

South Korean opposition party pledges phony reforms

Ben McGrath
9 May 2024

South Korea's National Assembly is set to begin its new session on May 30 in which the opposition bloc, led by the Democratic Party (DP), will hold nearly two-thirds of the seats following last month's general election. Using their position, the Democrats are adopting a phony progressive veneer in order to suppress growing opposition among workers to declining economic and social conditions.

On Monday, the DP announced through their newly elected parliamentary floor leader Park Chan-dae that the party would introduce as its first piece of legislation—a paltry 250,000 won (\$US184) cash handout to everyone in the country.

It is one of a number of so-called “reform” bills that the Democrats pledged to pass while campaigning in the April 10 general election, in which the opposition bloc took 192 out of 300 seats, a humiliating defeat for the People Power Party of President Yoon Suk-yeol. Park claimed on May 3, “We will break with the Democratic Party of the past, which hesitated and missed opportunities. The first thing will be reform. The second thing will be reform. And the third thing will be reform.”

Monday's announcement followed a meeting on April 29 between President Yoon and Democrat Party leader Lee Jae-myung, the first between the two since Yoon narrowly defeated Lee in the 2022 presidential election. Yoon's five-year term runs until 2027, and under South Korea's modified US-style constitution, he controls the executive branch independently of the parliamentary majority, and his party is still described officially as the ruling party.

Lee sought to give the impression that he was pressuring the president to accept the DP's agenda. He claimed the handout would be an “emergency measure to restore people's livelihoods.”

This is nothing but a smokescreen for the Yoon administration. The president has already made clear that he will continue pushing forward with attacks on the working class, including so-called “labor flexibility,” which means expanding the workweek from 52 to 69 hours and significant wage and job cuts, all in line with the demands of big business.

Legislation, such as limited handouts, will do nothing to address the serious decline in economic and social conditions that the working class confronts. Mass layoffs are looming, particularly in domestic food, cosmetic, and retail companies where there “could be the harshest-ever series of job cuts since the 2008 global financial crisis,” according to the *Korea Economic Daily* in December. Tech companies like Google and Amazon are also planning to slash jobs in their South Korean offices.

Big business is demanding the tearing up of current labor regulations that make it difficult for companies to layoff regular employees. It is also demanding the removal of safety standards and liability laws for executives of companies engaged in criminal behavior or that lead to worker injuries or death. Jeffrey Jones, the chairman of the board of governors for the American Chamber of Commerce in Korea, complained last month, “There are just too many laws and too many regulations that impose criminal liability on business leaders, and this is an issue for which we must find a solution.”

The falling value of the South Korean won is driving concerns that this will push up the price of imports, including oil, on which South Korea is heavily dependent. Yu Sang-dae, the Bank of Korea's senior deputy governor, said in April, “Fluctuations in international oil prices, exchange rates and shifts in the global supply chain may further increase uncertainties

in the real economy, impacting both growth and inflation rates worldwide.”

Conditions for workers are already declining. Household debt has reached 100.1 percent of GDP. Driven by high inflation, real wages have dropped over the past two years by 0.2 percent and 1.1 percent respectively. While overall inflation declined to 2.9 percent in April, prices for fresh foods were up 19.1 percent from the previous year. Electricity, gas, and water costs grew by 4.9 percent while petroleum was up by 1.3 percent.

Workers are increasingly forced to take second jobs in order to make ends meet. According to Statistics Korea on April 29, 552,037 workers had at least one additional job during the first three months of 2024 in order to supplement their meagre incomes. This was a 22.4 percent increase over the previous year. Many of those took jobs in the gig economy, working as food delivery workers.

The Democratic Party’s “reform” bills will not address any of these issues. Instead, the DP hopes to mollify workers with phony promises, thereby covering up the big business agenda it shares with Yoon and the People Power Party.

The Democrats are also relying on the so-called “militant” Korean Confederation of Trade Unions (KCTU) to suppress the class struggle, just as it did during the mass strikes that took place in the 1990s and 2000s as well as during the large-scale protests in 2016?2017.

Both the DP and the KCTU have for months pushed for the passage of what is known as the “yellow envelope” bill, which would amend articles 2 and 3 of the Labor Union and Labor Relations Act. The name is a reference to yellow envelopes used to collect donations for Ssangyong Motors workers after courts imposed heavy fines on them for their 2009 strike opposing mass layoffs.

The bill was passed last November by the Democrat majority in the National Assembly, but was vetoed by Yoon in December. The DP has pledged to reintroduce it while the KCTU has given the legislation its full support as a means of promoting the Democrats. But despite the unions’ claims, this would do nothing to help workers.

The bill has two main purposes. First, it would allow the unions of subcontractors to negotiate directly with a

parent company. At present, parent companies regularly claim to not be the subcontractors’ employer, refusing to deal with unions. The use of subcontractors is widespread in South Korea and is a means of paying workers less while denying them even the limited benefits and job protections to which full-time employees are entitled.

The poor treatment of subcontract workers often leads to strikes and protests. However, the direct negotiation between the subcontracting unions and the companies would give the unions a “seat at the table” in order to better impose sell-out agreements and to contain workers’ struggles.

Even when strikes are called, the unions’ goal is to let workers burn themselves out on the picket lines before enforcing pro-company deals. Strikes are regularly limited to partial walkouts to divide workers and reduce the impact on companies. As such, the DP sees the bill as a means, not of protecting workers but of enhancing the ability of unions to suppress strikes.

Secondly, the bill would restrict companies from easily filing for damages incurred during strikes. At present, if a company files claims, the cost is divided among union members. The bill proposes that only workers who are directly connected to supposed damages would be required to pay fines. This not only protects the coffers of the unions, but would also give them more control over wildcat strikes. Workers who threaten to go beyond what the union is willing to allow would open themselves up to victimization by the unions and companies with exorbitant legal costs.

As the social crisis in South Korea deepens, the differences between Yoon and the Democrats are purely tactical. While Yoon prepares a frontal onslaught on the working class, the Democrats advice cosmetic reforms and greater reliance on the unions to suppress any opposition.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)