

Interview

# South Korea's Labor Fight against Moon's "Flexible Work Hour" Policy

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**The following is an interview with Wolsan Liem of the Korean Public Service and Transport Workers' Union (KPTU) about the strike, the current government's labor policy, and the state of South Korea's economy.**



*160,000 South Korean workers walked off the job last month to protest President Moon Jae-in's labor policy.*



*Wolsan Liem of the Korean Federation of Public Services and Transportation Workers' Unions (KPTU)*

**Tell us about the strike. What was the impetus for it? Who are the workers, and what are their demands?**

Wolsan Liem - On November 21, roughly 160,000 members of the Korean Confederation of Trade Unions (KCTU) participated in a general strike with approximately 40,000 taking part in strike rallies held in front of the National Assembly in Seoul and around the country. The KCTU's main demands called on the government to:

- 1) Stop attempts to expand the application of flexible work hour rules,
- 2) Ratify International Labor Organization (ILO) core conventions and revise the Korean labor law

accordingly to fully guarantee fundamental trade labor rights to all workers,

3) Fully and fairly implement the policy of transferring public sector precarious workers to permanent employment (including bringing subcontracted jobs in-house) and,

4) Reform the National Pension Service to expand social protection.

The largest force in the strike was the Korean Metal Workers' Union (KMWU), particularly workers in the automobile industry, who are responding to dire conditions and the lack of industrial policy to address them. In particular, there is a lot of concern among workers in Hyundai and Kia Motors about an attempt by the government in Gwangju to get Hyundai to build a new factory that will employ workers with half the pay and on the condition that collective bargaining and other rights are suspended for a significant period. This would create competition for bad jobs in an already saturated market.

Members of my union, the Korean Public Service and Transport Workers' Union (KPTU), were also a large force in the strike, including workers employed by the National Pension Service and a wide range of public sector precarious workers who are fighting for permanent employment and decent conditions.



*“Let’s Win! The Right to Unionize”—S Korean workers strike for labor rights, November 21, 2018*

**Talk about Moon Jae-in’s “flexible work hour” policy. What is it in a nutshell, and how will impact ordinary workers?**

On November 2, the administration and the five main political parties agreed to pursue the expansion of the flexible work hour system that has existed since 1998. The flexible work hour system changes the calculation of regular work time and overtime from the eight-hour workday to a period of weeks or months. Without flexible work time, a worker who works more than the regular eight hours in a single day is entitled to overtime pay, and there is a limit on the legal amount of overtime that he/she/they can work in one week (currently 52 hours, except for workplaces with legal exceptions). Under a flexible work hour system, the employer can ask a worker to work less than a full workday or week when there is less work and work more than the legal workday or week when there is more work without paying overtime. The current system allows for this sort of flexibility within a three-month period.

The agreement reached by the main political parties calls for the implementation of a system in which this period is increased to six months or one year. This would make it possible for employers to require workers to work for even longer periods, greatly increasing labor intensity while further reducing wages.

Obviously, this has an impact on workers’ health and safety, with a direct impact on public safety for workers in safety-critical jobs. Furthermore, in times of economic stagnation, such as we are currently experiencing, an increase in work intensity leads to a decrease in the demand for labor. In other words, employers can and will make do with fewer workers, increasing job instability and

shrinking employment.

**Talk more broadly about South Korea's current economic conditions — the decline of its major export industries, the growth of the service sector and the flexibilization of labor, rising youth unemployment, etc. — and what this means for ordinary workers.**

The Korean economy is currently in the worst shape it has been in since the Asian Financial Crisis and IMF intervention in 1997-1998 (often referred to in South Korea as the “IMF crisis”). The general state of global economic stagnation following the 2007-8 forms the main context, but Korea is faring particularly poorly. Growth rate projections are well below 3%, and youth unemployment is at 10%-23% if you count young people who are preparing to enter the job market. Most experts predict that things will get worse next year.

The reasons the Korean economy is faring so poorly have to do with the historical development of the structure of the economy and its position globally as a semi-peripheral country, which has had to play catch-up with the more advanced capitalist economies. South Korea's manufacturing sector has been hit by the reality of stagnation in global shipbuilding and an inability to compete with American and European automakers and is now completely saturated (there is an over-accumulation of capital with no place for productive investment). This has led to continuous structural adjustment and job loss.

In general, the domination of the economy by chaebols has stifled innovation, leading to low productivity. Domestic demand is low, but Korea can no longer compete with China, which has much lower labor costs, in export markets. Low growth and the lack of opportunities for productive investment mean that capital, supported by the government to a greater or lesser extent depending on the balance of social forces, turns to financialization, outsourcing, labor flexibilization and an increase in labor intensity — seeking growth without employment or an increase in wage.

President Moon Jae-in began his administration with a policy of ‘income-led growth’ — seeking to stimulate economic growth through policies like increasing the minimum wage. The labor movement and progressive forces, of course, support increasing the minimum wage, which is needed to alleviate the daily difficulties that workers and their families face. But without avenues for productive investment, expansion of domestic demand can't stimulate economic growth or employment in the long term. In other words, it is not a fundamental solution to the economic crisis. And now Moon is backtracking on his original policy commitments.

This is the situation in South Korea, but it is also reflective of a global situation — a structural crisis of capitalism. In this situation, unions have to fight to alleviate the immediate troubles faced by the working class as a whole through policies like minimum wage increases, guarantee of fundamental trade union rights, expansion of social protection and increasing the accountability of principal companies (economic employers) for the conditions and wages of workers throughout their supply chains. But we also need to be searching for more fundamental alternatives — new economic and social structures that go beyond the logic of growth and profits.

**Talk more specifically about the conditions of irregular workers and what their movement looks like today.**

Roughly 50% of Korean workers are categorized as ‘irregular’ (in Korean, bi-joen-gyu-jik). This is a very broad and somewhat vaguely defined term that indicates a very wide range of precarious forms of employment, including workers who in the U.S. are called (or misclassified as) independent contractors, temporary workers, subcontracted workers, temporary agency workers, part-time workers, casual workers, on-demand workers, etc. Given the diversity of these workers, it isn't fair

to talk about them as a single category. Nonetheless, it can be said in general that just as in the U.S. and almost everywhere else in the world, irregular or precariously-employed workers face job insecurity and poor wages and conditions, as well as severe legal barriers and other obstacles to exercising trade union rights. Nonetheless, the number of precarious workers in the KCTU's membership — and particularly in KPTU's membership — has grown a lot in recent years due to focused strategic organizing efforts. Almost 40% of KPTU's membership is now comprised of irregular (or precarious) workers.

The struggle of public sector precarious workers (who are a big part of our membership) has been particularly important in recent years. These workers' have been fighting for direct employment by the public institutions they work for the last two decades. As a result of this struggle, soon after taking office President Moon announced a policy to regularize or make permanent the employment status of precarious workers in the public sector. Due to loopholes in the government's policy and resistance from the heads of public institutions, the implementation of this policy has been slow and rocky, with many workers left out in the process. This has sparked a series of strikes and protest actions over the last two years. Most recently, newly-organized KPTU members who were on temporary contracts with Job World — ironically, an agency affiliated with the Ministry of Employment and Labor — carried out a month-and-a-half long strike, which included a 38 day sit-in protest and 10-day hunger strike, calling on the government and the employer to uphold the policy of direct employment.

Another important category of precarious (irregular) workers is what is called specially-employed workers — known (or misclassified) as independent contractors in the U.S. These workers have been fighting just to be recognized as workers and granted basic trade union rights for the last two decades. This fight has also become more intense, given that the current government has made promises about bringing Korean labor law in line with international standards — another promise it has yet to uphold. With the advent of the gig economy and platform work, the organizing efforts and fight for trade union rights of 'specially-employed' workers are becoming more and more important in Korea and globally.

### **KCTU decided to sit out the labor-management-government tripartite discussions and strike instead. Talk about this decision.**

The KCTU has traditionally been careful about participating in tripartite bodies. There is a good reason for this. The tripartite commission (Economic Social and Development Commission) established by the Kim Dae-jung government in 1998 served as an avenue to justify labor flexibilization policies in the wake of the "IMF crisis," which were devastating for Korean workers. At that time the KCTU made the mistake of agreeing to the introduction of flexible labor time and other similar policies in exchange for certain concessions to organized labor, including the legalization of the KCTU. The result of these policies was the expansion of precarious employment as described above.

After pulling out of the Commission in 1999 and not participating for almost two decades, the KCTU began participating in a limited manner at the beginning of the current administration, but pulled out again in May in protest against the sudden passage of a law that changed the calculation of the minimum wage, making recent increases all but meaningless. A few months later KCTU and its affiliates, including KPTU, began participating in some tripartite discussions in a limited manner, particularly in relationship to potential reform of the National Pension Service.

But the Moon government has pushed to establish a new and expanded tripartite body — the Economic, Social & Labour Council. Participation requires a new decision from KCTU's Congress — its highest decision-making body. At the same time, it is becoming more and more clear that the

government (along with business interests) is planning to push through reforms like the expansion of the flexible work hour system regardless of labor's position, and is pulling away from its main promises such as ratification of ILO core conventions and meaningful labor law reform.

Given this situation, there is a lack of agreement about whether or not to participate in the Economic, Social & Labor Council within the KCTU. Many people, including myself, believe it is not wise to participate at this point, at least not until KCTU has established clear principles around participation and, more importantly, a multifaceted campaign strategy for achieving these principles outside of the Council. Otherwise, KCTU will end up being forced to give a rubber stamp to policies that will hurt the entire working class in exchange for limited rewards for some sectors of organized labor.

Others, however, are still hopeful that KCTU and its affiliates will be able to reach positive deals with the Moon government by focusing on participation in the Council. The current KCTU leadership is included in this group.

KCTU attempted to reach a decision on participation during a Congress held in October but failed to achieve a quorum, so the decision was deferred. The next official discussion will likely be held at KCTU's regular Congress in January next year.

**South Korea's organized labor, and the progressive movement more broadly, generally supports Moon's policy of engagement with North Korea while at the same time remaining critical of its labor and economic policies. Please discuss this dynamic and how it plays out concretely. How can people support/cooperate with the administration on the one hand and criticize/protest on the other?**

In principle, there is no contradiction in the labor movement protesting against or criticizing government policies that hurt workers and at the same time supporting the ones that advance working class interests or the general social good. There would, however, be a problem in seeing a liberal government as an ally — say on issues of peace and unification — and therefore choosing not to criticize policies that are clearly harmful to workers or other common people. While there may be some unification-related organizations which would make such a decision, it would be contradictory and against the goals, purpose, and responsibilities of the labor movement to do so.

Another problem, however, is whether it is enough for the labor movement — or peace and unification movement — to merely support and cooperate with the Moon administration's policy vis a vis North Korea and the United States. The administration has in fact taken a very contradictory stance; on the one hand seeking engagement with North Korea, while on the other hand pledging to strengthen the U.S.-ROK military alliance. While efforts to demilitarise the DMZ and engage with North Korea are positive, a fundamental realignment of the relationship with the U.S. is needed to truly bring lasting peace in the region.

In addition, the labor movement needs to be wary of the Moon administration's plans for engagement with North Korea, which is fundamentally based on the liberal notion of economic integration of North Korea as a source of cheap labor and natural resources and a destination for private investment. Without strong intervention from unions to protect workers' rights and public services, this plan would likely lead to new problems for workers and common Koreans on both sides of the border. Unfortunately, these demands and concerns are not being given sufficient attention by either the labor movement or the peace and unification movement at the moment.

It is also quite clear that frequent meetings between the leaders of North and South Korea are not going to be enough to bring about a breakthrough in the standoff between North Korea and the U.S, which is also a fundamental obstacle to peace. A strong peace movement in South Korea, ultimately

in alliance with peace forces in the U.S., Japan, and other countries, is needed, calling for clear steps by all parties towards true denuclearization of the Korean Peninsula (including removal of the threat of nuclear preemptive strike from the U.S.), the signing of a peace treaty, and disarmament. Some of the immediate steps needed include the declaration of an end to the Korean War, lifting of sanctions against North Korea, and removal of the THAAD missile defense system from South Korea. Ultimately North Korea will also have to take concrete steps towards denuclearization as well, but the peace movement needs to call for the conditions that would make this possible.

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• Zoom in Korea, Dec 15, 2018:

<http://www.zoominkorea.org/interview-s-koreas-labor-fight-against-moons-flexible-work-hour-policy/>