

South Korean government pushes casualization of workforce

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President Park Geun-hye's government in South Korea is pursuing so-called labor reforms that will greatly worsen conditions for workers. While being promoted as measures to increase employment, big business is demanding these changes in order to boost profits.

On September 13, a tripartite committee of government, business and union representatives reached an agreement to, among other things, allow the firing of employees at will or the changing of labor contracts. The Economic and Social Development Commission is chaired by former Labor Minister Kim Dae-hwan. Representing the three sides are Employment and Labor Minister Lee Gi-gwon, Korea Employers' Federation head Park Byeong-won and Federation of Korean Trade Unions (FKTU) leader Kim Dong-man.

Just three days later, on September 16, the Saenuri Party submitted five new bills to the National Assembly. In particular, the Short-Term Workers Act and the Temporary Workers Act would extend the number of years a person could be employed on an irregular basis from two to four and expand the industries in which irregular workers can be hired. The ruling party is also planning to submit bills soon on more easily firing workers and changing contracts.

Big business has long demanded the complete tearing down of South Korea's lifelong employment system, as well as the means to cut workers' salaries. The government will draw up guidelines for firing employees without financial or disciplinary cause and to allow companies to alter contracts to implement a peak wage system, which would slash wages for workers aged more than about 55.

The government has also pledged financial subsidies to companies that adopt the peak wage system. The

money would ostensibly be used to hire more young people, but in reality will go to increasing the profits of big business.

In a bid to secure the continued collaboration of the unions, the government promised not to "implement these plans arbitrarily and will hold adequate deliberations with labor and management." The FKTU executive committee ratified the agreement on September 14, despite protests from its membership.

South Korean workers are deeply opposed to the new measures. Last Wednesday, an estimated 15,000 people joined a protest called by the Korean Confederation of Trade Unions (KCTU) to denounce the government's plan. Police responded by attacking the protesters with pepper spray. Hyundai autoworkers also went on strike for three days last week, opposing the "labor reform" as well as demanding better wages.

Neither the KCTU nor the opposition New Politics Alliance for Democracy (NPAD) sit on the tripartite commission and both have criticized the agreement. The FKTU is South Korea's largest umbrella union organization, while the KCTU is the second largest and considered the more militant of the two.

The NPAD, however, is not opposed to so-called labor reform, however. "It (labor reforms) should be dealt with carefully at the National Assembly," NPAD floor leader Lee Jong-geol said recently. While the NPAD has stated it would not support any legislation that allows companies to more easily fire workers, it has indicated its willingness to discuss the issues, giving rise to the likelihood of a backroom deal.

In a September 4 speech, Lee appealed for a bipartisan approach with the ruling Saenuri Party. "There were many areas in which we could agree on... If we negotiate with each other in order to solve these problems, there is plenty of room to reach our goals."

To dress up the corporate agenda, the NPAD is pushing for chaebol reform. The chaebol—conglomerates like Samsung and Hyundai—dominate the South Korean economy, accounting for a large percentage of the country's wealth and are closely tied to the ruling party.

In his speech, Lee said: “Our goal is to reform the governance structure of conglomerates by separating their ownership and management. For smaller companies we will support R&D [research & development] through improved financing. For subcontractors we will ensure fair trade to raise their competitiveness.”

The NPAD and its predecessor Democrat formations have always primarily represented smaller, weaker layers of the South Korean bourgeoisie that cannot compete with the chaebols, while posturing as a working class and progressive party.

But the presidencies of Democrats Kim Dae-jung and No Moo-hyun from 1998 to 2008 saw a vast redistribution of wealth into the hands of the corporate elite. Today, the richest 10 percent of the population accounts for 49.9 percent of total income, a number that stood at 29.2 percent in 1995. Kim used the 1997–1998 Asian Financial Crisis to push through austerity policies that included mass layoffs, privatizations and the beginnings of casualization, paving the way for the current assault on workers today.

Some 46 percent of the workforce is now engaged in various forms of irregular work, including casual and temporary employment. Even according to government data, non-permanent workers are being pushed further behind on wages, earning 54 percent of what regular employees earn for similar work, compared with 65 percent in 2004.

The Saenuri Party responded favorably to Lee's remarks on labor reform. Party chief Kim Mu-seong commented that he had “listened to very good remarks.” Kim continued: “While the ruling and opposition parties cannot have the same thoughts, unlike in the past, there were no particularly extreme points; rather, there are areas that we can also take into consideration.”

All of this further reveals the true nature of the KCTU and its allies. For all its anti-capitalist rhetoric and promises to wage an “all-out war” against labor reform, the KCTU and its affiliated unions are seeking to tie the

working class to the NPAD. The KCTU has already stated that it will not back a single ruling party candidate in next April's general election, lending legitimacy to the opposition as an alternative for the working class.

The KCTU has routinely backed the NPAD and its Democrat predecessors in prior elections. South Korean workers should place no trust in the words of the NPAD or the KCTU. Both have a long record of subordinating the interests of workers to those of the ruling capitalist class.



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