

The fight for safe rates for transportation workers in South Korea

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In the past decade, South Korea has emerged as one of East Asia's most advanced digital economies, with e-commerce, ride-hailing, and other services all growing. But for many truckers and logistics transportation workers, without which these services wouldn't be possible, the benefits have been few and far between. Deregulation, since the early 1990s, has eased the barrier of entry for smaller companies and owner-operators, while the power of large companies to dictate rates has grown, increasing driver precarity.

"The vast majority of truck drivers in Korea, over 90 per cent, are dependently self-employed workers or 'owner drivers', and these workers face several challenges," says Wol-san Liem, director of international affairs at the Korean Public Service and Transport Workers' Union (KPTU). "They are not recognised as employees or even workers under Korean labour law, meaning that their rights to basic minimum standards, like a minimum wage, working time limits, or freedom of association, are not legally guaranteed."

Despite this, *Hwamulyundai*, KPTU's Cargo Truckers Solidarity Division (KPTU-TruckSol) has successfully organised a significant percentage of transportation workers, and effectively used a 'safe rates' campaign strategy, inspired by the experience of the Transport Workers' Union (TWU) in Australia, to build workers' power and push for regulations that have improved the livelihoods of some Korean road transport workers.

KPTU-TruckSol was founded in October 2002 with 1,300 members. Its goal was to organise road transport workers and secure safe working conditions, as well as standard, fair rates to combat the challenges workers face in this sector. "Dependency, owner-driver status, and a lack of legal rights means that drivers have to accept whatever conditions are placed on them, but are also responsible for operating costs, like fuel and repairs, and if any accidents occur," says Liem.

From the very start, organising was a challenge. This is partly because, since its inception, KPTU-TruckSol has faced hostility from both the South Korean government and freight transport companies.

Its first action, a strike in 2003, initially forced the government to the bargaining table. Instead of accepting the union's demands, the government amended the Trucking Transport Business Act to allow the Ministry of Land, Infrastructure and Transport to give back-to-work orders to individual truck drivers involved in a collective refusal-to-work.

This was followed by refusal to recognise TruckSol's legal status as a trade union and attempts to force its parent union, KPTU, to exclude owner-operators. Companies, meanwhile, often refuse to negotiate with KPTU-TruckSol, or fire its members for participating in collective actions. There have even been cases of freight transport companies cancelling contracts with owner-operators due to union activity or forcing drivers to give up their membership in order to work.

Cross-border learning

In 2012, KPTU-TruckSol became aware of a campaign by the TWU in Australia, in which the union successfully pushed for the passage of national 'safe rates' legislation. Safe rates is a regulatory model which involves the imposition of mandatory enforceable legal obligations upon all business firms operating throughout road transport supply chains. It aims to ensure that all road transport workers receive the same work protections – in terms of health and safety, and also minimum pay rates.

"In 2013, we visited Australia with the goal of learning about this legal system, so we could prove that the South Korean government, who insisted no 'standard rates' system exists anywhere else in the world, was lying," says Yeonsu Park, KPTU-TruckSol's policy director.

What they discovered was that the legal effort was based on a power-building strategy, in which TWU went beyond workers, engaging the broader public through lobbying and media campaigns focused on the connections between contracting practices, low rates and road accidents.

"After visiting TWU, we started to make this connection too with the slogan 'Safety for the Public, Rights for Truck Drivers,'" says Park.

From 2013, KPTU-TruckSol adapted TWU's campaign in Korea, gathering evidence of how low rates led to increased driver fatigue and accident risk, organising an international symposium, and becoming active in the media. In 2016, another strike was waged, demanding safe rates legislation, followed by direct lobbying. It worked : in April 2018, safe rates for drivers in the import-export container transport and bulk cement transport sectors was passed as an amendment to the Trucking Transport Business Act. It set statutory minimum rates to be paid to all relevant road transport drivers, even non-employees, [starting from January 2020](#).

Building power

The safe rates campaign has allowed KPTU-TruckSol to increase its membership substantially. According to the union, since the regulations went into effect on 1 January 2020, membership has grown by 350 members in the bulk cement transport sector, 1400 in the container sector, and by more than 3500 overall.

"We have intentionally focused on identifying and solving issues that are not adequately addressed in the safe rates system and on monitoring and enforcement of the rates in these two sectors," says Liem. "We have succeeded in organising workers around these demands to make concrete changes in their workplaces."

Still, much remains to be done, to both expand the scope of safe rates, and to organise more transport workers.

There was good news in December 2020, when the National Assembly voted to guarantee unemployment benefits and to extend occupational accident insurance to delivery drivers and gig economy workers by 1 January 2022, according to reports.

But an outstanding concern is the three-year sunset clause in the legislation, which KPTU-TruckSol wants to abolish.

Another major challenge is better adapting KPTU-TruckSol's model for the emerging digital economy. Its membership remains primarily in the freight-transport sector, but door-to-door delivery

services increased by 300 per cent between 2007 and 2017, according to the Korea Transport Database. Even amongst KPTU-TruckSol members, app-based work is increasingly common, with 75 per cent of members using app-based intermediaries in 2018. This is increasing pressure on the performance of truck drivers, who must work for longer hours and engage in more hazardous work practices in order to meet delivery timetables and freight rates.

“Our plan is to expand strategic organising not only in the container and bulk cement sectors, but also to steel, retail and parcel delivery,” says Liem. They will also have to defend their progress, as the existing safe rates regulation is facing legal challenges from some transport companies and clients. “If not stopped, these actions will destabilise the system, create more turmoil in the industry and push workers to compete even more and engage in dangerous and sometimes illegal actions in order to make a living,” says Liem. “It is therefore a very critical time right now, which will determine the future of the road transport industry in Korea.”

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