functioned only to induce workers to agree to government and employer demands. The six agendas are still the most important pending issues for government, employers and workers. Union claims include the following: refusal of employer-led lay-off and introduction of labour-management negotiation prior to dismissal; introduction of the Employment Security Act; complete protection for the unemployed; legalization of worker participation in management; introduction of work sharing without wage-cuts; reconstruction of the tripartite committee as a legal and political institution.

Government refused to accept these demands, mainly because of their negative impact on economic recovery and national competitiveness. President Kim Dae Jung repeatedly emphasizes the trend towards flexible production systems and unrestrained competition between firms, regardless of nationality. He has pursued neo-liberal policies similar to those of President Reagan and Mrs. Thatcher, stressing that the economy can adapt to world standards by promoting the "market", which was seriously distorted by authoritarian state intervention. In accordance with this firm belief in the market economy, priority has been laid on fairness – fair competition without state intervention, fair transactions between firms, and fair process without violation of "fair trade laws". Fairness is acceptable to most actors, but "which fairness?" raises more debate regarding the neutrality of laws and politics. The government spent US\$100 billion on rationalizing banks and financial institutions in 1998. The result was successful. But citizens had to pay higher taxes to make up the financial deficits. Unions ask why wage earners should pay for restructuring. Is massive and unconditional lay-off inevitable, as the government insists and are there no other alternatives for maintaining job security and reducing high unemployment? Why are unions excluded from policymaking at both enterprise and national level, when these policies are decisive for workers' income and job security? Is the neo-liberal market ideology helpful to workers and unions, or detrimental to worker welfare? Unions are gradually losing confidence in President Kim's policy, which they regard as detrimental to worker welfare and union activities. The Kim government applies labour laws to industrial disputes and especially to illegal strikes. Unions repeatedly contend that the labour laws are not neutral but favour employers. The strike ban in public enterprises is good evidence for the union contention.

The Kim government takes a more open attitude to unions than before and provides a better environment for union activities. But, it is not willing to accept the six union agendas. The economic crisis may be a good excuse. However, it seems that union demands exceed the capacity of the present regime. The limit was clearly observed in an illegal strike by the Seoul Subway Company, one of the leading unions under KCTU, in April 1999.

### ***Difficulties of leadership***

The reproduction of leadership is the most essential element of the labour movement. If leaders accept government repression and an exploitative labour policy, the labour movement serves the interests of the ruling class and cannot be democratic. Labour leadership is of two kinds, corresponding with the national centres. FKTU tends to cooperate with state labour policy regardless of government characteristics, while KCTU takes an independent position, with the aim of democratizing industrial relations. FKTU and KCTU both supported Kim Dae Jung in the last presidential election since he was more sympathetic towards the labour movement than other candidates. The creation of the tripartite committee is evidence of his sympathy with unions and his political stance.

In spite of significant changes in politics and the union environment, the chief concerns of labour leaders have remained unchanged under the present regime. If unions call a strike, the leaders may be the target of police action, and could face legal penalties. When leaders are arrested and imprisoned on charge of violating labour laws,<sup>6</sup> it takes a long time to build new leadership in the absence of key figures. Usually, it takes two or three years to re-establish authentic leadership after those in the forefront of union action have been removed. Two problems bother labour leaders when they decide to strike against government policy: these are the strong possibility of imprisonment, and the breakdown of allegiance of rank-and-file workers in the face of government intimidation. The strike of the Seoul Subway Company union illustrates the difficulties faced by union leaders. The same problems apply to other unions at the present time (1999).

First, a strike may destroy leadership, especially when the strike is broken by the government. On the other hand, a successful strike is likely to strengthen leadership but success cannot really be expected in circumstances where state and employers are not friendly to organized labour. It takes a long time to reconstruct leadership after the breakdown of union direction. This explains why labour leaders change so frequently in KCTU compared with FKTU.

Second, a frustrated strike undermines the allegiance of rank-and-file workers and reduces solidarity. Many strikers give up when government announces that they will be punished for violating the labour laws. Weak allegiance is detrimental to unions, and it is extremely difficult for leaders to encourage workers in the face of government intimidation. When union leaders are arrested the rank-and-file have to build up new loyalties. This process generates conflict among workers, and can even split the union into factions.

Third, strikers face hostile public opinion in the Republic of Korea. The only strike which people supported was the labour dispute of 1987 that started democratization. The mass media and leading newspapers strongly criticized the selfishness of the Subway Union in calling a strike, stressing the national economic crisis. The headlines of leading newspapers expressed the fury of Seoul citizens against the strike action which was disrupting their daily transport. Unions need to improve public opinion about the labour movement, but this is extremely difficult in a country where wage earners are hostile to radical and militant action on the part of workers. This explains why union leaders have not won elections even in industrial cities in the past.

Fourth, unions suffer from financial problems, especially at national level. As mentioned earlier, the system is based on enterprise unions. Workers pay 1-2 per cent of their monthly wage to the enterprise union, which pays something less than 10 per cent of these dues to the industrial union and the national centre. As union dues flow upward, financial problems are naturally worse for the apex bodies. The Seoul Subway Company union spent most of its funds on the ten-day strike but it is financially stable compared to other unions. The larger the company size becomes, the better the financial situation is. In contrast, the apex body cannot escape financial problems because of its total reliance on member unions. The Federation of Public Enterprise Unions could not provide financial support for the Subway Union because it did not have the means to do so. The lack of funds hampers national centres as well as industrial unions in developing policy packages that require an enormous budget. The bulk of dues from member unions is used to maintain offices and facilities, and pay salaries. Financial conditions vary between the federations, the older ones having a more solid base than those established recently. FKTU is better endowed than KCTU because it receives a government subsidy which amounts to a few million dollars a year. While FKTU has other sources of income from renting out offices and operating small stores, KCTU has to pay rent on its headquarters office every month.

Financial constraints mean that union leaders cannot develop educational programmes and other activities that are important to worker solidarity. FKTU is better off in this respect, but other organizations have to reserve most of their budget for routine activities. A sudden decline in membership precipitated by the bankruptcy of numerous firms during the economic crisis has worsened the poverty of Korean unions. FKTU and KCTU both lost a large proportion of their members when the organizing rate fell from 15 per cent in 1997 to 11 per cent in 1998. Manufacturing and finance are badly hit because most bankruptcies occur in these sectors. Financial problems are analysed more closely below.

Three main factors cause difficulties for labour leaders. According to a survey of 1995, these can be represented in percentage terms as follows (Yee and Kwon, 1995).

**Table 5. Factors that cause difficulties for leadership (%)**

---

Factor size	-1	-2	-3	-4	-5	-6	-7	Total	No. of cases
Size 1	14.6	7.3	26.0	1.0	7.3	6.3	37.5	100.0	961
Size 2	16.9	5.6	26.8	1.4	9.9	4.2	35.2	100.0	71
Size 3	14.5	11.8	22.7	6.3	9.0	6.3	29.0	100.0	110
Total	15.2	8.7	24.9	3.3	8.7	5.8	33.6	100	1142

Size 1: below 300; size 2: 300 - 1,000; size 3: over 1,000

- (1) Group conflict and discord inside firm
- (2) Representatives who oppose the leader
- (3) Consciousness gap between leader and rank-and-file workers
- (4) Absence of guidance and ineffective apex body
- (5) Union avoidance strategy in the firm
- (6) Constraint of union laws and government policy
- (7) Social apathy and negative public opinion

Table 5 clearly shows that leaders face three main negative factors. These are hostile public opinion, apathy of rank-and-file workers and conflict within the union. If the survey included financial problems as factors weakening leadership, these would be ranked high. Public opinion rapidly turns against union activities these days because of economic hardship, and workers on the shopfloor are more interested in wages, job security and company welfare than in social and political issues. The apathy of the rank-and-file becomes greater when leaders concentrate on social and political issues. Conflict and discord within the union have something to do with the composition of the workforce and ideological orientation. Conflict within unions reflects the structure of Korean society which is based on regionalism and the old school tie. But the ideological orientation of leading groups became more influential in the period of democratization after 1987.

### **Union finance and expenditure**

It is worth analysing more carefully the extent to which unions suffer from financial constraints and how they try to overcome this problem. As mentioned earlier, the national centres rely solely on dues from enterprise unions, which remit about 10 per cent of their revenue to the federation and the national centre. The federation is considered more important than the national centre with respect to membership dues. Neither the federation nor the national centre can force enterprise unions to pay. Many pay no dues at all, while others pay double dues to both FKTU and KCTU.

According to a survey conducted in 1989, average union dues as a percentage of total wage were 0.68 per cent for all industries and 0.82 per cent for manufacturing. This compares with figures for the United Kingdom (0.3 per cent), France (0.75 per cent), Italy (0.5 per cent), Germany (1.0 per cent), United States (1.0 per cent), and Japan (1.1 per cent) (Park and Park, 1989). The proportion of unions paying federation fees differed by industry. In the metal industry 89 per cent of unions paid a subscription to the federation in 1989 (11 per cent paid nothing). On average, 10 per cent of enterprise unions paid no dues to their federation or national centre in that year. The figures have probably not changed much. It is easy to calculate the revenue of FKTU and KCTU if the number of member unions is known. In 1989, FKTU's total revenues amounted to 705 million Won (US\$ 900,000) and the share of union dues was 66 per cent (Park and Park, 1989).

FKTU expenditure falls into three main categories: maintenance costs and salaries (50 per cent), routine activities (25 per cent) financial costs and others (25 per cent). Since half the revenue has to be reserved for offices and staff, only a quarter can be used for activities. The development of new

programmes can hardly be expected in these circumstances. This is why FKTU has relied upon state subsidies in implementing special programmes for members. FKTU has a large building in a financial district of Seoul, and also a training centre donated by the government after 1987 in a satellite city of Seoul. KCTU's yearly revenue is far smaller than that of FKTU because it is newly established, and its membership is just one-third of FKTU's. In addition, KCTU is not entitled to a state subsidy since it is not legally recognized. Financial constraints thus undermine KCTU's capacity to develop and implement policies for worker solidarity and social and political reform.

Most enterprise unions also suffer from financial constraints except large ones with over 10,000 workers. There are approximately 100 unions of this size. These are more affluent than the national centres because of regular income from members. They are able to use funds for outsourcing policy development and special programmes such as constructing horizontal networks with other unions and consolidating worker solidarity across industries and firms. In contrast, small- and medium-sized unions cannot carry out even routine activities because of poverty. During the 1980s these unions sometimes held special fund-raising campaigns selling shirts and calendars for example. But this is no longer efficient as public opinion is against union militancy. Meanwhile, KCTU tries to improve its financial position by encouraging affiliated unions to pay their fees and requesting international NGOs to contribute. But the decline in membership due to the economic recession is undermining its effort. It will take a while for KCTU to become financially stable.

### ***Exploring new resources for solidarity***

As already stated, public opinion is gradually turning against the labour movement, especially in the present context of economic recession. There are two main reasons for this negative trend: one is a deep-rooted conservatism and anti-labour ideology peculiar to Korean society, and the other is the predictable and harmful impact of labour disputes on economic growth. Rapid growth seems natural to the people, and any factor that slows economic growth is considered harmful. The labour movement is considered as a "necessary evil" in the process of economic development. Social support for the labour movement culminated just after the dispute of 1987 and then declined rapidly. It is ironical that the labour movement was unable to strengthen its social and political position in the process of democratization although it was largely responsible for the demise of the authoritarian regime. There is a strong tendency in Korean society to oppose the rise of organized labour in politics and the economy. Conservative groups viewed the tripartite committee of 1998 with suspicion and discontent. Thus, it is a matter of urgency for labour leaders to develop new resources for worker solidarity and cooperation with other social movements. Labour leaders think that the new social movements (NSMs) which are emerging are good resources for solidarity.

Since the early 1990s NSMs have been emerging in the process of democratization. Numerous organizations and associations are defending public interests, including the feminist movement, the peace movement, consumers' rights, and environmental protection. The values of NSMs correspond with the concerns of workers. The human rights movement and environmental protection are good examples in this respect. The feminist movement is interested in working conditions for women in factories such as lower wages, discrimination in promotion and employment, and sexual harassment. FKTU and KCTU have identified important social issues shared with NSMs and held a joint conference and joint campaign with such organizations in recent years. This marks significant progress towards a new solidarity. Some enterprise unions have already begun to be involved in regional issues such as anti-development campaigns, ecological protection and human rights.

Two factors accelerate the new solidarity between unions and NSMs. One is the expansion of common interests in the process of democratization. As unions become more active in social and political reform, NSMs invite union leaders to workshops and conferences on regional issues more

frequently than before. Unions and NSMs are developing networks for information exchange and cooperative action. Second, a survey reports that many NSM activists are recruited from the labour movement as public concern has moved to post-industrial values since the early 1990s (Song, 1998). For instance, activists who were union leaders in female-dominated factories in the past are now playing a leading role in the feminist movement. Such activists are also found in the welfare movement, consumers' rights groups and the human rights campaign. They have deep sympathy with workers and develop close ties with union leaders. Labour leaders make use of formal and informal networks in expanding links with NSMs (Kim and Song, 1997).

How far this effort will be successful and what sort of solidarity will be achieved are still uncertain. It is desirable for unions to develop solidarity with social organizations, but common agendas such as peace, environmental protection and human rights may undermine the cause and purpose of a labour movement based on class. Nevertheless, solidarity with NSMs is pursued as a desirable way for unions to escape from the conservative social atmosphere that is hostile to the labour movement.

## **7. Conclusion: Future tasks**

This paper has looked at the way in which structural changes resulting from democratization and globalization have affected Korean labour unions and how the unions have responded. To conclude, it is useful to summarize the achievements of trade unions and to look at future tasks.

The union movement in the Republic of Korea is considered to predict the future of organized labour in Asia. It is not inappropriate to state that the Korean movement is the most influential in the continent – influential in volume, impact of strike action and power to mobilize workers in the struggle against authoritarian labour practice. It is influential not in the exercise of legal and institutional power but in the struggle to gain such power. The movement is extremely fluid in pursuit of its goal. This strength and fluidity attracts much attention from organized labour in countries such as Thailand and Malaysia. Several points are worth mentioning in this regard.

First, the Korean union movement is fairly healthy and not corrupt in comparison with some Latin American countries where official unions were under state control for a long period. It is not so imbued with “give-and-take politics” even in the case of the Federation of Korean Trade Unions (FKTU), the only apex body which had official recognition before the 1988 amendment of labour laws. Thanks to its clean image the movement grew fast and gained more support from the middle and lower classes in the 1990s.

Second, the labour movement played the most influential and decisive role in the struggle against authoritarianism in the past two decades and in triggering the transition to democracy in 1987. Organized labour put formidable pressure on authoritarian leadership in all three major regimes when NSMs were underdeveloped. It also made ordinary people aware of the importance of social justice and political freedom. Although progressive groups of organized labour were accused of extremism in the 1980s, democratization would not have been promoted without the unions’ contribution.

Third, unions have achieved an outstanding record of development, despite repressive practices and legal restrictions, formal and informal barriers to organizing workers: most large firms are unionized except the Samsung conglomerate. The organizing rate still remains low but the fact that large firms are mostly unionized and that major factories carry out cooperative labour/management actions explains the union impact on politics and the economy. Large unions in big firms enjoy a financial surplus due to labour legislation that permits company unions to collect dues from member workers. In large unions, financial affluence hides a danger of corruption as reflected in frequent quarrels within unions.

Fourth and most important, attempts to overcome the limits of enterprise unionism cannot go unmentioned. Before the labour law amendment of 1996, industrial unions were marginalized by the legal ban on third party intervention in enterprise labour disputes and collective bargaining. Thus, the legal recognition of industrial unions was an important aim of the labour movement. It was finally achieved in the labour law amendment of 1998.

The Republic of Korea is a contested terrain between the European model and the Japanese model, i.e. industrial unionism and enterprise unionism. While the European model is more common in textiles, finance and services, the Japanese model dominates big manufacturing firms. This situation is a source of optimism for other Asian labour movements which, they feel, are limited by enterprise unionism combined with foreign capital.

Future tasks can be divided into three types: organizational, political, and economic. First is the question of organizing the trade union movement. It took almost ten years to construct an umbrella



organization competing with FKTU and to obtain legal recognition. The attempt was frustrated several times but succeeded eventually. For the first time in Korean labour history worker representation was split between FKTU, KCTU, and KCIIF (independent unions). There were unbridgeable differences in policy orientation, political attitudes and goals between the three apex bodies: there are more differences than similarities between them. The country has thus entered an era of multiple unionism.

Building up strong industrial unionism was another task vigorously pursued by some unions and this was finally achieved in the new labour laws of February 1998. But big unions with 10,000 or more members are reluctant to be controlled by a national federation. The umbrella organizations are not yet able to support newly organizing unions and expand organizational boundaries by careful policies. Due to the weakness of national centres and industrial federations, the horizontal and vertical alliances that are the key to the growth of unionism are not yet fully developed. Therefore, the organizational task is to build strong alliances between unions.

Second is the political task. Organized labour played a crucial role in the transition to democracy in the Republic of Korea. But it failed to expand its organizational scope and political space. Unionization rates increased sharply for a few years after 1987 but began to drop from the mid-1990s, finally reaching the lowest level in the past three decades. In addition, organized labour was entirely excluded from the reform politics of Kim Young Sam's government. President Kim did not change the principle of labour politics but stressed a closer adherence to labour laws. Unions had no place in the political arena and no opportunity to exert pressure on policymakers. The party-labour link does not exist in Korean politics. In such an environment, union efforts to establish a political party cannot be fruitful. The development of party-labour links is necessary if unions are to gain some political influence. But the precise nature of these links is still open to debate.

The final task is economic. In advanced capitalist countries, unions are regarded as an important partner in improving productivity and competitiveness in world markets. Workers expect their union to ensure that they have good wages and working conditions. These two functions are usually contradictory and hard to satisfy simultaneously since high wages undermine firm competitiveness, especially in a country that has relied largely on cheap labour for comparative advantage in world markets. The Korean economy had long enjoyed benefits from a protectionist policy and was not prepared for globalization, free trade and world markets. But industrial restructuring for the global economy was not so urgent for unions, most of which were newly established and more concerned with raising wages and improving working conditions. Employers had to forego profits and sell their assets to pay increased wages and benefits in the early 1990s. Employers believed that a "cost-pushing strategy" could placate angry workers and gain their commitment to the company. Employers made strenuous efforts to meet the new pressures from inside and outside by a managerial revolution that included downsizing, new pay schemes and employment systems. In this sense, the decade after 1987 was a period of industrial restructuring and re-engineering in terms of technological upgrading and managerial innovation. However, these efforts were not supported by unions because of distrust and animosity against employers. Distrust became stronger in the course of dispute settlements in the early 1990s. The amendment of labour laws in 1996 provoked another conflict between business and labour, instead of resolving tensions. Employers and unions both failed to improve flexibility in employment and production despite the fact that flexibility was essential to cope with the global economy.

The IMF intervention of December 1997 altered the entire atmosphere of conflict between employers and unions, as the government was obliged to implement new policies including labour reforms. The employment system has been significantly changed so as to reduce job security as well as life-long employment. As lay-offs became legal in February 1998, numerous workers lost their jobs. Unions realized that they were no longer on the offensive; they became passive and defensive in the midst of economic crisis and increasing unemployment. Unions are alert to the high rate of

unemployment which, they know, encroaches on their organizational base and weakens their power to negotiate. Now it is desirable for unions to be more policy-oriented than strike-oriented in the deepening economic crisis.

The 1970s and 1980s were the era of struggle for political freedom and worker rights; the decade after the political opening of 1987 was the era of attempts to cultivate a mature partnership between politics and the economy. During the last ten years, unions have weathered democratization and globalization simultaneously. They have realized that to maintain worker unity across enterprise unions is not easy in a democratizing and globalizing economy due to the diverse interests of workers and intense market competition among firms. Although it will take time for unions to overcome these challenges, past experience indicates that they will grow into strong and healthy organizations in the Republic of Korea.

## Notes

<sup>1</sup> Opposition union leaders first established KCTU on the basis of NCTU in 1992, and they expanded the coalition by mobilizing progressive unions later in 1995. A new KCTU was born in 1995.

<sup>2</sup> The new labour laws of 1996 permitted multiple unionism after three years, i.e., in 1999.

<sup>3</sup> If the price of housing and land is considered, CPI would increase well above 10 per cent.

<sup>4</sup> When inflation is added, the nominal wage ranges by 10-20 per cent in these years.

<sup>5</sup> It is called employment insurance instead of unemployment insurance.

<sup>6</sup> If unions respect the procedures stipulated in the labour laws, strike leaders are commonly punished on political grounds.

## Acronyms

FKTU: Federation of Korean Trade Unions

KCIIF: Korean Congress of Independent Industrial Trade Union Federation

KCTU: Korean Council of Trade Union Representatives (1993-1995)

KCTU: Korean Confederation of Trade Unions (1995-)

KTUC: Korea Trade Union Congress

LMCC: Labour-Management Cooperative Council

NCRITU: National Council of Regional and Industrial Trade Unions

## Bibliography

- Amnesty International: *Workers' rights at a time of economic crisis in Republic of Korea* (AI Report ASA 25/02/99, Feb. 1999).
- Bognanno, M.F.: *Korea's industrial relations at the turning point* (Seoul, KDI, 1988).
- Collier, R.; Collier, D.: *Inducements versus constraints: Desegregating corporation*, Working Paper No. 432 (Institute of Industrial Relations, 1980).
- Dahl, R.: *Polyarchy: Participation and opposition* (New Haven, Connecticut, Yale University Press, 1971).
- Deyo, F.: *The political economy of the new Asian development* (Ithaca, New York, Cornell University Press, 1987).
- : *Beneath the miracle* (Berkeley, California, University of California Press, 1989).
- : Haggard, S.; Koo, H.: "Labour in the political economy of East Asian industrialization," in *Bulletin of Concerned Asian Scholars*, 1987, Vol. 19, No. 2.
- Freeman, R.; Medoff, J.: *What do unions do?* (New York, Basic Books, 1984).
- Gereffi, G.; Wyman, D.: *Manufacturing miracle* (Princeton, Princeton University Press, 1990).
- Kim, K.-D.: *The sociology of industrial relations* (Seoul, Kyungmunsa, 1992).
- Kim, Y.-H.; Song, H.K.: *Network of trade unions in Korea* (Seoul, FK TU, 1997).
- Koo, H.: "The interplay of state, social class, and world system in East Asian development: The case of South Korea and Taiwan," in Deyo, F. (ed.): *The political economy of the New Asian development*, 1987.
- Korea Labour Institute: *KLI Labour Statistics* (Seoul, Korea Labour Institute, annual).
- Korean Confederation of Trade Unions: *KCTU White Paper* (Seoul, KCTU, 1996).
- Lindauer, D.; et al. (eds.): *The strains of economic growth: Labour unrest and social dissatisfaction in Korea* (Cambridge, Massachusetts, Harvard Institute for International Development, 1997).
- Martins, L.: "The 'liberalization' of authoritarian rule in Brazil," in O'Donnell, G.; Schmitter, P.; Whitehead, L. (eds.): *Transition from authoritarian rule: Latin America* (Baltimore, Maryland, Johns Hopkins University Press, 1986).
- O'Donnell, G.; Schmitter, P.: *Transition from authoritarian rule: Tentative conclusion about uncertain democracies* (Baltimore, Maryland, Johns Hopkins University Press, 1986).
- Park, K.-S.; Park, D.-J.: *Korea's union* (Seoul, Korea Labour Institute, 1989) (Korean).
- Przeworski, A.: *Capitalism and social democracy* (Cambridge, UK, Cambridge University Press, 1985).
- : *Democracy and the market: Political and economic reforms in Eastern Europe and Latin America* (Cambridge, UK, Cambridge University Press, 1991).
- Ramos, E.T.: "Industrial relations strategies of trade unions in South East Asia: A comparative analysis," in *Agenda*

- for Industrial Relations in Asian Development* (Tokyo, Japan Institute of Labour, 1981).
- Song, H.K.: *The State and organized labour in the transition to democracy*, Paper presented at the European Consortium for Political Research and later published as Working Paper (Hallym University, 1992).
- : "Working-class politics in reform democracy in South Korea," in *Korean Journal of Population and Development* (Seoul National University), 1993, Vol 23, No. 2.
- : "The analysis of participants in the new social movements in Korea: Mobilization and networks," in *Korean Social Sciences*, 1998, Vol. 20, No. 3 (Korean).
- Stepan, A.: *State and society: Peru in comparative perspective* (Princeton, New Jersey, Princeton University Press, 1978).
- Suh, D.: *From individual welfare to social change: The expanding goals of Korean white-collar labour unions, 1987-1995*, Unpublished Ph.D. dissertation, Department of Sociology, University of Chicago, 1998.
- Valenzuela, S.: "Labour movement in transition to democracy: A framework for analysis," in *Comparative Politics*, 1989, No. 2.
- Yee, J.; Kwon, H.: *Korea's labour union of the 1990s* (Seoul, Federation of Korean Trade Unions, Research Center, 1995) (Korean).