

Labor Politics and the Limits of Democracy in Korea

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Abstract

This essay traces the transformation of labor politics in South Korea since the late 1980s. Under the neoliberal restructuring of the labor market, organized labor has faced an uphill battle in advancing labor rights, despite the expansion of democratic politics. This study analyzes the fragmentation and stratification in the labor market and traces the concomitant changes in (1) workers' grievances and demands, (2) forms of collective action, and (3) trajectories of labor parties over the last three decades. It also identifies internal and external predicaments faced by the Korean labor movement, which have undermined its sociopolitical significance, despite the effective militancy it demonstrated in the democratizing context.

Keywords: Labor movements, labor parties, labor rights, neoliberalism, South Korea.

The thirtieth anniversary in 2017 of South Korea's 1987 democratic transition was marked by many scholarly discussions concerning the progress and drawbacks of the nation's democratization. It was a particularly important time to assess Korean democracy because citizens once again demonstrated their civic capacity to oust a corrupt and authoritarian president through months-long, nonviolent, political protests. Yet many scholars, most notably Choi Jang-jip, raise a critical voice arguing that "democracy without labor" is the Achilles heel of Korean society. Despite the expansion of democratic politics over the last three decades, labor—both in terms of workers' socioeconomic well-being and the political leverage of labor unions—remains one of the most daunting concerns for Korean democracy. Under the neoliberal restructuring of the labor market since the 1990s, workers have undergone multiple structural predicaments and faced an uphill battle in advancing labor rights. This study traces the transformation of labor politics in South Korea since the late 1980s by analyzing the fragmentation and stratification in the labor market and

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the concomitant changes observed in (1) workers' grievances and demands, (2) forms of collective action, and (3) trajectories of labor parties over the last thirty years. It identifies the internal and external challenges that the Korean labor movement has experienced, which have undermined organized labor's sociopolitical significance, despite the effective militancy it demonstrated in the context of political democratization.

The transition from labor-repressive authoritarian rule to procedural democracy in South Korea created a positive institutional environment in which the labor movement is able to assert labor rights. One of the most significant changes was labor law amendments that removed legal barriers to the exercise of labor's collective rights. Labor law reforms in 1987 and 1989 eliminated antilabor clauses instituted under military dictatorships. The legal stipulations that were removed include the previous restriction to a single union per company; the prohibition of third-party involvement in union affairs; the power of district offices to change union leaders or to order union dissolution; and the prohibition against political activities among unions.¹ Today, Korean workers are freer than previously to form labor unions and have access to multiple institutional venues through which their interests can be addressed. Countering the monopoly of the Federation of Korean Trade Unions (FKTU) that was sponsored by authoritarian regimes, the Korean Confederation of Trade Unions (KCTU) was formed in 1995 as a second national center for labor and was legally recognized in 1998. The Korea Tripartite Commission (now renamed the Economic and Social Development Commission) was established in 1998 to facilitate tripartite consultations among the representatives of the government, employers, and workers. Labor parties emerged in legislative politics in the 2000s to articulate labor and social welfare issues, which will be addressed in detail in the following sections.

Yet, the effect of such legal relaxations concerning labor's collective rights was offset by other labor law revisions in the late 1990s. From the Kim Young-sam administration's drive for "*segyehwa*" (internationalization) to the International Monetary Fund's bailout conditions in 1997 (during the Asian Financial Crisis), labor market reforms became an important component of Korea's globalization project. Both the government and corporations sought ways to globalize the Korean economy by deregulating capital movements, transforming Korean capital into global capital, and reorganizing the labor market for greater flexibility. Part of the neoliberal restructuring of the labor market was labor law amendments to enable employers to use massive layoffs and precarious employment for managerial reasons. On the one hand, revised labor laws in 1997 and 1998 introduced pro-labor clauses that were long demanded by independent labor unions, such as multiple unions, public

¹ Young-ki Choi, Kwang-seok Jeon, Cheol-soo Lee, and Beom-sang Yoo, *Labor Law Reform and Industrial Relations in Korea* (Seoul: Korea Labor Institute, 2000), in Korean.

employees' unions, and the legal recognition of the KCTU. On the other hand, the revisions included relaxed conditions for massive layoffs and for the employment of substitute, part-time, and agency workers.² It is rather ironic that center-left administrations under Kim Dae-jung (1998–2002) and Roh Moo-hyun (2003–2007) implemented policies to increase labor market flexibility, which resulted in increased stratification, precariousness, and insecurity among the working people.

Irregular workers (nonstandard, casual, or precarious workers) have risen in number to constitute almost half of the Korean labor force. The division between regular and irregular employment is significant because irregular workers are subject to low wages, job insecurity, discrimination, and lack of legal protection or organizational representation.³ Irregular workers are paid about 66 percent (12,076 won) of the hourly wage of regular workers (18,212 won) and are covered at a much lower rate than regular workers by social protection programs and other benefits.⁴ Table 1 compares the disparities between these two types of employment. Except in the field of industrial accident insurance, irregular workers are greatly disadvantaged in all other provisions compared to regular workers. Furthermore, women and young workers are located at the bottom of the labor market hierarchy and

Table 1. Social Protection and Other Benefits
for Regular and Irregular Workers, 2016

Social protection/benefits	Regular workers (%)	Irregular workers (%)
Unemployment insurance	95.7	72.1
Health care	98.3	59.4
National pension	98.2	56.7
Industrial accident	98.3	97.4
Bonus	65.8	22.9
Retirement benefits	55.5	20.7
Unionization	12.4	1.7

Source: Ministry of Employment and Labor, *Survey Report on Labor Conditions by Employment Types, 2016*, Statistics Korea, http://kostat.go.kr/portal/korea/kor_nw/2/3/1/index.board?bmode=read&aSeq=364258 (accessed March 1, 2018).

² Ibid. Massive layoffs are allowed for managerial reasons, including mergers and acquisitions.

³ Labor market stratification is more serious and complex than just the division between regular and irregular workers. The production system of large corporations consists of a pyramid structure, with the primary firm on the top, direct subsidiaries and subcontractors in the middle, and outsourced subcontractors at the bottom. Firms at each level employ both regular and irregular workers.

⁴ Ministry of Employment and Labor, *Survey Report on Labor Conditions by Employment Types, 2016*, Statistics Korea, http://kostat.go.kr/portal/korea/kor_nw/2/3/1/index.board?bmode=read&aSeq=364258 (accessed March 1, 2018).

exposed to greater vulnerabilities than men and older workers in regard to the precariousness of one's position and wage differentials. What this implies is that the achievements of the labor movement during the early period of democratization were largely concentrated among unionized, full-time, male workers who were employed in large corporations. It further indicates that, given such a highly stratified labor market, it is a daunting task for labor unions to expand their membership and exert political influence.

Changes in Workers' Grievances and Demands

Drastic changes in labor market conditions have altered the major demands raised by the Korean labor movement. During the 1970s–1980s, there were two central grievances among workers who labored in despotic factories, buttressed by labor-repressive authoritarian regimes. One was the demand for humane treatment, which included basic respect as a human being in workplaces, as well as minimum conditions to survive, such as a decent wage and safe working conditions.⁵ Another demand was workers' collective right to form independent labor unions. This was a crucial issue for industrial workers who needed an organizational vehicle to genuinely represent and fight for their basic rights against employers and the state which used a variety of institutional controls to prohibit autonomous organizing among them.⁶ The government allowed only the FKTU and placed it under the tight control of the state to inhibit independent union organizing. Workers' demands converged on the two conditions because they were subjected to similar experiences of exclusion and repression in the export-oriented manufacturing industries.

The Survey on Industrial Relations conducted in 1989 shows that improvement of wages and better working conditions were the most central issues in industrial relations at the time.⁷ Almost 90 percent of the respondents who identified themselves as wage employees chose the lack of improved “wages and working conditions” as the primary cause of labor disputes as well as the most important focus for labor unions. It is noteworthy that workers also saw employers' abusive behavior as well as the need for the democratization of workplaces as other important issues in industrial relations. This is indicative of the extent of the inhumane treatment of workers that was experienced in workplaces at the time.

⁵ Hagen Koo, *Korean Workers: The Culture and Politics of Class Formation* (Ithaca, NY: Cornell University Press, 2001).

⁶ Beom-sang You, *Ideologies on the Korean Labor Movement* (Seoul: Korea Labor Institute, 2005), in Korean.

⁷ The Korea Labor Institute conducted this survey on industrial relations in 1989, 2007, and 2017. The sample size is about two thousand, but the survey questions are not consistent across the three studies.

Table 2. Survey on Industrial Relations, 1989 (%)

Question posed	Responses	All respondents	Wage employees
What is the primary cause of labor disputes?	Wages and working conditions	77.3	89.2
	Abuse by employers	53.9	79.4
	Involvement of other forces	31.9	59.0
	Labor union	21.5	51.3
What is the prime role of labor unions?	Wages and working conditions	90.3	88.9
	Democratization of workplaces	76.7	75.1
	Participation in management	57.7	46.6
	Democratization of society	36.6	6.0

Source: Korea Labor Institute, National Survey on Industrial Relations, 1989, Korean Labor Institute, <https://www.kli.re.kr/kli/rsrchReprtView.do?key=14&pblctListNo=5346&schRsrchRealmNo=2> (accessed March 1, 2018).

Note: The sample size is about two thousand. All respondents refer to the response of the entire sample. Wage employees constitute about 40 percent of all respondents.

In the 1980s, workers were subjected to extreme conditions in factories as well as to political repression when they tried to fight for their rights. Therefore, the central grievances expressed in workers' collective action in the early period of democratization centered on the rights to receive humane treatment and to form independent labor unions. With the advancement of neoliberal restructuring of the Korean economy, workers became stratified by their employment status, causing their grievances to diverge, depending on their location in the labor market. Today, most workers employed in large conglomerates with full-time status are organized into labor unions and their major concern is job insecurity. Under the misleading name of "hope retirement" or "honorable retirement," firms easily engage in massive layoffs, citing business needs as rationalization. Labor unions in these firms protest massive job cuts with militant strikes, but these strikes are "unlawful" collective action under the revised labor laws.⁸ Because reemployment of laid-off workers is usually slim, regular workers engage in dire struggles to sustain their employment. Those who are laid off are often drawn into the already overcrowded service sector, such as the mom-and-pop stores in the neighborhood. People in one-person businesses are not regarded as "workers," as they fall into the category of "self-employed," but

⁸ The revised clause on labor disputes in the 1997 labor law restricted legitimate reasons for labor strikes to "disagreements over labor conditions," and eliminated the previous phrase, "disagreements over other issues such as layoffs." See Ji-bang Kim, "Damage Compensation Lawsuits after Labor Strike," *Kukmin Ilbo* (October 27, 2016), <http://www.kmib.co.kr> (accessed March 2, 2018).

they are exposed to low income, high debt, and business insecurity.⁹ Therefore, regular workers who lose their employment in secure jobs claim that “layoff is death” to express their desperate circumstances. This is an indication of the deep chasm between having a decent formal job in a corporation and falling into insecure and irregular work in industrial or service sectors.

For irregular workers, the central concern is to secure stability in employment and decent material remuneration. Particularly for those who perform almost the same job as regular workers in the same workplace, the central issue is a transfer into regular employment. For instance, on the assembly line at Hyundai Automobile, a full-time worker sets the wheels on the right-hand side of a vehicle, while an irregular worker sets the wheels on the left-hand side. They perform the same labor, but their different employment statuses separate them regarding their wages, benefits, and job security. Consequently, the protests of irregular workers involve demands for their conversion to full-time regular employment and their right to form labor unions to negotiate the terms. Therefore, the central concerns for Korean workers today are job security against massive layoffs and factory closings (due to capital relocation), on the one hand, and the elimination of discrimination against irregular workers and their advancement into regular employment, on the other hand.

A 2017 survey concerning industrial relations shows the changing significance of labor issues over the last thirty years. As shown in table 3, the importance of wages and working conditions diminished from 90.3 percent in 1989 to 47.4 percent in 2017. The reason for the modest decline of this category’s significance between 2007 and 2017 is presumed to be associated with the expansion of the number of irregular workers and their dire material circumstances. Among union activities, the centrality of employment security, about which a question first appeared in the 2007 survey, rose from 13.6 percent in 2007 to 25.9 percent ten years later. This change seems to be tied to both the increasing fear of regular workers of massive layoffs and the demand of irregular workers for secure employment.

Table 3. Survey of Industrial Relations, 2007 and 2017 (%)

Question posed	Responses	1989	2007	2017
What is the central concern of labor unions?	Wages and working conditions	90.3	59.5	47.4
	Employment security	--	13.6	25.9
	Protection of the disadvantaged	--	9.7	11.4
	Institutional reform*	36.6	3.8	6.1

Source: Korea Labor Institute, National Survey on Industrial Relations, 2007 and 2017, Korean Labor Institute, <https://www.kli.re.kr/kli/rsrchReprtView.do?key=14&pblctListNo=5346&schRsrchRealmNo=2> (accessed March 1, 2018).

* In the 1989 survey, the answer choice was “Democratization of society,” which was reframed as “Institutional reform” in the surveys conducted in 2007 and 2017.

⁹ Yoonkyung Lee, “Labor after Neoliberalism: The Birth of the Insecure Class in Korea,” *Globalizations* 11, no. 4 (2014): 1-19.

Participant observation of labor protests attests that securing jobs and reducing irregular employment are the central concerns of labor movements today. Protesting workers often hold a hand banner that says, “Layoff is death” or “Abolish irregular employment.” These slogans are the two most frequently used phrases in recent labor protests in Korea. Picture 1 below shows a labor rally organized by the KCTU, in which workers are wearing union vests with the imprint, “Abolish irregular employment,” on the back.

Picture 1. Labor Demonstration at Gwanghwamun Square

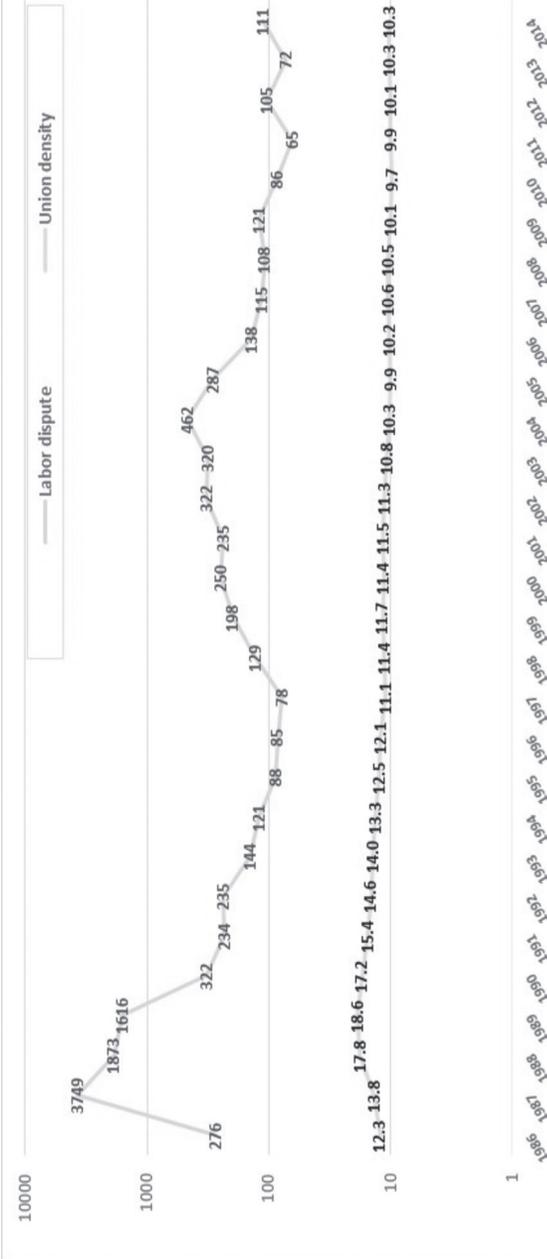


Source: Photo taken by the author at Gwanghwamun Square on June 30, 2018.

Changes in the Forms of Workers’ Collective Action

It was not only the central labor issues that shifted over the last three decades, but also the labor movement’s major methods of asserting labor grievances. In the initial years of political democratization in the late 1980s and early 1990s, workers resorted to protests and strikes, traditional forms of workers’ collective action. As shown in figure 1, both the number of labor disputes and the extent of union density rose dramatically during this early period. However, the frequency of formal strikes subsided, fluctuating around a modest one hundred cases per year in the 2000s. The rate of unionization, too, declined and returned to the rate during the period prior to democratization, which was around 10 percent of all paid employees. As already shown in table 1, union density for regular workers is 12.4 percent, compared to 1.7 percent for irregular workers. This implies that labor unions stagnated and failed to reach the most vulnerable group of workers when the share of irregular labor increased in the Korean economy.

Figure 1. Number of Labor Disputes and Union Density, 1986–2014



Source: Data retrieved from Index Korea, http://www.index.go.kr/potal/main/EachDtlPageDetail.do?idx_cd=1511 (accessed March 2, 2018) and reformatted into a figure by the author.

Note: Korean labor dispute data counts only the cases that involve work stoppage for more than eight hours.

Compared to the 1990s, there are two distinctive features of Korean workers' protests in recent years. First, the workers' collective action tends to last for a highly protracted period, without tangible outcomes. The imbalance of power between mobile capital and immobile labor, as well as the various restructuring methods of corporations, make it extremely hard for workers—even when they are organized into unions—to negotiate meaningful gains. Unresolved labor issues consequently lead to protracted resistance by workers. Many banners or tents observed in major locations of political significance, such as Gwanghwamun Square and Seoul Plaza or in front of the National Assembly and the Blue House, represent these *jangki tujaeng saeopjang* (long-term protest workplaces), whose protests last for years and sometimes as long as a decade.¹⁰ These labor activists occupy the protest site for months, if not for years, and sometimes rotate from site to site by engaging in multiple protest methods. Another noteworthy development in recent labor resistance is the tendency of protesters to engage in extreme forms of self-infliction rather than traditional strikes or mass rallies. Besides disruptions of assembly lines, workers engage in a variety of protest actions such as hunger strikes, hair shaving, sit-ins, single-person protests, long marches of *sambo ilbae* (the three-steps-and-one-bow method of defiance), and street demonstrations.¹¹ Particularly noteworthy is the rise of both the “sky protest,” when a small number of workers isolate themselves in a high-altitude site such as an industrial crane or transmission tower, and suicides by workers in their protest against labor repression.¹²

The number of sky protests has increased since the beginning of the 2000s, as labor activists in most of the aforementioned long-term protest locations have chosen this form of resistance as their last resort.¹³ Between 1990 and 1999, there were only nine cases of sky protest, but this risky form of resistance soared to over one hundred cases between 2000 and 2015.¹⁴ The geography of sky protests has spread across industrial towns and into symbolic places. Workers choose a variety of high structures to climb to let their voices be heard. For instance, labor activists from six workplaces experiencing long-term protests isolated themselves on top of an advertisement tower in Gwanghwamun in April 2017. The protestors held a banner with their demands,

¹⁰ They include unions of KTX women attendants, Dongyang Cement, Sejong Hotel, Asahi Irregular Workers, Cort-Cortech, Hydix, and HitecRCD. See Baek-seon Byeon, “Long-term Protest Workplaces,” *Labor and the World* (June 22, 2016), <http://worknworld.kctu.org/> (accessed March 3, 2018).

¹¹ These protest methods are not completely new to the 2000s, as some of them were employed by the labor movement in earlier decades.

¹² Yoonkyung Lee, “Sky Protest: New Forms of Labor Resistance in Neoliberal Korea,” *Journal of Contemporary Asia* 45, no. 3 (2015): 443–464, and Miri Im, *Martyrs: The Politics of Wrath and Sorrow* (Seoul: Owoleui bom, 2017), in Korean.

¹³ Lee, “Sky Protest.”

¹⁴ *Ibid.*

“Abolish massive layoffs, irregular employment, and vicious labor laws”; “Amend labor laws”; “Respect three labor rights.”¹⁵ The slogans imprinted on their banner effectively summarize the core demands of Korean workers during the 2000s and in the 2010s.

One of the most extreme methods of labor resistance in Korea today is workers’ ending their lives in frustration and defiance of labor repression. Table 4 compares the number of such protest suicides from 1970 to 2015 and shows that the number of cases rose during the period of democratization and again between 2003 and 2015. It is noteworthy that the percentage of workers engaging in this act, compared to other actors such as student activists and farmers, increased in the 1990s and again quite dramatically between 2003 and 2015.

Table 4. Protest Suicide, 1970–2015

	Total (125)	Students and others	Industrial workers
1970–1985 (0.6/year)	9	5	4 (44%)
1986–1991 (9.8/year)	59	33	26 (44%)
1992–2002 (1.9/year)	21	9	12 (57%)
2003–2015 (2.8/year)	36	7	29 (81%)

Source: Data from Miri Im, *Martyrs: The Politics of Wrath and Sorrow* (Seoul: Owoleui bom, 2017), in Korean; rearranged by the author. Im cites the Council for the Commemoration of National Democratic Martyrs and Victims as the original source of the data.

What lies behind the suicides is not only the frustration of labor activists over the failed cause but extreme pressure resulting from a specific antilabor tactic on which employers and the government increasingly have relied in recent years.¹⁶ Since the early 2000s, Korean employers have used lawsuits to gain compensation for damages during a labor strike as their chief strategy against independent unions. These lawsuits impose an exorbitant amount of monetary burden on labor unionists. The revised labor law of 1997 that excluded massive layoffs from the legitimate reasons for labor strikes provides

¹⁵ The six protestors are from Dongyang Cement, Sejong Hotel, the Asahi-Irregular Workers’ Union, Cortech, HytecRCD, and the Hyundai Automobile-Irregular Workers’ Union.

¹⁶ In addition to damage compensation lawsuits, commercial security firms (*yongyeok pokryeok*) are extensively involved in managing industrial relations and cracking down on labor protests. Public labor attorneys (*kongin nomusa*) devise plans for the destruction of independent labor unions and work together with private guarding firms to execute these plans. The number of both private security firms and public labor attorneys increased in the 2000s. The number of private security firms (data compiled by the Korean National Police Agency) can be found at <https://www.data.go.kr/dataset/3072328/fileData.do> (accessed March 3, 2018). Most of the private security firms work on the side of employers. See *Hankyoreh* 21 (October 8, 2012), <http://h21.hani.co.kr/> (accessed March 3, 2018).

the legal context for firms to sue labor unions for (real and imagined) damage during a strike. The court often upholds the claims made by corporations by presenting a narrow interpretation of lawful strikes, thus ruling labor strikes to be unlawful. On these legal grounds, firms proceed with lawsuits to cover damages. The amount of damage compensation filed against labor unions rose from KRW 34.5 billion (USD 30 million) targeting thirty-nine unions in 2002 to KRW 186.7 billion (USD 163 million) targeting twenty-four unions in 2017.¹⁷ This is more than a five-fold increase in compensation in fifteen years. Corporations recognize the effectiveness of damage compensation lawsuits as a way to financially deprive labor unions and individual unionists, and they have used this form of litigation to target the core member unions of the Metal Unions Federation, which buttresses the progressive KCTU.

Moreover, in adjudicating lawsuits filed against labor, the court rules on the side of corporations more often than on the side of workers. According to a study of labor-related legal cases, there were 833 court cases between 1990 and 2015, of which about 80 percent were resolved in favor of employers.¹⁸ Workers who experience these legal procedures view juridical institutions (labor laws, litigation by employers, the prosecutors, and the court) as laden with antilabor bias and a hindrance to fair opportunity to redress violations of labor rights.

The unbearable financial burden associated with damage compensation litigation has been identified as the prime cause of several union activists' suicides in recent years. Bae Dal-ho at Doosan Heavy Industry in 2003, Choi Kang-seo at Hanjin Heavy Industry in 2012, Bae Jae-hyeong at Hydix Electronics in 2015, and Han Gwang-ho at Yooseong in 2016 all committed suicide, leaving notes that described the brutality of the financial pressure caused by damage compensation lawsuits.¹⁹ The labor strike at Ssangyong Automobile against massive layoffs in 2009 is another example of the detrimental toll on union activists at a more collective level over almost a decade. The strike that lasted for about two months was quelled by the brutal violence of a special weapons and tactics force and commercial security agents. This was followed by the imprisonment of twenty-two unionists and damage compensation lawsuits in the amount of KRW 17 billion or USD 155 million.²⁰ In the aftermath of the strike, thirty individuals (twenty-seven Ssangyong workers and three spouses) lost their lives due to mental and physical stress associated with post-traumatic syndrome caused by the extreme

¹⁷ Sonjapko, "The 2017 Report on Damage Compensation Seizure and Labor Repression Cases" (2017), unpublished report, obtained by author at Gwanghwamun Square on June 27, 2017.

¹⁸ "No Labor in Labor Court Cases," *Kyunghyang Shinmun* (July 7, 2015), <http://www.khan.co.kr/> (accessed March 4, 2018).

¹⁹ Jibang Kim, "Labor Lawsuits That Heartbreak Workers," *Kukmin Ilbo* (October 27, 2016), <http://www.kmib.co.kr> (accessed March 4, 2018).

²⁰ Sonjapko, "The 2017 Report on Damage Compensation Seizure and Labor Repression Cases."

violence experienced during the labor strike, the financial burden of job loss and damage compensation litigation, and frustration over the lost cause, more generally.²¹ Among the thirty deaths, nine were by suicide.

Labor unions identify lawsuits against unions and individual workers to gain compensation for damages as the most vicious method of labor repression, as it relies on stripping workers of their financial incomes. Picture 2 shows a protest organized by labor groups in which demonstrators are demanding that the newly inaugurated president, Moon Jae-in, intervene to change the legal provisions that allow the Ministry of Justice and employers to use such lawsuits so conveniently.

Picture 2. Demonstration against Damage Compensation Lawsuits



Source: Photo taken by the author at Gwanghwamun Square on June 27, 2017.

Whether it is regular workers resisting massive layoffs to secure their jobs or irregular workers demanding progression to regular employment and equal treatment, Korean workers have been resorting to extreme methods of protest in recent decades. Yet, their collective action has lasted for a long period without bearing meaningful gains vis-à-vis powerful corporations or legal institutions that are unsympathetic to labor’s concerns.

The Emergence and Decline of Labor Parties

The emergence of labor parties with legislative seats has been one of the most significant changes in the Korean labor movement and in the nation’s electoral politics since democratic transition in 1987. These progressive parties made labor rights and redistribution important political agenda to be addressed in the formal political process. However, the current electoral system that places

²¹ Ibid.

minority parties at a disadvantage continues to pose an institutional hurdle to labor parties, while labor's own factional strife has precipitated a decline in organizational expansion as well as the demise of its public reputation. Labor parties in the 2010s are split into several minor parties whose political relevance is marginal in legislative politics.

Labor activists and progressive intellectuals in Korea have long pursued a political project of building their own labor party to properly represent the interests of the working people and to raise distributional issues in newly created political space.²² Despite repeated failed attempts throughout the 1990s, labor unions—especially those under the KCTU—continued to pursue their long-term goal of forming their own political party. The KCTU (a national umbrella union with 750,000 members at the time) along with other social movement forces formed the organizational backbone of the Democratic Labor Party (DLP) in 2000.²³ About 40 percent of the DLP members and a substantial proportion of the party leadership came from labor unions.²⁴

The electoral performance of the DLP gradually improved in both local and national races, as electoral reform went into effect in the 2002 local elections and in the 2004 legislative elections. The revised electoral system maintained its majoritarian orientation, with 242 single-member district seats (of a total of 299 legislative seats) elected by the first-past-the-post rule. But reform also introduced a small portion (57 seats, or 19 percent of all legislative seats) chosen through proportional representation, contributing to the electoral success of minority parties such as the DLP.²⁵ In the 2004 election, the DLP finally won ten seats in the National Assembly, two in single-member districts and eight by receiving 13.1 percent of the proportional representation vote. However, the labor party's electoral record did not significantly improve in the following elections, as the party gained five seats in 2008 and thirteen seats in 2012. Table 5 summarizes the DLP's performance in three levels of elections—presidential, legislative, and local races— from 1997 (including the People's Victory 21 party) to 2014.

The DLP (including the renamed United Progressive Party [UPP] in 2011) maintained a respectable longevity of fourteen years until 2014, when

²² Hyeon-jin Im, *Social Movements and Progressive Parties in Korea* (Seoul: Seoul National University Press, 2009), in Korean.

²³ In addition to the KCTU, the Coalition of Progressive Politics (*Jinbo jeongchi yeonhap*) and the National Coalition of the Urban Poor were most active in forming the labor party. See Yoonkyung Lee, *Militants or Partisans: Labor Unions and Democratic Politics in Korea and Taiwan* (Stanford, CA: Stanford University Press, 2011).

²⁴ The data were available at the DLP's website, <http://www.kdlp.org> (accessed September 1, 2010).

²⁵ Electoral reform chose a mixed member majoritarian system that combines first-past-the-post voting and party list proportional representation. Under the new system, voters cast one vote for a candidate in a given district (242 of 299 seats in the National Assembly) and a second vote for a party (for the remaining 57 seats).

Table 5. DLP's Electoral Performance, 1997–2014

Year	Election	Candidates	Elected	Vote share
1997	Presidential	Kwon Young-kil	0	0.2%
1998	Local	50	23	--
2000	Legislative	21	0	1.2%
2002	Presidential	Kwon Young-kil	0	3.8%
2002	-----Electoral reform-----			
2002	Local	218	District: 35 Proportional: 11	-- 8.1%
2004	Legislative	123	District: 2 Proportional: 8	-- 13.1%
2006	Local	799	District: 71 Proportional: 10	-- 12.1%
2007	Presidential	Kwon Young-kil	0	3%
2008	-----Party split-----			
2008	Legislative	103	District: 2 Proportional: 3	-- 5.7%
2010	Local	447	District: 112 Proportional: 31	-- 7.4%
2011	-----Party fusion and renaming as the UPP-----			
2012	Legislative	246	District: 7 Proportional: 6	-- 10.5%
2012	Presidential	Lee Jeong-hee	Withdrawal	--
2014	Local	515	District: 31 Proportional: 3	-- 5.3%

Source: Compiled by author based on information available at the DLP homepage, www.dlp.org (accessed September 1, 2010), and the National Election Commission homepage, <http://www.nec.go.kr/> (accessed June 15, 2016).

the Constitutional Court ordered the party's disbandment. Although the party came to an end through the externally imposed Court ruling, its decline is attributable to its own failures as well. The organizational challenge of the DLP began to loom in 2008 when the party gradually disintegrated into factional strife and organizational splits.²⁶ A faction that split from the DLP formed the Progressive New Party in 2008 (the root party of the current Justice Party). Three years later, in 2011, divided progressive forces came together once again under a new party, the leftist United Progressive Party. However, the unity did

²⁶ The KDLP had two factions. One held a traditional class perspective, while the other stressed the interconnectedness of class and national unification issues. These two factions were in conflict over the party's policy toward North Korea and the paths toward Korean unification.

not last long, as factional conflicts arose again within the UPP over charges of violating the democratic procedures established for candidate selection in the 2012 legislative election. The UPP underwent another round of organizational splits and rapidly lost public support. Even worse, the Ministry of Justice of the Park Geun-hye government filed a petition before the Constitutional Court in November 2013 to have the UPP disbanded on the grounds that the party's platforms and activities were aiding communist North Korea and thus were unconstitutional.²⁷ In December 2014, the Court ordered the dissolution of the UPP and the forfeit of its elected seats in the National Assembly.

Today, the UPP is survived by two small splinter parties, the Justice Party (with six elected seats) and the Minjung Party (with one elected seat) in the National Assembly. Because National Assembly regulations exclude minority parties with fewer than twenty seats from the process of deciding procedure, in March 2018, the Justice Party formed an in-house bargaining group with the Democratic Peace Party, a centrist splinter party from the Democratic Party. This move further complicates the political identity of the Justice Party, making it questionable whether it should be categorized as a labor party. The Justice Party's performance in the 2018 local elections was disappointing, as it failed to gain any gubernatorial or metropolitan leadership posts against the ruling Democratic Party, which swept most positions across the nation. Rather, it was the Green Party and its candidates that made a noteworthy appearance in the 2018 election. The Green Party candidate for the Seoul mayoral race earned 1.7 percent of the votes, gaining more support than the candidate of the Justice Party. If both the Justice Party and the Minjung Party have their roots in the old-left generation, the Green Party represents the new left that was born in a different sociopolitical context. It will be interesting to observe how the old and new progressive parties reconfigure themselves in the coming elections.

Despite its tragic end, the formation of the DLP and its winning ten seats in 2004 in the National Assembly forged a historic breakthrough for the Korean labor movement as well as for party politics that long had been devoid of class cleavage. By demonstrating a novel model of party politics, the DLP contributed to Korea's electoral politics in two important ways. First, the DLP differed from established political parties because it was formed in a bottom-up manner with dues-paying party membership and the organizational support of civil society groups. The party also began with clearly defined decision-making procedures. The highest decision-making body within the party was the supreme committee (consisting of nine members), selected by the voting of party delegates at a party convention.²⁸ Electoral candidates were chosen

²⁷ "Forced Dissolution, Labor Party at Shock," *Hankyoreh Shinmun* (December 19, 2014), <http://www.hani.co.kr/> (accessed December 20, 2014).

²⁸ One party delegate was assigned for every thirty party members. DLP, *2009 Annual Activity Report* (Seoul: DLP, 2009), in Korean.

through closed primaries in which dues-paying party members voted.²⁹ Another aspect that distinguishes the DLP from other parties is that it was formed with a clear position on policy programs. The party advocated economic redistribution through the expansion of social welfare and progressive taxation as well as an engagement approach regarding inter-Korea relations. Public policies such as universal health care, free education (including free school meals), and tax on wealth represented the signature proposals made by the DLP. While in the National Assembly, the party actively participated in the law-making process, despite its minority status. For instance, DLP legislators proposed twenty-five bills per legislator between 2004 and 2007, compared to an average of ten bills per legislator among all other parties.³⁰

Although the Korean labor movements' aim to promote progressive politics was unfulfilled with the tragic dissolution of the DLP, the party's presence and activities in legislative politics between 2000 and 2014 have influenced other established political parties in important ways. First, the labor party set an example of a party organization with clearly defined decision-making procedures and an organizational basis for party membership. This was a major departure from existing parties that often were created in haste by a presidential hopeful and thus lacked grassroots connections. Second, the labor party emphasized programmatic competition rather than regionalist appeals that preoccupied the electoral competition of old parties. The DLP's advocacy of public policies such as universal health care, free education, and tax on wealth reshaped the subjects of partisan debates. It was the presence of the labor party that led two major parties, the Minju Party (previously the Democratic United Party) and the Liberty Korea Party (previously the Saenuri Party), to engage in the promotion of redistribution and social protection policies. At its party caucus in October 2010, the Democratic United Party adopted "universal social protection" as a major component of its platform. In reaction to the programmatic reorientation of opposition parties, even the conservative Saenuri Party came to advocate programs of "selective social welfare" and gradual expansion of redistribution. The changing language of electoral contests from regionalism to social protection has been evident since the 2010 local elections, when *bokji* (social welfare) stood as the central campaign issue. It is labor parties that contributed to the politicization of economic inequality, social welfare, and labor rights in legislative politics and created a valuable impetus for established parties that had lagged in programmatic competition and organizational institutionalization.³¹

²⁹ In 2003, the DLP introduced two additional rules for the selection of electoral candidates. One was a gender quota, under which 50 percent of all candidates were required to be women. The other was to select the party list for proportional representation through a direct vote of party members. DLP webpage, <http://www.kdpl.org> (accessed September 1, 2010).

³⁰ DLP, *2009 Annual Activity Report*.

³¹ Lee, *Militants or Partisans*.

Labor Politics and the Limits of Democracy in Korea

Korean democracy has advanced by the mobilization of a contentious civil society whenever autocratic forces have reversed the course of democratization. Prodemocracy movements achieved democratic transition in 1987 and continued to mobilize over the following decades for labor rights, in anticorruption campaigns, for diplomatic equity with the United States, and for the protection of democratic institutions. The impeachment of former president Park Geun-hye prompted by the nationwide upheaval of candlelight protests in 2016–2017 is the most recent example of the success of contentious politics. Organized labor was an important participant in this democratization project, which demonstrated militant mobilization to assert labor rights. Yet, the ascendance of organized labor was short-lived, and even the gains for labor during the early years of democracy were offset by changing structural conditions of the neoliberal economy and concomitant shifts in the labor market that posed serious predicaments for labor movements. As this essay has revealed, Korean workers are divided as well as their protests. Regular workers strike to keep their jobs, while irregular workers fight to gain regular employment. They often resort to extreme forms of resistance, yet securing tangible gains has become rare, if not completely precluded. Therefore, the issues of labor rights and economic equality remain the most challenging questions for Korean democracy, despite the dynamic progress made in the political sphere.

This study identifies external and internal predicaments faced by the Korean labor movement, which undermine its sociopolitical significance, despite the extraordinary militancy it demonstrated in the democratizing context. First, the economic and political power of corporations was never upset; indeed, their dominance even was strengthened with neoliberal restructuring. The developmental state in earlier decades nurtured large conglomerates (a.k.a. chaebol) to lead the nation's economic growth, and this legacy of economic reliance on a small number of big players has remained intact.³² This implies that the imbalance in power relations between capital and labor in Korea never has been modified but instead exacerbated with the advancement of the neoliberal market order. The asset value of the top fifty chaebols that accounted for 52.2 percent of Korea's GDP in 2000 increased to 84.4 percent in 2012.³³

The concentration of enormous economic power is easily translated into political influence. First, corporations pressure for labor law reforms that will enhance their business interests and support “noble” methods of union

³² Eun Mee Kim and Gil-Sung Park, “The Chaebol,” in *The Park Chung Hee Era*, ed. Byung-kook Kim and Ezra Vogel (Cambridge, MA: Harvard University Press, 2013), 265-294.

³³ Pyeong-ryang Wi, “Dynamic Change and Economic Concentration of Chaebols and Conglomerates: 1987–2012,” *ERRI Economic Reform Report* (2014), <http://www.eri.or.kr> (accessed August 1, 2017).

bashing. Moreover, state institutions, such as public prosecutors, the police, and the courts, often serve as instruments to reassure business interests rather than functioning as conscientious arbiters of conflicting interests in society. Labor's collective action is criminalized, while the unlawful activities of corporations escape legal justice or are easily pardoned. The collusive relationship between the political elite and conglomerates strengthened during the nation's conservative governments. The current case of Park Geun-hye includes bribery by Samsung, while the ongoing investigation of Lee Myung-bak demonstrates a complex nexus of the corrupt collusion between state elites and large corporations.

Second, neoliberal restructuring of the Korean economy enabled greater freedom of capital movement, further widening the bargaining power between capital and labor. Korean firms close their domestic factories and move their facilities abroad to avoid labor unions and high labor costs, as in the cases of Hanjin Heavy Industry and Cort-Cortech Guitar.³⁴ Foreign capital acquires Korean firms but cuts jobs in the name of managerial efficiency, as in the case of Ssangyong Automobile, Hydix Electronics, and GM Daewoo Automobile. Under these conditions, local labor cannot achieve any meaningful gain against transnational mobile capital. Building cross-national labor solidarity to confront transnational capital is costly and challenging for resource-limited labor movements, when unions face a hard time organizing even at the local or national level. Labor unions are divided between regular and irregular workers laboring in the same firm and between workers employed in the primary firm and those in subsidiary or subcontracting firms.

Third, because political democratization was soon followed by neoliberal expansion, Korean labor was deprived of an opportunity to fully develop organizationally and to institutionalize as a political force. It is extremely hard for labor unions to expand their organizational base and build solidarity when the traditional industrial sector is shrinking and the labor force is fragmented and stratified in the labor market. Workers are stratified by their employment status (regular versus irregular), by the size of corporations (large firms versus small- and medium-sized subcontractors), by intrafirm relations (primary firms versus subsidiaries/subcontractors), and by union coverage (unionized versus nonunionized, and under the KCTU or the FKTU). Such a highly fragmented labor market poses a daunting environment to labor unions in which to organize and unite for a common cause. There have been various efforts to organize different types of workers, such as regional unions (*jiyeok nojo*), unions for young workers (*cheongnyeon union*), women's unions (*yeoseong nojo*), and unions for part-time workers (*alba nojo*), but the outcome has been disappointing. Neither the KCTU nor the FKTU has been

³⁴ Hanjin built shipbuilding yards in the Philippines and Cort-Cortech moved its manufacturing facilities to China and Indonesia.

successful in reaching out to vulnerable workers in small firms or those with irregular employment and, therefore, they have been unable to overcome their organizational narrowness.

Moreover, the emergence of labor parties fell into early decline and, since, there has been no institutional force to systematically and forcefully represent concerns of labor and economic equality in the formal political process. The old divisions within the labor movement were manifested in the factional strife of the DLP, which impaired the party's organizational expansion. Although the formal end of the DLP was made by antilabor authoritarian measures under the Park Geun-hye government, the internal divisions of labor parties make it hard to recover these parties' political relevance and popular support. As long as they remain fragmented, the labor camp is expected to face a hard time in its resurgence as a viable electoral alternative under the current majoritarian electoral system.

With increased power of corporations and their collusion with state elites, particularly during the conservative rule of Lee Myung-bak and Park Geun-hye, the efficacy of democratic institutions in addressing labor concerns is seriously questioned. The labor market is gravely divided between insiders and outsiders with their divergent material conditions, which accounts for a large share of Korea's economic inequality. Workers protest in desperation against job cuts and precarious employment, often resorting to extreme forms of resistance. However, their struggle rarely produces meaningful change to the tilted structural ground for labor. Workers' struggles pose fundamental questions about the institutional channeling of class conflict in democracy when the power of business interests is large while that of labor is fragmented in the neoliberal era. Despite the spectacular advancement of political democracy, the question of labor and class remains far from being adequately addressed in Korea.