

**Politics of Regular and Non-Regular Labour in South Korea,  
1997-2014**

*Thesis submitted to Jawaharlal Nehru University  
for award of the degree of*

**DOCTOR OF PHILOSOPHY**

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**New Delhi-110067**

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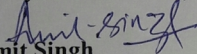
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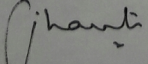
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
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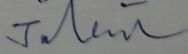
  
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**CERTIFICATE**

We recommend that this thesis be placed before the examiners for evaluation.

  
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-

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**Figure: 1 South :Korea and its neighboring Countries**

**Source: official website of South Korea**

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I take responsibility for the original insights of thesis. These insights are as a result of my intelligence and creative abilities. I am also responsible for the remaining portions of the thesis, which may seem intellectually unwarranted, mistaken and incorrect. These are the results of my limit mindedness and understanding.

(Signature)

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20 July, 2017



## **Preface**

The research is an attempt to make a study on the condition of the labour, and its struggle through mobilisation in the welfare for them. It is about Republic of Korea under the suppressive industrial regime provided by the authoritarian polity of the State respectively. The study focuses on the post crisis 1997, of the Tripartite Agreement between the State, Business Groups known as 'Chaebol' and Worker's Group or Trade union in Republic of South Korea. The research covers a period of ten years i.e. 1997 to 2007 during which significant changes occurred in the Korean Labour Movement. The selection of group and the period in South Korea for study is not without significance.

The political economy of labour in South Korea is significant as it demystifies in the sense that is to show the illusion behind raising as one of the Asian Tigers in the post war period and a result a Tripartite Agreement. The financial crisis broke the shades of authoritarian rule, rapid industrialization and compressed modernization in the post developmental state following the 'flying geese paradigm' as proposed by Japanese political scientist Kaname Akamatsu.

The dissertation treats the space of non regular labour with the State financial instability and the business groups' inefficiency, to provide structural reforms and tackle the problem of unemployment, low wages, bad and tight working hours, meagre welfare scheme.

The research is primarily based on long driven demand of non regular Labour in the authoritarian regime during the financial crisis and its long struggle for reforms and democracy with the state and the strong 'chaebol' in the post developmental state.

The research starts with the introduction why, how and the topic is valuable for research. It presents with the ideological framework of Neoliberal theories Marxist and Convergence of interest approach applied to study the industrial progress and suppression of labour. The historical summation of labour movement and demand for democracy in the authoritarian led industrial phase, which was seen to be more violent, as was annihilated by the state is covered in Chapter two. Chapter three, present the political economy of labour, which characterizes the labour movements with the financial crisis, to the international factors like support of USA and

cold war period agenda. It also gives the account of legal framework for labour and ideological contradiction between the state and the labour.

Chapter four deals with the understanding of 'tripartite commission' formed its political and economic integration with the movement of labour. Chapter five which concludes how South Korean's authoritarian rule created 'crony capitalism' with the weak fundamentalism and weak regulatory mechanism. The bubble burst which onsets the financial crisis of 1997 marks the new beginning with Roh Tae Woo government mark the new beginning for democratic government and labour reforms in South Korea. The violent trade union movement against the economic turmoil created difficulties to the State policy implementation. The period of 1997 to 2007 was crucial for South Korea as; it has been through the worst phase of development, looking for help to alleviate from its problem, thereby initializing more radical democracy and structural reforms. The restoration of democracy gives the political stability and labour reforms leads to trade union mobilization of labour in every respect.

## **Abstract**

The study on the issue of regular and non regular has been much concerned and has been global in the contemporary in political economy. South Korea has been the frontline state after the Korean War that led to the division of peninsula in the year 1953. South Korea after the partition with the other half was inclined to capitalist framework unlike to socialist ideology. The successive politics of South Korean devolved into autocratic administrator like Park Chun Ghee followed the severe export led industrialization model of the growth and the manufacturing economy. In doing so the pace of the South Korean economy followed the rapid speed and clung on to the side of the progressive states like United States as the hegemonic factor.

The term non regular workforce has been in the political economy of the industrial state since the time immemorial. The notion of the in regular employment has been much evolved after the Asian financial Crises of 1990's and in late decade of 2000. The new philosophy of the employment the kind of the management council and the job for the labour developed to initiate the labour struggle for the welfare mechanism and the liberal legislation for the employers in connection with the state led administration. The labour oriented actors like the wage workers, the female labours or the short term labours demanded the equal laws and benefits very equal to the regular labours while the state led actors like the management council, the law making bodies and the police surveillance all suppressed the labour emancipation and followed the repressive policies. There has been the third and very different angle in amid and that has been the negotiating play of the tripartite council formed between the state, management and the civil society led worker and the labour.

The incident like the Asian Financial Crises of 1990s and the Economic Breakdown of 2008 led to the initiation of the other potential actor like the civil society and the social movements creating a major thrust on the government to get their voice heard effectively.

In the midst of all this the repressive policies of the state in connection with the business groups laid down the transformation pattern in the labour employment and the job description. The entry of the non regular employment has to be preferred in contrast with the regular employment. This has been set as for the employers it is very convenient to have hassle free hire and fire of the

labour. This has to be done and arranged to cover the loss that has suffered during the two successive

On this framework, the research has been traversed under the umbrella of the interest convergence of the business group supported by the state led administration. This has been under the sharp contrast by the civil or the society movement for their rights and demands include benefit and legislation which could be justified with the principle laid down by the Karl Marx as the Marxist approach. Then the capital and the labour market in the political economy has to be balance with the neoliberal approach as has been taken to adopt the crucial policy of the employer and the employee.

The major and lucid proposition of the question has been tackled in this research study. The flexibility of the labour market has been a pro business orientation in the policy framework of the South Korea. This has been because of the closer relation between the state and the corporate that had been the root cause of the differentiation between the regular and non regular labour force.

Civil Society and the movements called by the labour and the workers in the social and economic cover has always opposed the state led business triangulation has demanded the differentiation between the regular and the non regular employment position that has been created during and after the financial havoc.

The autocratic led conservatism led political economy has been the contest to be played between the regular and the non regular force. These emotional staged workforce actors have led to the weakening of the bargaining ability of the labour and the workers.

The research study has been basically the deductive analysis on the regular and non regular supply and demand of the labour force in the South Korean political economy. The test has been on the employment of the regular and the non regular policies taking the state and the business management policies and framework evolved like the legislation devised or the mechanism of the benefits that were totally politically developed. Finally the effect of the test made on the behaviour of the labour and the workers like the living conditions, the employment status, the conversion factor from non regular to regular status in terms of benefits and so on has to be studied and analysed descriptively.

## **List of Abbreviations**

		<b>Institution</b>
<b>AICESIS</b>	<b>International Association of Economic-Social Council and Similar</b>	
<b>ALMC</b>	<b>Act of Labour Management Council</b>	
<b>AMG</b>	<b>Amg Korea Company Limited</b>	
<b>APWPC</b>	<b>Act on Promotion of Worker's Participation and Cooperation</b>	
<b>ASEAN</b>	<b>Association of South East Asian Nations</b>	
<b>CES</b>	<b>Economic, Environment and Social Council of France</b>	
<b>CFA</b>	<b>Committee of Freedom of Association</b>	
<b>CMS</b>	<b>Cash Management System</b>	
<b>ELI</b>	<b>Export Led Industrialization</b>	
<b>ELSA</b>	<b>Committee for Employment, Labour and Social Affairs</b>	
<b>EPB</b>	<b>Economic Planning Board</b>	
<b>FKTU</b>	<b>Federation of Korean Trade Union</b>	
<b>GFKTU</b>	<b>General Federation of Korean Trade Union</b>	
<b>GFL</b>	<b>General Federation of Labour</b>	
<b>GFLR</b>	<b>General Federation of Labour Resources</b>	
<b>GWS</b>	<b>Great Worker's Struggle</b>	
<b>HRM</b>	<b>Human Resource Management</b>	
<b>ICFTU</b>	<b>International Confederation of Free Trade Union</b>	
<b>ILO</b>	<b>International Labour Organisation</b>	
<b>IMF</b>	<b>International Monetary Fund</b>	
<b>KCIIF</b>	<b>Korean Congress of Independent Industrial Federation</b>	
<b>KCTU</b>	<b>Korean Confederation of Trade Union</b>	

**KFCITU Korean Federation of Construction Industry Trade Union**

**KGEU Korean Government Employees Union**

**KLF Korean Labour Federation**

**KLMAA Korean Labour Mutual Aid Associations**

**KLT Korean Labour Institute**

**KMWF Korean Metal Worker's Federation**

**KNCTU Korean National Council of Trade Union**

**KORAIL Korean Rail System**

**KORUS KOREA-US**

**KPSU Korean Public Service Union**

**KTC Korean Tripartite Commission**

**KTU Korean Teacher's Association**

**KTUC Korean Trade Union Council**

**KTX Korean Train Express**

**LMC Labour Management Council**

**Lt Labour Time**

**Lv Labour Value**

**MITI Ministry of Trade and Industry**

**MoD Memorandum of Discussion**

**MoF Ministry of Finance**

**MoL Ministry of Labour**

**Mp Means of Production**

**NCTU National Congress on Trade Union**

<b>NTUC</b>	<b>National Trade Union Council</b>
<b>RDA</b>	<b>Rural Development Association</b>
<b>S</b>	<b>Surplus Value</b>
<b>S'</b>	<b>Rate of Surplus Value</b>
<b>SCNS</b>	<b>Special Act for National Advisory</b>
<b>SER</b>	<b>Social and Economic Council of Netherland</b>
<b>St</b>	<b>Surplus Labour Time</b>
<b>TUAC</b>	<b>Trade Union Advisory Committee</b>
<b>TULRA</b>	<b>Trade Union and labour Relations and Adjustment Act</b>
<b>V</b>	<b>Variable Capital Wages</b>

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## **Chapter One: Introduction**

### **General Background:**

The non-regular employment is virulent opposite to the regular employment an abstraction and generalization. The employment of non-regular form has been so high in the tertiary and service industry in the contemporary sphere. The non-regular workers are to call as part-time workers, or as day workers, for fixed interval or under the management agreement. 'Regular workers' use or benefits such as housing, bonuses, training and lifetime employment, and while in opposite 'non-regular' workers earn for their daily life.

The general concept to be consider for regular employment has been defined a condition where without a predetermined period of the employment is there. There the employee who works for the planned and devised hours generally by the employer. "Regular employment could be divided into three basic categories which are 'open-minded', 'full-time', or 'direct-employment'. Hence, till the time these condition are maintained, and if no special provisions are present this could be covered under the labour laws of a particular state system, like workers' compensation, health care ore retirement pension etc".

While on the other side the non-regular labour are those who do not comply with any of the above mention provision made for the regular employment. As per the schedule laid down, there have been three parameters on the regular employment. These are open-minded, full-time, and direct employment. In the contrast, there can be many more combinations of employment provision, which could be set as the eligibility condition for a worker of being the non-regular employee. Based on above criterion there could be under the umbrella non-regular worker could be "open-minded, full-time, indirect", "open-minded, part-time, indirect" etc. There can be many more definitions and provisions like part-time, temporary, dispatched workers from temporary agency, contract labours, entrusted employees, and many more terms can be used (Asao 2011:1-3).

"After the financial crises<sup>1</sup> and the formation of Tripartite Commission<sup>2</sup> in 1998, Kim Dae Jung the fifteenth President reformed the labour laws, while sixteenth President Roh Moo-Hyun again

<sup>1</sup> In South Korea, the crisis is also commonly referred to as IMF Crisis or generally Asian Financial Crisis, was a period of financial crisis that gripped much of East Asia beginning in July 1997.

has seen the financial degradation in 2007-08". In this period many laws has amend and reworked like, the ambitious Non-Regular Workers Protection Act, has called in July 2007.

To the new legislation made, non-regular workers has made given provisions to turn into regular workers with the conditions that they have to be employed at one workplace for two years. However, with the given condition by this law, conglomerates' management have begun to put off the contract workers before the actually able to complete the two year tenure requirement obligations and to employ new regular workers. It has been notice in the regular worker's wage nominal value is hundred, and then a non-regular worker's is fifty-one as per the given law. Therefore, more than fifty percent of non-regular workers were living on slightly more than minimum wages. As they suffers from many benefits like lack of education, health care, and housing (Lee and Isoo-Mi 2011).

Lee Myung-Bak the seventeenth President, in order to reform the economy turned harder on non-regular employment conditions with the pro-business approach. There was a state-corporate versus labour-union civil society contest. This has given a new set of political formulation and it was due to sudden concentration of non-regular labour in South Korean labour market.

The politics of labour in Korea began sincerely from the time of high-growth phase of the Fifth and till Ninth term of Park Chung-Hee regime in 1961-62. It has created regular employment in the mass-manufacturing industries. However, "financial crises of 1997 created a new situation where in order to regain the competitiveness of Korean economy, corporate sector led by 'Chaebol'<sup>3</sup> demanded 'flexible labour regime' with the rules of entry and exit of labour simplified for workforce. The demand for non-regular labour in Korea created a politics between state, industry and management systems at one side and civil society marked by labour union, NGO's and other social empowerment groups on the other hand". In order to weaken the interest of labour, state-led industry and management has used the idea of labour flexibility to make a

2 It is with the consequences of the 1997 Asian Financial Crisis, the players from government, business and labour in Korea ('Tripartite Commission').

3 The Chaebol formulation has been the business conglomerate orientation that originated in South Korea in the 1960s, craved the global multinationals with wide global operations. The word Chaebol means "business family" or monopoly in Korean.

contest between regular and non-regular labour. However, to provide the strength to labour, civil society and its movements insists to encourage the regular employment (Song 2013).

Non-regular employment increase consists of the substantial part of working population after the financial crisis of 1997-98. Korean firms have moved by the economic crisis. This is to downsize the regular employment and fill up the positions with the non-regular workforce. The move has made to an increase in an incidental workforce of daily, non-regular workforce in economically transitive population. IMF led reform and restructuring gave rise to the non-regular hiring to the South Korea. There the quick rise in non-regular labour has been highly contrasted by politics in Korea. Thus, there has been a rift between the regular and non-regular labour force at the time when legislation protection and social concern were much discussed in Korean Confederation of Trade Union<sup>4</sup> and the various Civil Society organizations.<sup>5</sup>

In Korea, the inferior non-regular jobs have been sluggishly create by the persistent renewal and reoccurrence demand among the economically transitive population played an energetic step in politics. This has been politically regarded as a progressive move though it was nothing but a superficial snare (Byuong Hee Lee and Sangheon Lee 2007). The non-regular workers were be-trapped in rather being able to move upward to regular positions. This was as was expected by the social concerns of the population of South Korea. In reality, regular employment was drop to lowest level. However, to get away from the civil society and legislation cover, state-corporate nexus strengthen the free-enterprise system of hire and fire of non-regular labour according to their need and capacity of employment.

“The South Korean enterprises initiated a huge reduction of regular employees at the time of economic crisis. This led to the expansion of the use of non-regular with the steady economic recovery from the financial degradation of 1997 and 2008. This has resulted into the non-regular employment with the great steep it spread rapidly, and their distinguishing working conditions

4 The Korean Confederation of Trade Unions (KCTU), which has to read in South Korean Hangeul as Minju-nochong (Korean: 민주노총. It is a national trade union center officially formed in 1995.

5 Civil society has been the aggregate of non-governmental organizations and institutions which positioned its interest and would be of citizens. Civil society also covers the family and the private area, being called to as the "third sector" of society, making a distinction from government and business.

has initiated the increasing interest under the unions and NGO's<sup>6</sup>” (Chang, 2010). This has given a rift between regular and non-regular force. Further, this has also provided a space for state and corporate management to undermine the right of civil society.

Civil Society with the trade unions together has launched timely social reform movement with the well behaved protest and strikes against the state-corporate nexus. There is a politics involved between the four potential actors in the South Korean democracy. These are State System, Corporate System, Labour Union and Civil Society. Civil Society and Unions on one side pressurize the government spending to be controlled and diverted towards developmental process, while state system and corporate demands simplification of employment conditions to facilitate rules of hiring and firing easier.

In addition, it has been the criteria for the regular and non-regular labour mentioned in the discrepancy in the treatment in South Korea. The Fifteenth President Kim Dae Jung, administration was able to make the dispatched workers security law to be center on the issue of industrial relations in 1998. The law being missing to its target reaches to be enacted with the former civil-government<sup>7</sup> (1993-1997) and it was for the reason for the unions' strong resistance. Hence, the significant part of the social pact made in February of that corresponding year. The new participatory government led by the President Rho Moo-Hyun, non-regular labour employment policy sub-commission tried to finalize its policy recommendation regarding the non-regular employment protection legislation. But, this has too failed to reach a tripartite agreement due to the uncompromising interest and discrepancy between union and business representatives.

The Seventeenth President Lee, Myung-Bak, has “announced an extensive de-regulation plan, at the beginning of his administration in South Korea. This has also marked the advent of the conservative government. This has signaled the formation of business-led power relations by giving a big leap to employers and business groups. The new government, made clear of its pro-business administrative direction. The collected business association demands on to the

<sup>6</sup> A non-governmental organization (NGO) has to be defined as the nonprofit organization which has not to be dependent on the states and international governmental organizations.

<sup>7</sup> Civil authority also could be civilian authority, also defined to be civilian government, and has been the better implementation of a State, rather than its military units, which enforces law and order.

deregulation of policy, including the non-regular employment laws. This has made a public solemn promise to undertake the aggressive policy-making for promoting the market flexibility “of the state in nexus with the business groups” (CCEJ<sup>8</sup> Policy Research Department 2014).

The policy allowed the employers to legally use the dispatched workers, part time workers or other non-regular workers. At the same time, trade unions whose strategic relations were constrained under the pressure of the economic crisis. They even could not help but accepted the government’s reform drive to legislate the dispatched workers protection law. It has done in accordance with the IMF’s economic restructuring guideline to promote market flexibility. In sum, it is evident that the state and business are in the privileged position whereas labour at the margins.

### **Theoretical Framework:**

The Research on the proposed topic “Politic of Regular and Non-Regular Labour in South Korea” here base on mainly three Ideological frameworks, which are:

Neo-liberalism<sup>9</sup>

Interest Convergence<sup>10</sup> and

Marxian Perspective<sup>11</sup>

Neo-liberal view on labour in a State mechanism puts labour as an important factor in the area of political philosophies, economic imperatives and social orders. The role of the State in determining the direction of economic and social development, the influence of unions and the business community is more than what we think to play upon. Globalization and

<sup>8</sup> Citizens' Coalition for Economic Justice (CCEJ) in South Korea has been the citizens' movement, which was established in 1989.

<sup>9</sup> Liberalism, in social science mainly in economics defined to get free of the economy by reducing regulations and barriers that restrict what other potential actors can perform.

<sup>10</sup> Derrick Bell of New York University Law School propounded the theory of interest convergence, defining for white people who would support racial justice severely when they understand and realize that there is something in it for them.

<sup>11</sup> Marxism has to define as the economic and social system formed its structure on the political and economic theories of Karl Marx and Friedrich Engels.

Competitiveness brings the management of labour to fulfill the functions of a welfare State into providing employees with a collective voice.

The unions accompanied with the firm beliefs to establish the standardized terms and conditions of employment. They not only created within an enterprise but also throughout the industry, and sometimes across an economy. This has made them to achieve their perceived goals through the freedom of association or collective bargaining and with the right to strike. Similar successful attempts has achieved in the South Korea where political democracy, and sometimes-socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions were with relatively few in numbers as in membership.

Labour relations were very much seen through the eyes of the South Korean government as with the means of minimizing conflict, preventing union agitation, or of controlling employers and also to the winning of votes. Conflict resolution was achieve through dispute prevention and settlement mechanisms, which has seen outside of the enterprise appearances, which could be like conciliation, arbitration and labour courts. In South Korea, the objective has been thoroughly achieve through restrictions and prohibitions on the freedom of active participation of employers in various fields such as termination of employment, closures and even transfers of employees. While on the other hand, the successive governments resorted to measures and to restrict the trade union action and to control unions, as well as to avoid union multiplicity.

In South Korea, while the focus of labour welfare has been on the equity from the point of view of workers and unions, but the management council made the effective importance on the economic efficiency less on the worker protection laws. Low formation of union membership, radical successive governments in the Republic of Korea, and perceived notion that unions can be potential barrier in a particular direction of progressive development especially in economic and political has led to a relative negligence of growth of regular employment in the enterprises (Crotty and Lee 2002).

Globalization has given employers a thrust for less regulation of welfare mechanism, less standardization of the employment relationship, but a greater importance on the workplace as the center of gravity. Employers as well as management council made their notion on non-regular employment from a strategic perspective. This explains how the non-regular labour can

contribute as well promote workplace cooperation, flexibility, productivity and competitiveness. These areas has been increasingly recognized and understood that how people have managed to impact on an enterprise's productivity. Also on the quality of goods and services, labour costs, the quality of the workforce and its motivation has to focus relevant.

The diminishing role of the State as employer in the growth of the economy, which could be the crucial factor, may correspondingly reduce the State's interest in intervention of labour relations. The direction in which economies are in transition making their way is too uncertain. This also indicates as sufficiently as to raise the question on the matter that whether over-regulation of the labour market through legislative activity could be possible to achieve.

An event where it would stifle the flexibility employers poses a question. The major question that who will take the need in time to come to compete in the global marketplace in more value-added industries than the ones they are engaged in present times. Employers and employers' organizations have to influence the industrial relations system with the labour law in the context of competitiveness and global effects. All employers' organizations in South Korea are adequately equipped to no to do so; hence, they have to acquire the requisite knowledge base needed to influence the policy environment (Kim and Cho 1999).

This makes an attribute that employers' organizations would require to develop a strategic perspective of non-regular employment, in the same way as the employers want to develop market policies and practices, which makes more competitiveness in the market. To carry out this task it is inadequate to merely backup or support the familiar claim that labour markets should be deregulated. It is sometimes unclear whether this claim gives the notion that a state should dispense with labour laws, or whether it means that there should be a careful identification of the legitimate areas of legal prescription. It is difficult to see how there can be social stability if one group is to be granted unrestricted freedom of action if is made to do so. If we follow the other way, it means being able to identify the interventions which obstruct the efficient functioning of the market.

Efficiency could be achieved on behalf of which deregulation is supported and equity are not antithetic concepts. Rather, it is efficiency and inequities, which are antithetic, and it is certain that the inequity ultimately leads to inefficiency. What a state need act is to develop a perspective

of labour law. This would implicate to non-regular employment, which has to base on the premise that the economies no to compete, but enterprises and clusters of competitive industries.

Interest Convergence theory speaks on labour issue gives that a comparison should be made of employment system. While, the social security system behind it has to define by the how regular workers and non-regular workers has distinguished. In doing so, the situation in South Korea has to clarify concerning the following points:

1. Labour contracts and wage setting could be the responsible factors for the establishment of job creation.
2. Equal remuneration and equal pay for jobs of comparable worth as rule has established. Can these rules be apply to non-regular workers as well?
3. Can there be a wage-decision mechanism to the company frameworks?
4. Can these be the minimum wage regulation? Can it be a guarantee at the level of a living wage?
5. The opportunities for capacity development, along with a certain income level, has really made guaranteed to non-regular workers.
6. The opportunities for non-regular workers to become regular workers has really made guarantee.
7. The measures for employment stability and for guaranteeing all workers had been effective in giving the chance to perform decent work in place.
8. The rules concerning fixed-period employment contracts has really placed.
9. The rules concerning dispatched work were really provision.
10. The safety nets such as employment insurance and social insurance has made in actual practice to apply to non-regular workers. Are they comprehensive in reality?
11. The rules in place to regulate ambiguous employment contracts were really place in the provisions.



There has been the framework of interest convergence of capitalist model espoused the labour market to social model of labour welfare. “The East Asian developmental led state growth model has been anchored on five major elements. These are namely the high household savings, which could be mostly in bank deposits, high corporate debt-to-equity ratio<sup>12</sup>, which compares the total liabilities with shareholders equity, the bank-firm-state collaboration, the national industrial strategy, and the investment incentives to enhance international competitiveness. The last three factors are the stabilizing conditions of this growth model on Korean aggregate against Korea state”.

A high debt-to-equity ratio (debt to equity ratio) defines that the firms have been unable to support in financing the growth of any firm through debt. “The economies of South Korea and Japan have been the reflection of the high corporate debt to equity. Firms wish to become players in the world market and can do so only with the agent of borrowing. This growth model has been termed as the Asian high debt model because it is characterized by high debt to equity” (Veneroso and Wade 1998) who emphasizes on East Asian countries, the state staged to be an important role in a characteristic of spring of flinch of starting led industrialization.

In the case of South Korea before to the 1997 Asian financial crisis, it did not comply with the prescriptions of the Washington Consensus. Investments were kink into priority industries and away from speculative real estate and consumer durables. Investments were too allocate to the advancement of technology and to the technical advancement. There was the phenomenon of massive administrative support for business and entrepreneurs in the form of triviality of business information.

To crave upon the production capacity, the capital formation and technology acquisition were anyhow supported by the state system. The banking system has nationalized to target the credit for priority sectors. Foreign investments were controlled, regulated and allowed only when there was real transfer of technology. A prudent fiscal policy and a stable but not overly strong real exchange rate were adopt by the government administration. Tariffs were impose to protect the

12 The Debt to Equity Ratio has been defined as the debt in comparison with the ration and required to measure an enterprise’s financial statement.

domestic market. In addition, a ban on foreign technology in sectors producing the same has also been made in place. To make a control on inflation, wage and price controls were imposed. To provide the needed human resources for South Korea's industrial policy, the state invested heavily on education. Industrialization has pushed along with the above policies. Distributional equity<sup>13</sup> was gradually promoted by the state through farm subsidies. Tariff barriers and productivity gains, on the other hand, were transformed into real wage increases. A model based on South Korea's state-led industrialization experience, made the hallmarks of the East Asian growth model could be summed up in the following manner:

1. To make the society function better with the macroeconomic and political stability, equitable distribution of income, and cooperative behavior within the private sector.
2. The government to adopt the policies with lesser government as economies become complex.
3. To create a relationship between the government and markets, where the former creates market institutions, i.e., long-term development banks, capital markets to trade bonds and equities.
4. To promote the accumulation of physical and human capital, higher domestic savings through postal savings institutions and provident funds and promoting education and training.
5. To alter the allocation of resources such as identifying industries where research and development would have high payoffs, establishing research and science centers and quality control standards, emphasizing industries with strong backward and forward links and encouraging firms to export with a performance-based criterion for credit allocation.
6. To adopt the government policies supporting investment such as the contest for scarce credit and intervention in international economic relations, i.e., bargaining for foreign technology, and transfer of technology as part of foreign investment.

All these policies and programmes, certainly come up with the maintenance of high price of labour control and suppression of workers' rights. With the adoption of legal and customary devices, unions were only allowed if supported by enterprises. Political activities by unions were

<sup>13</sup> The distributional phenomenon related to the transport chapter includes the different impacts across people caused to the initiative.

totally prohibit. Arbitration of disputes in public interest of the industries was binding. Unions were also required to be affiliated with one of the seventeen government sponsored industrial unions and with the general coordinating body known as the Federation of Korean Trade Unions (FKTU).

The repressive anti-labour measures under the eleventh and twelfth term of the President Chun Doo-Hwan. Along with the lack of serious attempts to develop, peaceful and cooperative labour relations made labour disputes spiral out of control. This has led to the aftermath of democratization in South Korea in 1987. In the 1980s, large companies often were supported by the police and intelligence agencies of the government, which exerted pressure on unions to prevent strikes and any undesired action or movements. This has done comprehensively to undermine the development of white-collar unions. In this way, it helped to retain the control of union leaders, and to prevent those with college education working as industrial labourers from organizing workers. This repressive regime, however, did not stop the wave of workers' protests and mobilizations organized in the years that followed. Indeed, it could well be argued that the democratization of South Korea was a result of its economic development.

As Kong (2000) points out, that the economic development of South Korea led to urbanization and created a middle class of educated white-collar workers, carved out a development favorable to opposition forces. When we analyze the classical Korea's sound industrialization model, which was so industrially strengthened and boosted with global tools then why then did the country's economy collapse in the aftermath of the 1997 Asian financial crisis? Korea's financial mess in 1997 may explain by a combination of crack fundamentals and the relaxation of capital control tools. The fragile fundamentals model argues that Korea's heavy reliance on unhedged<sup>14</sup> short-term foreign loans, its higher debt to equity ratio composed mostly of foreign debt and the massive pull in of loans and delimiting whip of credit lines with the fall in currency, put Korea right in the middle of the crisis. But the explained reason, according to the capital control argument, was the premature liberalization of financial markets, which the IMF,

14 The concept of hedge has been the "the effective losses or gains has been the intended to the fixed amount to the investment.

OECD and Western governments, banks and firms encouraged, but made Korea very vulnerable to the financial crisis.

Korea's acceptance to enter OECD to get access to foreign markets came with a steep price-accelerated deregulation of capital flows. Korea removed or loosened the controls on firms' foreign borrowings and investments so that before it could reach to 1997 it owed to \$150 in external debt. Worse, it failed to strengthen bank supervision. To the notion of its deregulation policies, it stopped checking on 'much loaded competition' in large industries. All this has resulted into the excess capacity in the automobiles, shipbuilding, steel, petrochemicals and semiconductors industries. This makes to a fall in export prices and a run-up of nonperforming loans. All these led to South Korea at the center stage of the crisis. In short, the South Korean state had abandoned its coordinative role what was the core of its developmental state model. The response to international pressure from the centers of international capital to adopt deregulation and liberalisation policies, while the Washington Consensus prescriptions that before it did not follow. It exposed its economy to the manipulations of international financial capital.

While "the global democracy model of the South Korea on the other hand proposed by Bello, (2009: 2-17) lists:

1. It has been regard as the globalization an essentially beneficial for the world and the neoliberal framework has made the job of managing it and selling it to the public.
2. It was the need of the hour to save globalization from the neoliberals because globalization is reversible and may, in fact, and already in the process of being reverse any time.
3. It has maintained that growth must not be accompany by increasing inequality.
4. Trade must got promote but could be matched to social and environmental conditions.
5. There could be unilateralism which has to be avoided while preserving and fundamentally reforming multilateral institutions and agreements;
6. There should be global social integration, or reducing inequalities both within and across countries, must accompany global market integration.
7. The global debt of developing countries must terminate or radically has reduce. This is so the resultant savings use to stimulate the local economy, thus contributing to global deflation.

8. Poverty and environmental degradation are so severe that a massive aid program or Marshall Plan from the North to the South must be mount within the framework of the Millennium Development Goals.
9. A Second Green Revolution must be put into motion, especially in Africa, through the widespread adoption of genetically engineered seeds; and
10. Huge investments must be devoted to push the global economy along more environmentally sustainable paths, with government taking a leading role which could be fit into the ‘Green Keynesianism’ or ‘Green Capitalism’ concept” (JILPT Reports No.9).

Interest Convergence of the State merges its efficiency as discussed the varied parameters also outlines “the eleven pillars of broad paradigm are as follows:

1. The provision of the production for the domestic market must again become the focus of the economy rather than production for export markets.
2. The principle of subsidiarity<sup>15</sup> has to maintain in economic life by encouraging production of goods at the level of the community and at the national level if this has done at reasonable cost in order to preserve community.
3. Trade policy, which could be the quotas and tariffs, should use to protect the local economy from destruction by corporate-subsidized commodities with artificially low prices.
4. Industrial policy, which includes the subsidies, tariffs, and trade, should use to revitalize and strengthen the manufacturing sector.
5. The long and almost postponed measures of equitable income redistribution and land redistribution, which includes the urban land reform. It can create a vibrant internal market that would serve as the anchor of the economy and produce local financial resources for investment.
6. Deemphasizing growth, upgrading the quality of life, and maximizing equity will reduce environmental disequilibrium.
7. The development and diffusion of environmentally congenial technology in both agriculture and industry should be encouraged.
8. Strategic economic decisions has left to the market or to technocrats. Instead, the scope of democratic decision-making in the economy should be expanded so that all vital questions such as which industries to develop or phase out, what proportion of the

<sup>15</sup>The gives the proposition about the decisions that should always be taken at the minimum possible level. The Oxford Dictionary defines subsidiarity as, the principle that a central authority should have a subsidiary function, performing only those tasks, which has not be performed at a local level.

government budget to devote to agriculture, etc. to become a subject to democratic discussion and choice.

9. There must be the civil society, which constantly monitor and supervise the private sector and the state, a process that should have institutionalized.
10. The property complex should be transformed into a "mixed economy" that includes community cooperatives, private enterprises, and state enterprises, and excludes transnational corporations.
11. The centralized global institutions like the IMF and the World Bank should be replaced with regional institutions built not on free trade and capital mobility but on principles of cooperation that, to use the words of Hugo Chavez<sup>16</sup> in describing the Bolivarian Alternative for the Americas (ALBA), "transcend the logic of capitalism" (JILPT Report no.9).

The ongoing process of economic and political struggle led by the people to move beyond the capitalist logic is it at the different level such as macro, meso or micro level<sup>17</sup>. This is simultaneously to transform them in the process of mechanism. The pursuit of full development of human potential based on equality, solidarity and sustainability, and through democratic participatory processes is at the core of any alternative. There has been an alternative that is and involves a long, slow, difficult and cumulative process of collective learning and struggle, during which people develop new capacities, capabilities and the confidence as objects of the transformation.

Marxist perspective on the division of labour<sup>18</sup> is its explanation as the most insecure, lower status, and least-remunerative jobs. The upper classes have at all times been concerned with

<sup>16</sup> Hugo Rafael Chávez Frías (28 July 1954 to 5 March 2013) was a Venezuelan politician who has been the president of Venezuela from 1999 to 2013. He was has been the leader of the fifth term president of the republic from its foundation in 1997 until 2007. It was merged with several other parties to form the united socialist party of Venezuela (PSUV), which he led until 2012.

<sup>17</sup>The term "level of analysis" could be use in the field of social sciences to figure out the location, size, or scale of a research target. "Level of analysis" is totally from the term "unit of observation" in such a manner former refers to a more or less integrated set of relationships while the latter refers to the distinct unit from which data have been or will be collected.

<sup>18</sup> The division of labour has been the process of differentiation of tasks in the echelon so that participants may specialize. Individuals, organizations, and nations are full with or acquire specialized capabilities and either form combinations or trade to take advantage of the capabilities of others in addition to their own.

recruiting, disciplining, and maintaining the labour force. This is as much significance for capitalist also for feudal and slave societies. Even though in the global administration, the wage system may seem to be a fixed, self-regulating institution. This is so because of a long history of struggle has been there during which the combination of economic and state pressures forged a working class dependent on wages for its livelihood. The sluggish forms of coercion took place when capitalist relations has regulated on colonial territories. Anyhow, the making of an industrial proletariat in the more cultured nations was no bed of roses either.

However, due to the nature of eighteenth-century British society within which modern industrialism were developed. This could have been the reason of the bitterly competitive nature of the market facing the typical manufacturer. “In addition, because of the alienation from work which involved in the change, and further led to the many provisions they faced to put on the employers as enemies within the distributive system of a capitalist economy. The modern industrial proletariat was introduced to its role not so much by attraction or monetary rewards, but by compulsion, force and fear in the labour market system. It was not allowed to grow as in a too politely and comprehensively in the labour market. It was forge over a fire, and by the powerful blows of a pressure. The typical framework is that of dominance and fear. That is the fear of hunger, of eviction, of prison and for those who disobey the new industrial rules in the system. Hitherto, the experience of the other countries to witness these conditions at a similar stage of development has not, in essentials, been very different” (Pollard, 1968).

The transition to wage labour had been variedly altered the way of life and the meaning of work for formerly independent farmers and crafts people. In the seventeenth-century workers in England for wages, the labours looked on as a form of enthrallment. There were not only many factories form which were like poorhouses and prisons, but the work discipline imposed in these shops presupposed to be prison-like practices were followed. In the pre-industrial era, the time devoted to work was determined by the task to be perform and by natural conditions, which could lay to every type of work weather for farmers, tides for fishers, etc. Work, leisure, and religious festivals were intertwine, with little demarcation between work and life. The factory system, on the other hand, created an entirely new work discipline, with time and task rigidly imposed by the supervisors to regulate.

Capitalism too introduced a new stage in the division of labour as was marked by Karl Marx in his Communist Manifesto. In addition to the earlier mode of social division of labour, the production process itself was fractionalized. The extensive use of machinery rotates the different segments of manufacturing into which a worker is associated or connected. This has done in effect of transforming the worker into an appendage of the machine he or she tends to. These changes are brilliantly examined by the employers and state led mechanism.

Bringing Marx's analysis of the labour process in Volume I of "*Capital*" up to date, (Braverman, 1974) "explains the labour power in a capitalist society was made a commodity. The uses of labour power has no longer organization as according to the needs and it depends on desires of those who want to sell it. However, it has made rather according to the needs of its purchasers, who are, primarily, employers and seeking to expand the value of their capital. The provisions were made as it is the special and permanent interest of these purchasers to cheapen this commodity. The most common mode of making the cheapness and easy availability of labour power has been exemplified by the Charles Babbage<sup>19</sup> principle to break it up into its simplest elements. Since, the capitalist mode of production creates a working population suitable to its needs, the Babbage principle is therefore on the very shape of this "labour market," enforced upon the capitalists themselves. The every step in the labour process was dissolved separately, so far as possible, from special knowledge and training and could be reduced to simple labour.

Marx has been able to point out the labour values as the entities in an accounting system designed to reveal certain crucial aspects of capitalist truth. It was supposed to show the aspects that has not taken into any other methods. The labour value aspects created and triangulated has not been able to point out that there could be some capitalist oriented production in connection with the generated profits mounded by exploitation.

Exploitation has been in the picture only when capitalists try to aggregate the part of the net profit, which the workers made. Hence, it has been the broad position of capitalism, which has made to exist, and there has been nothing like the special analytical mechanism to formulate the presence of the phenomenon. In addition, it is unnecessary to express an individual accounts in the form of entity of labour time. This could be to show capitalist exploitation is social and

19 Charles Babbage (1791-1871) has regarded as the inventor the computer. Babbage has been the first philosopher on political economy who majorly puts that the rise of industrial manufacturing in Britain.



crucial inexplicit or that it could produce an effect on the workers a historically specific form inn-solitude.

Confucianism has been the essential political philosophy which was originated in China. Following its introduction to South Korea it has been interpreted and promoted in various ways in close relation with the Korean political reality. To study about the Korean politics or the Korean philosophy in terms of the historical development, that the Confucianism constituted the basis of the political ideas as well as being the mainstream of the pre-modern Korean philosophy. In other words, to historically understand the Korean philosophy it must be realized that the Confucianism formed the backbone of all Korean thoughts. The historical understanding of Confucianism in the way and the methods of the Korean politics or the systematic study of the Korean philosophy should be undertaken only after the substantial understanding. To attainment of the Confucianism and the result of the understanding which could be produced must be subjected to re-evaluation in the light of the present reality.

There has been the question on the evolution of the Korea to be a retarded nation on the subject of the well being and the plight condition of its unorganised labour welfare mechanism or the proper aligned status in or the working population who were not under proper list who work for their livelihood in meager or menial jobs not been given due care by the state. There has been no proper socio-economic structural base, legal system and political philosophy in the mental outlook of the structural framework of their in and out of the employment mechanics. There has always been the question revolution primarily around the Confucian political ideology which has long arbitrated the ideals of the political power structure for the control of the society. The prejudiced and the superficial criticism levelled against the social functions of Confucianism merely reveal the distorted aspects of the mental level of the Korean people, and hence, it seems a distorted understanding of the Korean society itself as a whole.

Confucian ideals were, of course, the political principles of the Yi-period of the past in the history, and the difference of this era from the preceding one is that, in the reorganization of the government structure, the Yi dynasty attempted to change the then dual structure of Buddhism and Confucianism, which dictated the social conventions of the daily life of the people, into the monolithic unity of Confucian morality.

This phenomenon first became manifest in the land reform enforced during the dying days of the Koryo era. The land reform was not only advocated in order to revise what had proved unreasonable in the legal system in the course of social evolution, but was also proposed as a political ideal to promote the spirit of the Confucian royal road. Thus, the land reform was urgently called for in the name of the king in order to relieve the people from living difficulties that resulted from the disintegration of public order. Capitalism of the Confucian spirit was the measure of the challenge to the ruling classes of Koryo, rather than of loyalty to Confucianism itself. In other words, Confucianism was promoted so as to oust the Buddhist king and ruling class of the Koryo Dynasty who were in turn to be replaced by newly rising powers and ultimately by Confucian ideology.

It was Chong To-Chon somewhere in the fourteenth century who positively engaged in the promotion of Confucianism as a political ideal and as a practical code of ethics for the people at this point in the transition. His positive engagement was how to successfully accomplish the transition from Buddhist Koryo society to Confucian Yi.

The first attempt to reform in the Yi Dynasty was a revision to the legal code according to Confucian ideals. His Chosun Kyong-guk-chon (Law Governing the State of Chosun) and Kyongje Munkam (annals of the economy) made the supreme proposition that the legal code of the new kingdom should be revised after the Chinese pattern based on Confucianism for the successful realization of Confucian political ideals at the time of transition from Koryo to Yi. At the same time, in the training of bureaucrats at the new kingdom of Yi made it first rule to cultivate an entirely new Confucian personality by means of through education in Neo-Confucian ideals.

Chu Hsi's Sohak (Small Learning) came to be emphasized as a rudimentary text in education along with a historical understanding of Tonggam Kangmok, which formed the historical basis of the Chinese nation. Chong, on the assumption that success or failure in politics depends solely on Confucian education, emphasized the merits of school education. As Chu Hsi's political ideals and practical code of ethics were being firmly implanted, in the new kingdom a new pattern of thought with respect to politics and ethics emerged. To the event of the dynastic change the Confucian concept of loyalty to king of Korea forced many scholar-literati to reject the obedience to the new government of Yi and harbor a longing for the old Koryo kingdom, and

consequently they lost their object of loyalty. This state of spiritual vacuum was not confined to the early days of the kingdom but resulted in the split of Confucian bureaucrats into two opposing groups. The one was the opposing escapists who steered clear of politics and the other was the royalist who positively helped in the establishment of the new kingdom.

The cause of the split, which resulted in the groups could not be reconciled nor perpetuated as a practical condition of the Confucian spirit, came to sow the seeds of conflict among the bureaucratic scholar-literati. Paradoxically, the split was the result of Korea's historical reality rather than of the Confucian spirit. The Yi dynasty in her earlier days re-evaluated the spiritual attitude of the scholar-literati who opposed the obedience to the new kingdom and escaped from reality due to their loyalty to the former monarchy, and recruited them back into the active society. The new monarchy praised their loyalty to the king and rewarded them accordingly, reasoning that loyalty to the king or so monarchy, either of Koryo or Yi, was ultimately the same since the Yi government treated the Koryo people as her very own subject.

But the two Confucian factions not only claimed superiority over each other but also differed in their interpretation of Neo-Confucianism, thus creating an academic division. "The two, of course, opposed each other in their political stands. On the other hand, the split was not deep enough for them to differ in their interpretation of the principal and common ideals of Confucianism. Escapist opposition scholars such as So Kyong-tok (1489-1546) and Yi Hwang (1501-1570) contributed much to the academic development of Neo-Confucianism and Yi-Hwang's disciple's further contributed to the study of Confucianism epistemological in actuality as detached from political reality" (Hong, 1973: 71-116) .

The issue of Rites of Confucianism became a point of ideals controversy and bloody struggles for the political hegemony among bureaucrats from the end of Seventeenth to Eighteenth century and further. The ideology, however, lacked universal validity and centered around mourning apparel royalty. The idealism of course, waged on the basis of the Chinese Theory of Rites. But the trouble derived from the fact that the verdict of victory or defeat in the controversy was arbitrated by the monarch himself, who was not supposed to be an expert on the matter , and that this abnormal behavior controversy over the theory of Rites was not primarily concerned with the realization of Confucianism political ideals in actual politics.

## **Review of Literature:**

There is a plethora of literature dealing with the various dimension of Korean regular and non-regular workforce tussle. It has invariably categorized under the architecture of Neo-Liberalism, the hypothesis of Convergence of Interest and the Marxian perspective respectively. The principal proponents of these three ideological sides has given attention to the globalization, market fundamentalism, or Breton Woods Institutions (BWI)<sup>20</sup> in its imposition of American Hegemony<sup>21</sup>. They have been threatening to the domestic institutions and cultures of developing nations or more efficiently called the Third World Nations. The developed nations on the other hand were and always had have been against the proponents of Civil Society and many new research institutions focusing on labour, poverty and a just society. They are high advanced in technology and economy in all through aspects represent a set of ideas that place emphasis on free market, deregulation, privatization and generally minimizing the state's role. The formation of model to emulate for free-enterprise system as found in the United States and more or less in Great Britain, France, Japan and the respective line of nations.

“The demand and advocacy of neo-liberalism thought has led to the introduction of free market or market-flexibility. This ideology defines the absolute right of employers to hire and fire workers, when they are pleased and that too without any hindrance. However, this manifestation has non-empirical basis of its own claim. Hence, the more astute among the neo-liberals advocates of market flexibility will concede as too many varied orders to suit them. The Marxian perspective considers labour as a commodity. If the price is high, then the commodity is in great demand; if the price is low, then the commodity is in great supply or if the price of labour as a commodity must fall lower and lower. This has made inevitable partly by the competition

20 The Bretton Woods institutions has created in Bretton Woods, New Hampshire in 1944 betwee the United Nations Monetary and Financial Conference at the Mount Washington Hotel. With this conference, the member nations agreed to create a family of institutions to address critical issues in the international financial system.

21 The concept of American hegemony has been as Benjamin Franklin, since it has its practical roots in World War II and further. The United States emerged from that war as the dominant economic, political and technological power. This has been the creation and explanation of the word in the classic philosophies described in the work of Greek pupils like Thucydides, Socrates and Aristotle.

between capitalist and workers, more or less by the competition amongst the workers” (Inheyo 2015).

*Literature associated with the neo-liberal approach*

Yang (2005) puts that “there has been a continuous modulation of economic policies and technology transition. In the paradigm of neo-liberalism framework which has rushed by 1997-98, and in the wake of the Asian Financial Crisis. There is a creation of flexible labour forces, which had modulated the institutional relationship between employers and employees. It has been govern by the flexibility. It is being namely the regulations specified in employment legislations and the much wider state-business to labour-management arrangements or social settlements underpinnings the rules of social development and the labour standards. The new model which has developed after the continuous modulation of labour reforms after the formation of tripartite commission in 1998 has questions the De-homogenizations of labour into regular and non-regular labour as was classified in the South Korean development model. It makes the deep quest and reveals the distinctive political, economic, and ideological characteristics that mark out the recent market-oriented labour reforms in South Korea from neo-liberal transition from the rest of the World”.

The continuing distinctiveness of South Korean economic phenomenon stages the different form of the capitalism, which has vary from elsewhere. Labour has its significance to neo-liberal transition, where factions of labour were a neglect in the comparative political economy. This changes form of economy has only focused on the state-business relationship. It has reflected the subordination of labour at the hands of the progressive state during the years of authoritarian rule as well as the popularity of state centric analysis that permeated political science. Labour has emerged as an autonomous political actor since the democratization. The upsurge of strikes following democratization brought labour issues to deep quest of attention in South Korean intelligentsia.

Mc Namara (2010) describes about the functions of tripartite commission differs from earlier rules and legislations in two aspects. First, it posits the direct representation of the state, including labour ministry, finance ministry and the nexus of the corporate with the state in many different ways to appreciate. Secondly, there could be more extensive, economic and social

agenda, which has been beyond the labour issues. There is a contradictory tendency of globalization such as the competition and fragmentation with outcries for labour flexibility in the form of lay-offs, which is against the local socio-political response and this has highlighted the social stability and cohesion.

The neo-liberal market ideology has gained the advantageous influence against the prior welfare state approach in the administration. The South Korean situation of labour's exclusion and only a meager social welfare net provision prior to globalization has led to greater inclusion of labour. As evident, from tripartite commission, and more support for the investment in welfare.

The labour outcry of predicament in shifting from company welfare net provisions of permanent employment to an open labour market has made with no public safety net. The emphasis has been on the legacy of unproductive labour relations from the years in the past of a strict vigilance business. There has been also the quest, on the labour's compromise and the termination in return for a situation on the largely ineffective tripartite council has been worth it.

Phoebe Moore (2007) has made in his writing that the flexible labour market ideology in the past decades, made the Korean government and Chaebols have abused the workforce in order to promote export-oriented led industrialization. However, once South Korea became a democratic state the Korean workforce would be unionize and a powerful labour movement starts to develop. As a consequence, the significant improvements were made to labour conditions made by the Korean state administration.

The democratic government has wanted to impose a new progressive labour law that would give workers the same status as regular one. However, in some instances better provisions of rights and privileges than workers in other industrialized countries. These labour rights did not come without a price. Korean business, which relied on cheap labour and high worker productivity to remain competitive in exporting goods, further in a new situation faced substantially lower profits and in some cases even bankruptcy. As a result, the Korean government is a catch in the middle of an intense struggle between labour and business over the regulation of the work in a week.

Flexibility of market should focus on a compromise between Korean business and workers needs which could be reached in order that Korea to increase its global competitiveness. While, to

ensure the above condition the existing standards for labour should remain intact with the rules. The continuing problem of Korea has been derive as how to make an economy competitive in the wake of the recent enactment of the progressive laws and workers' rights. That could be when the principal success of that economy has been rooted in cheap productivity. Indeed, both pro-business worker and pro-business interest in the regulations of the Korean work week schedule to be managed are legitimate.

Bernal et al. (2012) analyzed and understood some of the "OECD countries and then propose the some conditions that the policy which could enhance labour market flexibility should reduce unemployment. At the same time, these conditions raise the issue of the design and possible sequence of such reforms. While the adoption of policies aimed also to improve the quality of employment and to minimize possible negative short-term effects, also it is necessary to look on inequality and job-destruction. While, "the large set of countries lack the necessary level of details to answer these questions. Micro and Macro studies on OECD countries over the decade showed that it is an important to protect workers, rather than jobs, by coupling of unemployment benefits with pressure on unemployed to take jobs and measures to help them. Moreover, employment protection should be designed in such a way to internalize social costs and not inhibit job creation and labour reallocation".

Increases in the flexibility of labour market regulations and the institutions have a statistically significant negative impact both on level and on the change of unemployment outcomes (i.e. total, youth, and the long-term unemployment). Among the different labour market flexibility indicators analyzed, the conditions of hiring and firing regulations and hiring costs has found to have the strongest effect.

Muffels (2012) in Transitional labour market situation, "Flexibility and Security Approaches, in where the employment strategies of Korea, Japan, United States of America and many other European countries were compared, with the labour market in Korea". He then derived that Korea shares many features with the liberal welfare regimes in Europe and the Unites States, but in this condition, it has a lot in common with the other regimes too and therefore appears a hybrid case. The appraisal of the Korean performance made a clear that Korea performs well with a view to maintaining high levels of numerical flexibility and employment security. But

much less well with a view to sustaining high levels of income security as indicated by the high incidence of low paid workers, high wage inequality and the large share of the working poor”.

*Literature associated with theory of interest convergence*

Dickerman (2000) has explained that the solution of “South Korea’s labour problem on the basis of interest convergence. In the past the Korean government and Chaebols have abused the workforce in order to promote export-oriented industrialization. However, once South Korea became a democracy, the Korean workforce unionized and a powerful labour movement developed into its various forms. Consequently, the significant improvements has made to the labour conditions of working in a system. The government’s new progressive labour laws give workers the same, and in some instances better, rights and privileges than workers in other industrialized countries. However, these labour rights did not come in without the price. Korean business, which relied on cheap labour and high worker productivity to remain competitive in exporting goods, now face substantially lower profits and in some cases even bankruptcy”.

As a result, the Korean government is a catch in the middle of an intense struggle between labours and business over the regulation of the working hours. It is highly unlikely that the Korean government will repeal the new labour laws in order to solve the country’s labour problems. The Korean workforce was too militant and engaged in massive protest and strikes. Moreover, Korea is under the considerable pressure from other industrialized countries and international organizations to keep its progressive labour laws to the flexible and easiness. The Korean government should focus on increasing the domestic technological innovation in order to balance the competing interests between Korean business and workers protest.

Bell (2008) has reached to “the point and explained that the white people would like to support the racial justice only to the certain extent when there is something could be achieved for them. This could be because of theory on convergence of interest. In the same line, we can understand the problem of regular and non-regular labour into two factions that is sandwiched with the propaganda what has evolve by the state-corporate leadership. This could be more elaborate further, which could be only to the extent when there is a position of triangulation between the interest of white people and racial justice with the state mechanism. Perhaps the best-known



application of this thesis involves and could be explained of the 1954 decision in *Brown Versus Board of Education*<sup>22</sup>”.

The case has switched the idea that the Supreme Court supported the *Brown* because it has served the United States’ cold war agenda of supporting the Human Rights. Moreover, it was a decision that largely imposed on the south by the people in the north. Therefore, in the event it was made clear that “the interest of groups were secure who were able to devise the decision has to converge with the interest of the black plaintiffs<sup>23</sup>. Similarly, there is a tussle with the state mechanism, which devises the labour laws favouring corporate against the labour unions hampering civil society mechanism. There has been a sense of competition of neo-liberal ideas creating social market place with the interest of management. This has been too supported by state to flexible labour market system in the development growth model of economics.

#### *Literature associated with the Marxian perspective*

Marx (1844) explained that there is a “constant antagonistic struggle between capitalists and workers. The situation favourably goes necessarily to the capitalist. Combination among the capitalists is customary and effective. The workers’ combination is prohibited and painful in its consequences for them. Besides, the landowner and the capitalist can make better use of industrial competence to argument their revenues. The worker neither has rent nor interest on capital to supplement his industrial income. Therefore, this has been only for the workers that are the separation of capital, landed property, and labour an inevitable, essential and detrimental separation. Capital and landed property need not has remained fixed in this abstraction, as has been necessary for the labour of the workers”.

“While concerning the relationship between worker and capitalist, the capitalist were more compensated for increasing the wages which could be made by applying reduction in the amount of labour time. This has made that the rising wages and rising interest on capital could operate on

22 *Brown v. Board of Education of Topeka*, 347 U S 483 (1954), has been the trademark in United State Supreme Court case where the Court declared that the state laws should form the separate public schools for black and white students to be unconstitutional.

23 Black Plaintiffs is the concept to be derive in United States for the legal framework, complainants. This has referred in the United States representing the black people in the criminal cases.

the price of the commodities as like the simple and compound interest respectively” (Landsberg et al. 2007).

In theory, the whole mechanism devised of the produce of labour belongs to the workers. Nevertheless, at the same time it has been noticed that in actual situation what the worker achieved could have been little and utterly indispensable part of the product. This has also presented that in the part of the product, which is as much, only, as is necessary for his existence, has not as a human being. Nevertheless, as a worker, and for the propagation, this is consideration to be not of humanity, but of the slave class of workers. Thus in the sense of the political economy, everything is bought with the labour and that capital is nothing but accumulation of labour. At the same time, the worker, far from being able to buy everything has to sell himself and his humanity.

It is solely through labour that only when man enhances the value of the products obtained from nature, whilst labour is man’s active possession. According to this same concept of political economy the landowner and the capitalist, where were also the landowner and capitalist are merely privileged and idle gods. They are everywhere superior to the worker and lay down the law to him. Labour is the sole unchanging price of things there is nothing more fortuitous than the price of labour, nothing exposed to greater fluctuations. Marx put that, “the division of labour which raises the productive power of labour and increases the wealth and refinement of society is at its best. It also impoverishes the worker and reduces him to a machine. Whilst, labour on the other hand brings about the accumulation of capital and with this the increasing prosperity of society. It then renders the worker ever more dependent on the capitalist. It explains further into the competition of a new intensity, and drives the goal into the precipitated rush of overproduction, with the subsequent corresponding to slump.

Therefore, “the interest of the worker according to the other political economists never made an array opposed to the interest of society. The society is always as well as necessarily makes a stand opposed to the interest of the worker. Accordingly in the political interest of the workers which would never be opposed to that of society in real sense. As the rising wages are more than compensate by the reduction for labour time, which comes together with the other consequences set forth above. This can be fulfilled also because in relation to the society the whole gross

product is the net product, and in relation to the private individual has the net product of any significance further” (Westra 2006).

*Literature associated with the Korean Confucian perspective*

The Theory of Rites of Confucianism became a point of ideals controversy and bloody struggles for the political hegemony among bureaucrats from the end of Seventeenth to Eighteenth century and further. The ideology, however, lacked universal validity and centered around mourning apparel royalty. The idealism of course, waged on the basis of the Chinese Theory of Rites. But the trouble derived from the fact that the verdict of victory or defeat in the controversy was arbitrated by the monarch himself, who was not supposed to be an expert on the matter , and that this abnormal behavior controversy over the theory of Rites was not primarily concerned with the realization of Confucianism political ideals in actual politics. It was far removed from the positive practice of Confucianism and focused on the wrong deal.

There was a group of scholar-literati came to the fore, later to become known as the “Real Learning School”. They were realists who put forward a new political theory as a means of reaffirming Confucian political ideals. These scholar-literati, being aware of the fact that the practice of Confucian political ideals tended to become formal and superficial, attempted to recover the true Confucian spirit which had become lost behind mere Confucian slogans. Therefore this school, in its ideological aspects, did not override Confucianism. Firmly founded on the realization of Confucian principles, the realist tried to analyze and overcome the incorrect points in the interpretation and realization of Confucianism. Therefore Korean realist-scholars attempted to transform Chinese Confucianism into something like a system of thought, characteristics of and fit to Korean reality. Attempting a return to the essence of Confucianism, they did not cling to the Chu Hsi School of tradition but assimilated the spirit of Wang-Yang-ming. However, the reason, we presume, the realist, in general failed to transcend the boundary of Neo-Confucianism is that instead of bringing Wang’s spirit into the open, the realists amalgamated it and concealed it within the crust of Chu Hsi’s learning. Although realist scholars put forward a new viewpoint differing from that of their predecessors who superficially observed and criticized Neo-Confucianism, what is more significant is the fact the Wang Yang-ming elements coloured their opinions.

Scholars of the real learning school freely criticized the state of affairs in the government and proposed reforms to government organization on the basis of the actual situation facing the country and of the promotion of the farm economy, as a means of overcoming political confusion, economic poverty and financial graft. Confucianism made the deep root for many centuries in the Korean Society as a political ideal identity that makes the State authoritarian and the labour welfare mechanism shrewd as well as the division of labour into regular and non regular. The classification of regular and non-regular labour into the Korean society comes from the hasty past experience to present day Confucian practice with the new modifications and regulations. It is necessary to consider two points that the traditional society still under the influence of Confucianism is the process of modernization, and the various forms of Confucianism are still active in the less modernized aspects of the Korean Society.

The process of authoritarian regime and the industrial society in Korea could be understood with the process of the modernization of Chosun and could be viewed from different angles but the summary has been the economic problems. The problem of non regular evolution of labour in Korea has been started with the concept of the modernization and is generally timed when the Korean people began to consider to what extent, in comparison to neighbouring Ching of China and Japan, her doors should be open to the west upon her initial contact with the Western capitalistic influence. The process of modernization should have hatched and developed within the society itself, but under the existing circumstances in the Korea of the time it was imposed on the masses from above, by bureaucratic scholar-literati who attempted to clear away all social contradictions and absurdities. From this we can understand the irregularities and graft, by means of the organizational reformation. The Confucian concept of controlling the masses from the above idealism has been the manifest in themselves.

At present it has been seen in the meritorious Confucian political idealism, the influences of the subjects to under the old feudal system. In the process of transplanting and propagating the democracies and its spirits and also the way of living, the Korean people had replicate the Western form of democracies and its practices. The developed ideologies of the Korean society is in its political and economic aspects. The solution to the question of understanding the ethics of political in personal and social relations to the Confucian ideal could be around the freedom from the inhibited code of conduct stipulated in community guild charter which inculcated the

negative practice of ethics, and freedom from the bondage of blood and regional relations so as to establish individual independence, economically as well as spiritually .

Korea's civil law has been constant changing, although it is still not entirely free from its past bondage. Fortunately the traditional stagnant Confucian family ethics are gradually still persistent. The rapid development has been achieved with the civil law and the stipulated individual life more clearly and enable one to live with economic independence, then this phenomenon would be reflected in the political life of the country.

The sense of the political idealism has been the root of the obligation is changing to favouritism and this trend must be wiped out by the modernity and the organizational system. The problem is how to rapidly establish a modern organizational system. The hasty establishment of the system is most apt to overlook the basic conditions necessary to this form. The reasonable and sound management of a modern system requires corresponding modern spirit and economic support. The perennial question of why Korea has failed to achieve modernity requires than rather the causes that arrested Korean modernization. Another important factor that obstructs the way to Korean democracy or modernization is the problem of understanding. The sychophantic spirit of the gold Confucian bureaucrat longing for the Middle Kingdom, China and the distorted understanding of the Confucian spirit produced two different languages, one for the ruling class and one for the ruled. This dual linguistic structure resulted in the present chaos and chasm, distinctive in the broader sense, between the two classes. This has been very different from the knowledge of Chinese character and Chinese culture. Contrary to the King Sejong (1397-1450) Confucian principle of the people and to the spirit of language and culture which has been the evil result so far.

The opening of the society may take the recurrence of the life events in different sequences and in many order of preferential series, the advent of the modern world is a traumatic time. At this point of the opening, the conception of time develops in the two directions. One in which orientation of man towards himself and the other is the society towards its history. It is being refereed as the external time and internal time respectively with the ideal state of knowledge and mind. The external time is time as object. It confronts man and the society with change. Change is needed the dominant characteristic of the external time of modernization. The change that a developing nation undergoes is a general change which is complex in scope, rapid in tempo, and

profound in its impact. In real life, change is a great variety of changes proceeding at various speeds and of various importances and weights, and requiring various lengths of time for their unfolding. They occur in concert, in succession, and in conflict. To deal wisely with these variations, as in deciding on priorities of policies and programs, is a major task of government administrators. The main variations of change can be pointed as follows:

**Demographic Changes-** population explosion, population movement called as migration of labour or war refugee or the displacement of rural exodus, quantitative change of population like of the growing proportions of a younger and educated generation.

**Sociocultural Change-** literacy and universal education, cultural renaissance and spread of indigenous written languages, agrarian reform, expansion of the military establishment, urbanization, decline of the extended family.

**Ideological Change-** neo-traditionalism, nationalism, egalitarianism, democracies, socialism, militarism, liberalism.

**Technological Change-** manufacturing, transportation, communication, mass-media, agricultural mechanization, modernization of the military.

**Economic Change-** monetization, inflation, depression, income-redistribution, industrialization.

**Political Change-** centralization of government apparatus, national and local elections, organization of national and local legislative and executive organs and courts, political parties and interest groups, entry of new leadership, such as intellectuals and military, into the central political exclusively political area, or the revolution and social movements.

These changes do not take place exclusively in the developing countries, but those which take place in the developing settings as very complex and intertwined, and their tempo is sweeping as well. Many of the sub changes occur simultaneously or one after another over a relatively short span of time-build. More changes may take place during a decade in a developing country than during a generation in another nation at a similar stage. Owing to the complexity and speed of change, its impact is also profound. After one or two decades of sweeping changes, changes in sheer quantity turn into changes of quality. Such qualitative changes are revolutionary in

character, yet seldom so perceived by the society which undergoes them and which then gets caught up in the wheels of social transformation. (Hahn-Been 1968: 4-22).

In the analyses of cultural traits and Ideas (Kim 1992: 51-63) compares with the help of another model proposed by Han Sangbok the cultures of both Yangban which is called as “the gentry class and commoner class of the traditional Chosen Dynasty and those of present day form of a cultural views and political-economic development. The focus has been on the economic and political aspects, and their relationship with the family and kinship, class, religion and world-views. There has been the mention of the common folks, largely comprising peasantry, relied on farming and domestic handicraft as a mode of cultural adaptation to the given ecological and geographic environment. Since they had no alternatives to the agricultural available under the circumstances, they in the search of good life and hope of better standard of living puts their efforts as a labour force into the industrial towns and cities”.

As for the World order and the outlook on the life, common folk seems to have formed a sort of fatalistic attitude, leaving everything to whatever fate brings along, instead of a positive attitude believing in the possibility of attaining something by striving hard for it, because they were so used to the unfavorable conditions. With the respected religious beliefs and practices, common folks worshiped various household spirits and village gods, such as the family guardian god, kitchen god, sonang village spirit or mountain gods. All this involved distinct shaman ritual in the family and village, different in nature and form from the ancestor worshiped ceremonies of the Yangban families. This is due to the fact that the commoners, always an easy target for pillage from the ruling class and officialdom, had lived under the chronic poverty and dreadful anxiety, without the blessing of any distinguished ancestors in vertical lineage or horizontal solidarity with recognizable kinsfolk.

The political-economic ideals put that the Confucian based ideology of the ruling gentry class generally provided justification for the unequal status system, common folks unable to hold any interest in, or to respond to, any ideology formulated outside their immediate realm and context of life, had been forced to stay where they used to be, as if they were prisoners of the ecological conditions. The political goal of the ruling class or gentry was to justify social order grounded in Confucian social norms and statecraft and the ideal of loyalty was strongly upheld to maintain the system. In the process of decision making in the political arena, however the several groups

vied for power, restraining each other in the games of check and balance. They were the royal family clansmen of the authoritarian regime and the leading officials in the government service. In the struggle for the political-economic movement there formed the various fractions of peasants, labours, officials and other working class. Especially the ruling Yangban organized their power and wealth around the kinship group and strengthened the kinship community.

In the Korean Society, there has been the presentation of the conceptions of the dominant principles of social organization of traditional Korea with the Social impact of industrialization and the task of the modernity. This brings the hierarchical authoritarianism which is based on the Confucian ideal of human relationship, the primary principle of the Korean social organization used to be and still is to a large extent, authoritarianism, stressing the importance of a hierarchical order in society, particularly in the family and the kinship group. Authority and status are accorded as high values, concentration of power is tolerated and orders of the superior are followed without question. The bold bureaucracy persists which has been much reinforced by the Japanese militancy and the recent ascendancy of the military in the political-economic sphere.

Collectivism in the view of Neo-Confucianism ethical principle, filial piety was to be the central value extending to all human relations. This had bred strong family collectivism emphasizing the family identity, kinship ties and familial interest over against any other collectively. The family orientation would easily expand to other collective context as long as they do not conflict with the family-kinship-centered collectivism. An individual's self identity was sought only in the collective context, the family and kinship groups being the axis of the context.

In the faith of the connection which again is based on the family collectivism, social network are formed around the various connections of collective origin. Whenever a wider social network is called for, one begins with one's own close kinship group. As this is exhausted, one tries to find a way to rationalize non-blood relations to take a kin-like character so as to further expand the network outside the boundary of immediate kin groups. The most often sought connections include common local origin, common teacher or school cohort, common office or workplace cohort and whatever relevant element of shared experience. The importance of right connections can never be over emphasized in politics, in seeking jobs, or in any attempt to accomplish something in everyday life.



With the thorough implications of personal traits the Korean characteristics observed have pinpointed is their strong emotional involvement. Not only do people tend to act emotionally, but they have certain aversion to business like contractual interactions which is largely reserved for outsider without significant collectivism connections. Among the insiders, one pretends that every interactions is a non instrumental, expressive one. If one needs to extends the scope of network beyond the established collectivism boundary, one tries to tun the interaction into an expressive one, charging it with affectively and personal involvement.

To the moralist ritualism, in connection with personal traits the combination with collectivism and connections traits, may breed favouritism, nepotism, and factionalism, authoritarianism may lack legitimacy and encourage social political exclusion. Moral ritualism furnishes moral and ritual support to the above orientations lest they may fall prey to negative temptations. The basic evidence on the Confucian tradition, the moral rituals enabled the authoritarian structure to retain its legitimacy and uphold its hierarchical social order, while it was needed to compensate the readily corruptible personal tendencies under the connected collectivism.

The dichotomized frame of mind suggests that the Korea has developed a culture in which frame of mind is embedded in a kind of dichotomized or binary cognitive structure. Conceived in the very abstract over arching idea of dichotomy of Yin and Yang, this world view contains a cosmos full of dual elements interacting to create and change the world in constant dialectical interplay. In Korean culture, this has yielded a psychic and social structure in which we-they, or in-out juxtaposition is unusually stark, often rendering itself readily to intense and violent conflict. Combined with the exclusive tendency of personal traits, collectivism, connection mechanism, and authoritarianism, this binary mentality would lead to factional stifle, provincial traits or parochialism and social conflict.

Disparity of the Ideal and the Real has been in the context of the Korean political-economic paradigm remarkably presents the society which has the problems of disparity between the ideal norms and the actual practices. In Korea, while the ideal side of, say. Confucianism is often exaggerated, the actual practice of Confucianism has not always been as a desirable as it should be. The official statement of politician do not necessarily represent their actual behaviour or real motives. But since the Korean tend to overemphasize moral ideals, especially with respect to the leaders of society, the reality could look much more corrupt and undesirable. The level

aspirations are so high that the sense of discontent is also unusually intensive. Thus in the traditional thoughts, the Korean mind was typically viewed to be this has been the worldly and self centered, self being, undifferentiated from others and man forming unity with nature. Unable to help but adapt to the given ecological conditions, the ruled held a passive outlook on life, accepting whatever fate may have in store for them and their unfavourable status led them to embrace superstition folk beliefs and rituals. In the political-economic sphere as well, as the basic structural paradigm was upheld by a pattern of authoritarian and submission within a four layer class structure of the social-safety-net which are as follows:

Gentry

Peasantry combined with Labour

Craftsmen combined with Labour

Merchants

The basic order of this class society in the Korea was fully supported by the idealism of the Confucianism virtues of absolute obedience, respect for the elders and superiors and compliance and dependence. The plural political society was maintained by the bureaucracy tradition and the structure of the family and clan.

### **Gaps in the Existing Literature**

The current set of literature dealing with the politics of regular and non-regular labour has focused on the labour market dimensions. Also, it has focused on the political economy of labour struggle or on the social development policies like labour laws and the working or employment standards. The existing literature on the issue of regular and non-regular labour lacks in bringing about the politics of labour involved between the four potential actors in the democracy are as follows:

The State System

The Corporate System

## The Social System

### The Labour Unions

There is a contest of “neo-liberal ideas of the flexible market and convergence of interest, which gives the space for social marketing through non-governmental agencies and social movements. Civil Society institutions and labour union on one side pressurized the government to increase the spending for stable development. While to the other end the state led system and corporate system together of South Korea advocated for flexible labour laws and easy hiring and firing rules to enhance the role of the private sector in the economy” (Amsden, 2000).

There has been no attention given to informal labour in the non-regular payment employment. These include mainly vulnerable and deprived section like unskilled men, women, youth and migrants. They get trapped in informal and vulnerable jobs with meager income and thereby corporate with the support of state legislative measures play politics with the bargaining capacity of labour union.

The quality of job and livelihood is the concern for all workers whether regular and non-regular, male or female, citizens or migrants etc. some are made at the disadvantage position by the state politics through labour market mechanism, by inducing the fallen growth in the real wages which thereby increase the labour productivity according to Marxian approach. Thus, difference in the parity of political, social and economic aspect of regular and no-regular workforce creates a hindrance at work and employment, which in the past literature works could not be attend effectively.

Whenever we speak of the Confucianism in general, we take up three Countries, Korea, Japan and China which lived under the same Confucian political ideas and it is realized that the Krea has failed to modernize and organize into the one system of labour form, that the other to countries fell a prey to colonialism although the mainland China became the Communist Society and that the Japan has developed into the a Capitalistic State. However, each has different social, historical and natural conditions and different backgrounds and their Confucianism functioned according to these differences. Thus there has been the important question of why the Korean state has failed to achieve the proper modernization to seek the necessary for the cause of the arrested Korean Modernization after the colonization.

The Confucian political ideals which steered pre-modern Korea society ultimately drove to fall under colonial domination and made it fail to develop into a democratic society. The fact that China became a communist society requires us to reevaluate the bureaucratic character of Confucianism. This subject must be brought into light not necessarily independently from the ideological corollary of the Chinese history of thought that American scholars formulated. Confucianism was rather a soil cultivating an authoritative and bureaucratic spirit and containing elements hindering modernization. As there has been the plight of the non regular labour display in the modern society, there was no room to display the stoic character of Confucianism.

In the understanding of the labour formation and their movements the idealism of Confucianism and the critical interpretation of Confucian classics have been influenced was the result and methodology of 'empirical research' of the Ching period (before the Japanese emancipation) and formed the unique trend in Korea. Re-examination and re-interpretation of Confucianism in Chong Yag-yong's work on Confucian classics with the empirical, analytical, interpretative studies of Confucian classics in the realms of Song Hae-ung, Sin Tak (1760-1828), Hong Sup-ju (1774-1843), Kim Chong-hi (1786-1856) and others have contributed greatly to the formation Silhak Philosophical interpretation. However, there was no no proper arrangement formed on these classical studies and the general political-economic discourses on the post war problems or historical criticism through Korean History.

In regard to Silhak's relation to Sohak (western learning), there has been the unique relation between the Silhak school, especially the Southerners faction and Sohak. The relationship between Yi Iko and Chong Yag-yong which was formed not simply out of the factional ties but also out of the political relations. This relationship brought them to share the same objectives in their research and faith. Their relation began generation and there remains a need of genealogical study. Such family stood in the way of the social development of intellectual trends in the Yi Dynasty and forming a destructive power tied with the political power, brought about political struggle. In regards to Silhak thought as a reform theory for the Korean reality in which they lived as a criticism on social problems of the Yi Dynasty, there it was Yu Hyong-won who criticised Yi feudalism in order to reform its feudalistic social system and the practice in the work form called as the Bangye Surok. In the work of Yi Ik in contrast to Chong, the principles of Government and the principles of Governing, Chong employs the principles of the critique

practiced by Huang Tsung-hsi in his criticism on the power structure headed by the king authoritarian rule. Chong developed his criticism of the contract theory of the West. This may be a logical consequence of the Huang-Yi-Chong lineage. The most important research remains in vacuum in order to find the essence of the Silhak thought in the order of the political struggle of the labour and its movements.

### **Hypotheses:**

H1: Flexibility of labour market in the South Korean economy is essentially a pro-business policy institution in the close proximity between the state and big corporate, which makes a differentiation between regular and non-regular workforce.

H2: Civil Society and labour movements have been opposing state led big-business agenda by demanding minimum differentiation between regular and non-regular workforce.

H3: Korea's conservative polity brings a contest between the regular and the non-regular workforce thus weakening the labourer's bargaining ability.

### **Definition, Significance and Rationale for the Research:**

The Study's importance comes in the above context to explore the existing and evolving structure and dynamics of regular and non-regular labour in South Korea. The study focuses on the politics behind the self-interest of state and corporate to undermine the interest of labour. The politics is between the conservative forces led by big corporate with the state-led agenda and progressive forces the civil society and trade unions.

The conservative forces wants labour employment ease with their in and out in the system hassle free, free hire and fire, ease labour legislations. While, on the other hand progressive forces wants more strengthen labour legislations for their protection of basic demands, more state-led welfare programmes, and their employment in the system would not become a game in the hands of big corporate.

“Self-interest of state and corporate nexus causes factionalism among labour which could be expressed in the regular and non-regular form of workforce, because the state itself can't be

against the labour reform and social market place created by civil society and NGO's like PSPD<sup>24</sup> (People's Solidarity for Participatory Democracy) and CCEJ (Citizen's Coalition for Economic Justice). Korea's developmental neo-liberalism has a contest with the neo-liberal ideas of flexible labour market" (Cho 2012).

In brief, this puzzle or this research proposes to explore on the subject whether and how the politics is to play by the state and corporate sector with the labour union, and how to tantalize the civil society. In the economy where the unorganized labour force which alone is incapable of putting up any resistance to hire and fire at the will is miniscule proportion of total workforce.

There is presumably de-facto labour market flexibility anyway, so that the meagerness of employment growth cannot possibly attributed to the labour market flexibility. However, there are strong reasons to believe that the introduction of labour market flexibility would possibly be at stake and could improve the employment growth.

The introduction of labour market flexibility under the neo-liberalism has to premise upon the presumption that workers to be see no different from the objects. The presumption of labour as an object however, is fundamentally unrealizable, which indeed is why capitalism is necessarily transient. Thus, struggle against the labour market flexibility must be the total and uncompromising. It has been chaotic and painful for the civil society to understand and to develop a social market place.

### **Research Questions:**

How both the terms "Regular and Non-Regular" labour force has been defined in South Korean political economy?

Under what specific fields do the people of Korea work within the condition of non-regular employment and meet the standard of labour market legislations?

In what ways does the non-regular labour make their relations with the management-council and the state in comparison with the regular labour force comparatively?

<sup>24</sup> People's Solidarity for Participatory Democracy (PSPD) is the South Korean non-governmental organization. It was to form on 10 September 1994.

What are the discrepancies was noticed and visible in treatment between regular and non-regular employment situations?

To the above-mentioned discrepancies involved in their treatment under employment conditions, what are the policies and legislations has lay down by the state?

What are the social framework devised for the non-regular employment and thereafter the policy loopholes found which makes the direct projection concerned with the non-regular employment in the South Korean labour market?

Is there any mechanism devised for the conversion of regular to non-regular employment possibilities as needed by the business groups? If so, how it is doing and what the effects it produces on the work culture?

How the pressure from the civil society and long labour movement effects produces on the state policies and the management council of the big corporate?

How it could explain on the projected the tussle of regular and the non-regular work culture, which can see as the weakening of the labour reform movements and paves the way for jobless growth?

### **Why to Study the Subject “Politics of Regular and Non-Regular Labour in South Korea, 1997-2014”:**

The main pillar of employment policy thus far has been reducing unemployment, “based on the assumption that work supports people’s lives and the reproduction of the next generation around the world. The same can see about the policy goal of raising the employment rate. However, this assumption is now collapsing. Poverty and death from overwork have become major social issues in South Korea today. In other words, a situation is spreading under which labour ironically threatens life and fails to guarantee people’s living. Behind this is the spread of long working hours and non-regular employment” (Chang 2007).

This polarization of working forms is becoming salient among both young workers and female workers. In particular, through the increase of non-regular employment, many workers has deprive of the “dignity of labour” and are exclude from capacity development opportunities,

social insurance, and employment insurance. Young people have shown an increasing tendency to remain single or put off marriage as they lack prospects about their future life, accelerating the fall of the birth rate. The employment problem we face has become a social issue. This trend is not unique to Japan, but is generally observation among the advanced industrialized countries. We face the urgent task to stop the widening of disparities and the increase in poverty and restore the dignity of labour.

“It is only in recent years that the working poor have become a social issue, despite the fact that there have long been non-regular workers in South Korea. What has changed- Simply stated, the non-regular workers of the past were auxiliary in terms of the nature of their work, and in addition, were mostly students, homemakers, and elderly people, who were also auxiliary in terms of household income and supported by regular workers (mainly men). Women make up Seventy percent of non-regular workers. In parallel with the continued decrease in the number of regular workers after reaching a peak in 1997, however, the number of non-regular workers has increased with the replacement of regular workers by non-regular workers” (Ibid.).

“This has led to a rapid increase in non-regular workers among those who shoulder the main job in terms of the nature of work and the responsibility of earning the main income in households (for example, job-hopping workers in their 30s and 40s and single mothers or single fathers who work as non-regular workers). This can see as a major factor has made the working poor a social issue. In other words, the number of workers who are forced to work as non-regular workers and are driven into poverty while being important bearers of society is increasing” (Korean Labour Institute 2009).

The increase of non-regular employment has negative economic effects in the South Korean employment pattern and that are tremendous. A number of problems have already arisen in Japan. The first is the decline in productivity in the overall economy, as was mentioned in the Ministry of Labour, Health and Welfare issues.

The second aspect could be the inadequacy of human resource training. This involves not only the training of current skilled labour, but also the loss of younger people who can support the industry and enterprises of the future.



The third triangulation could be the stagnation of domestic consumption and demand. The increase in non-regular workers and decrease of the macro labour distribution rate are two sides of the same coin, and are a major factor behind the economic stagnation.

The fourth is the deepening of the fiscal crisis faced by the central and local governments. The increase in non-regular workers leads to a decrease in the number of people supporting the social security system, and the increase in people excluded from the system is manifested as rising costs for livelihood protection (welfare), and will lead to a drop in future tax revenues as a result of the decreasing number of children.

The fifth is a destabilization of society as a whole going beyond the economy, bringing about a contraction of opportunities to participate in labour to management negotiations and trade union activities. Despite the emergence of these problem that threaten the sustainability of society, we do not see any clear change in the stance of the government and employers.

The government accepted NGO's (CCEJ and PSPD) demand for an emergency employment stimulation program, but the policy remains insufficient. Thus, the topic of non-regular in South Korea or more specifically around the globe is more than worth to study and to do a research on it.

### **Research Design, Sources and Materials, and Variables Used:**

This section throw the light on the research designed, tools used and the implications involved before and after the data collected and test perforation.

#### **Research Design:**

The Research Test is experimental with two groups pre-test and post-test as well i.e. the regular labour and the non-regular labour. In this experimental research, the implementation of innovative-learning through (independent variable and intervening variable) would be monitor.

The Research has design on the theme of politics happening with the regular and non-regular labour movement in democratic state of South Korea. It is a period of seventeen years study i.e. 1997 to 2007, just after the Tripartite Commission has formation.

The research will explain why and how the politics of the state has harnessed the labour movement since the colonial period of Japan, through the division of Korean Peninsula and more importantly in the successive authoritarian rulers in the Pseudo-Republican state.

It investigates in the theoretical frame of non-regular labour movement, which has grown with its demand to the state, and business groups' suppression in the realm of import led industrialization with low wage labour. It will explain why it was necessary for the successive governments to call for the non-regular labour in the corporations and managements and what changes it brings to the labour mechanism in the cotemporary state of Korea.

**Source and Material used in the Research-Work:** The researcher used mostly the internet sources for collecting research papers and thesis on Korean labour issues. Books, Journals, Government documents and Official papers from the JNU Library, Ratan Tata Library (Delhi School of Economics), Central Library (University of Delhi), Main Library (Department of Social Work, University of Delhi) V. V Giri Labour Institute (Noida and Lucknow), Library of Seoul National University, Seoul South Korea and from Internet are used.

#### **Set of variables-**

**Independent Variables:** Regular and non-regular labour in the South Korean labour market.

**Intervening Variables:** Political nexus of State with the Management Council (Chaebol).

**Dependent Variables:** Living Standard, Consumption Pattern and Income of the Labour, Education Standards, Health Facilities, Pension and Social Security benefits etc.

#### **Research Methodology:**

The research aims to construct a macro-level analysis of the multi-level of structural and organizational set-up of regular and non-regular labour force in South Korea. It will do this first by accounting in details, the internal structure of state-mechanism, and better coordination of corporate with the labour union and to the worker's right, the major legislations and laws forged during the period of reforms and its opening up.

The research proposes to study regular and non-regular labour issues with the influential laws and legislations examining the socio-political organizational set-up, also examining the engagement of corporation with labour union and to worker's right.

Lastly, analyzing the affiliation of the people involved, their links with the corporate and state, socio-political creative networks. It would measure the impact factor of all it through a comparative weighing of state and corporate sector to make a social developmental market place in a given period.

To reach any conclusion, the research would go for the relevant data-collection from the available sources of state mechanism, corporate system and labour-union negotiations as well as worker's rights of livelihood. The approach would be both deductive and inductive analysis of various kinds of data. As far study patterns in the context, an important element of study, structural analysis would measure for the qualitative analysis. The empirical measurement and representation would extensively use open source of data interpretation.

The study would move around three variables. The state and corporate nexus would be the independent variable, and the labour is the dependent variable, while the civil society is the intervening variable.

The material sources (both primary and secondary) for the analysis of the kind mentioned above would be based on books, research papers, state, corporate, union's website interviews (both e-mail and person to person as in videos), questionnaire, newspaper stories, and other available resources. To be specific major sources of data would be public surveys, laws and legislations passed by the state, corporate manual etc.

To gain firsthand experience and develop a real insight, it would be desirable to have the opportunity to go for the required field visits. It includes the options to be participants' observer with a few of the reputed corporate organization, ministry of labour and industry as well to various non-governmental organizations working for worker's right and civil society.

## **Research Instruments and Designing Test**

The present research applies both qualitative and quantitative approaches. There are two research instruments: the scores from the pretest and the posttest while the researchers' response to the questionnaire developed and from the hypotheses framed.

The first instrument will measure researchers' acquisition on the historical and theoretical explanation of the grown labour movements with the authoritarian state and selfish profit seeking business groups. The second is design to explore researchers' understanding of politics between regular and non-regular labour with the alliance and the state and management group in the pro democratic regime after the compressed economic growth.

### **Test on Acquisition**

The pre and posttest group enables the researcher's understanding on the following:

1. Review the history of Labour Movement since the time of colonial rule of Japan i.e. 1905-1945. The linkage the movement it establishes with the coming of first President Syngman Ree and the Korean War period (1948-1953).
2. Review the labour struggle in the economy of South Korea with the application of neoliberal theory, interest convergence and on the greater Marxian perspectives into the findings and conclusion on the study. How and in what situation the regular and non-regular labour movement was organised. What sort of price they paid in organising such movement?
3. Understanding the relations between three players, and they are state, business groups (Chaebol), and the labour. The study will test the civil society organizations, labour unions and the grassroots interest groups to hold the people of South Korea in defending the survival rights and correction of the Chaebol ideology. In turn, the South Korean population will oppose the IMF led crisis in South Korean Economy.
4. Understanding tripartite commission with the Asian Financial crisis and with the subsequent Democratic government. The labour-business-government committee formed and how the initiatives had taken by the government on the matter of the labour separately with the

government council. The study will test the South Korean workers and the employers's ideologies to the notion developed by the foreign players as dominance in the market economy.

5. What changes the Regular to Non-Regular Labour has with the politics of State and Management Council with the pro-democratic State's organization called Civil Society. The study would be able to test the hi-tech sector growth of the South Korean economy and the new legislation framed by the successive progressive governments

6. The Study would be able to form the perspective of the South Korean successive governments after the financial crises of 1998 and 2008 on the widespread and speedily industrialization pattern of the capitalistic economy. To explore the root cause and effects typical symptoms of unclear and unjust domination of the South Korean state administration, politician, bureaucrats, and business groups to the abusive condition of the prolonged the pale and plight condition in terms of social, political and economy of South Korean Population.

## Chapter Two:

### High-Growth Phase and the Rise of Regular Labour in South Korea

The elucidation in this chapter would explain the initial phase of growth and the developing economy of South Korea under the dictatorship rules, the western influence of industrialization, more emphasis on manufacturing industry and the role of the labour in so-called developmental politics. South Korea has gone through different phases of modernization after the Korean War during 1950-53.<sup>25</sup> South Korea's progress can be traverse in these many phases

#### 2.1 High Growth Phase since Park Chung Hee's Rule:

South Korea witnessed dramatic structural changes during the presidential years of Park Chung Hee (1961-1979), Chun Doo Hwan (1980-1988), and Roh Tae Woo (1988-1993). The South Korean Government programmes has channelize to modernize the society and industrialize the South Korean economy. This has done to "gained momentum in the 1970s and 1980s and Korea made great economic strides. Industrialization fueled the urbanization as South Korea transformed its agrarian based economy into the nation, which concentrated in export goods. The high rate of domestic migration just very shortly after the Korean peninsula division and corresponds to the growth of urban centers and their populations" (Chang, 2003).

On the contrary to the argument of the economic development and democratization are positively correlated. The political system in Korea became increasingly autocratic with the growth of the national economy. The establishment of the Yushin Constitution<sup>26</sup> in 1972 severely limited the political opportunities and South Korea entered into a period of authoritarianism. For the next two decades, three different military generals who has turn to politicians ruled South Korea. It was against this political and economic backdrop that Korea's democratic and social movement emerged.

25 The Korean War which could be described in South Korean Hanguk 한국전쟁, *Hanguk Jeonjaeng*, "Korean War". This is termed as the Fatherland Liberation War happened from 25 June 1950 – 27 July 1953. It began when North Korea attacked South Korea with the aid of USA.

26 The October Restoration or Yusin Constitution in South Korean Korean Hanguk: 시월유신 or to be called as October Restoration happened in October 1972 in South Korean as the self-coup in which President Park Chung Hee acquired as the dictatorial powers.

During the authoritative presidential years, “when South Korea was ruled by different military generals, the various social groups and traumatized population participated in the movement to restore democracy and ensure human rights. Their activism was instrumental to democratic reforms that took place in the summer of 1987 and they continued to play an important role even after democratic transition in the coming years” (Lichbach 1987).

“Large scaled social movements which were rarely involve by a single group of actors. Rather, groups from multiple sectors of society often staged movements. While, this seems to be the empirical reality, many studies of social movements conceptualize protest repression dynamics as a two-actor world populated by a state and a dissident group. Various movement scholars have pointed the political and social attention to the fact that Opposition groups were not monolithic and we need a disaggregated picture of social movements which we can imagine by identifying the various social groups involved in a movement” (Moore 2007).

The statistics revealed that “the South Korea's real gross domestic product expanded by an average of more than eight percent per year, from \$2.7 billion in 1962 to \$230 billion in the year 1989, devolving into the trillion dollar mark in 2006. In terms of per capita, the nominal GDP has increased with the mark of \$103.88 in 1962 to \$5,438.24 in the year 1989. This has reached to the dollar twenty thousand extensive mark in 2006. The sector related to manufacturing has shown much increase at its peak from 14.3 percentages with the GNP in 1962 then to 30.3 percent in the year 1987. The commodity trade volume in the economy has increased from \$480 million in the year 1962 to a spectacular rise of \$127.9 billion mark in year 1990. Ratios of savings in domestic to GNP has further strengthen from 3.3 percent in the year 1962 to 35.8 percent in the year 1989” (Korean Statistical Information Service or KOSIS 2005).

The major striking factor in rapid industrialization was the adoption of an outward-looking<sup>27</sup> model of the economy in the early 1960s. “This strategy was particularly well-suited to continuing time because of South Korea's constraint natural resource endowment, low savings rate, and small domestic market. The projected framework promoted the economic growth through labour-intensive manufactured exports, in which South Korea could develop a competitive advantage. Government initiatives played an important role in this process. The

27 The concept "outward-looking" has been definitely chosen to show a constant and deliberate attention to industrial and trade happenings outside the country.

inflow of foreign capital was greatly encouraged to supplement the shortage of domestic savings. These efforts enabled South Korea to achieve rapid growth in exports and subsequent increases in income. With the emphases on the industrial sector, South Korea's export-oriented development strategy put the pressure on rural sector which was comparatively underdeveloped. Except for mining, other major industries were located in the urban outskirts and in between the city dwellings of the northwest and southeast. Heavy industries generally were located in the south of the country's geographical areas" (Shin 2013).

Factories and enterprises in Seoul the capital city contributed over twenty five percent of all manufacturing value-added businesses in 1978, and were clubbed together with factories in surrounding Gyeonggi Province<sup>28</sup>. Factories in the Seoul area produced forty six percent of all manufacturing business in the respective year of 1978 and onwards. Factories in Seoul and Gyeonggi Province employed forty eight percent of the nation's 2.1 million factory workers. Increasing income disparity between the industrial and agricultural sectors had posed the serious problem by the end of 1970s and remained a problem in the long run, despite of the many crucial government efforts to raise farm income and improve rural living standards.

With the coming of early 1980s, in order to control inflation, a conservative monetary policy was introduced with the tight fiscal measures were adopted. Increase in the money supply has reduced from the thirty percent level of the 1970s to fifteen percent subsequently. Seoul even devolves its financial budget for a short period. While with the government, intervention in the economy there was a great pressure to reduce the periphery of policies on imports. The foreign investments has liberalize to promote competition, which aroused in South Korea. This has been the step taken necessarily to reduce the imbalances that has been between rural and urban sectors coming from past. Seoul expanded the investments in public projects, such as roads and communications facilities, and this has further promoted the farm mechanization.

The measures has well taken to be implement urgently in those respective early decades of industrialization. This periods when the provisions were coming were couple with significant improvements in the world economy. This could have had helped the South Korean economy to regain its lost momentum since in the late 1980s. South Korea anyhow achieved to manage the

28 Gyeonggi-do described in South Korean Hangul: 경기도 has been the most populous province in South Korea. The name, *Gyeonggi* means "the area surrounding capital". Thus, *Gyeonggi-do* can be translated as "province surrounding Seoul", its provincial capital is Suwon.



average of 9.2 percent real growth between 1982 and 1987 and 12.5 percent between 1986 and 1988.

The “double-digit inflation of the 1970s was tackled and with different provisions it was made under control. The Wholesale price inflation, which averaged 2.1 percent per year from 1980, continued with the year 1988 thereafter the consumer prices increased too by an average of 4.7 percent annually in South Korea. Seoul managed to procure its first significant surplus in its balance of payments by 1986, it became tabulated at \$7.7 billion, and \$11.4 billion surplus in 1987 and 1988 respectively was turned. These developments allowed South Korea to take a step to reduce its level of foreign debt efficiently. The trade surplus for 1989, which the South Korea achieved however, was only \$4.6 billion. While a small negative balance in the trade was proposed for the year 1990 and the coming years” (The Economist, 2005).

## **2.2 Politics of Labour and the State Administration:**

In continuation with the first half of the 1990 and the coming years, the South Korean economy maintained a stable and strong growth in both private consumption and GDP. Thus, things had changed quickly in 1997 with the coming Asian Financial Crisis at the doorstep. After speculators attacked many others along with South Korea like Thai Baht, Indonesian and other Asian currencies, the Korean won started to depreciate rapidly with the coming of October 1997.

“The existence of giant, diversified conglomerates with the world class manufacturing with world class manufacturing proficiency in electronics manufacture made the more into informatics much easier. The challenge of constructing an informatics policy to make simpler by the fact there was no dominating foreign presence of the kind that complicated life in Brazil. When state procurement policy began to create a local informatics market in the 1980s, the chaebol did not face the kind of powerful, foreign control local manufacturing capacity that confronted would be entrants into the Brazilians computer Industry. Only after chaebol has successfully demonstrated their ability to compete internationally to achieve a benchmark in research and development. This would lead to more technical progress and the demand for the non-regular labour as compared to regular labour” (The Economist, 2005).

The worse situation has been pose by the problem of non-performing loans at many of Korea's merchant banks. Till the December 1997, as per the records of the “International Monetary Fund

(IMF) which had approved a \$21 billion loan. It would be part of a \$58.4 billion bailout plan. Thereafter since the January 1998, the government had shut down a third of Korea's merchant banks. Throughout 1998, Korea's economy would continue to shrink on massive scale at an average rate of (-) 6.65 percent. Korean 'Chaebol' like Daewoo<sup>29</sup> became a casualty of the above mentioned crisis and it was dismantled by the government in 1999 due to debt problems" (KOISIS, 1999).

Actions taken by the South Korean government in connection with the debt swaps which includes the international lenders contained the country's financial problems. South Korea's recovery from the Asian Financial Crisis can be ascribe much to the labour adjustments. This has been reform by for example a dynamic and productive labour market with flexible wage rates and alternative funding sources. Since the first quarter of 1999, GDP growth had increased to 5.4 percent. This has shown the high growth in the economy anyhow thereafter combined with deflationary pressure in the currency set to a yearly growth of 10.5 percent. Also, in December 1999, the fifteenth President Kim Dae Jung declared the currency crisis to over by the time.

South Korea's economy has done away from the centrally planned, which was to know as government-directed investment model projected towards a more market-oriented one. These economic reforms, pushed by President Kim Dae Jung, helped Korea to maintain one of Asia's few expanding economies, with the achievement in the growth rates of 10.8 percent in 1999 and 9.2 percent in 2000. Thereafter the growth slowed down to 3.3 percent in 2001 and it was due to the slowing global economy, falling exports, and the projection made all over that, much-needed corporate and financial reforms had to give a pause.

After making a rebound from the financial crisis of the late nineties, the economy tried to continue with the high growth rate in 2000 accounting a GDP growth of 9.08 percent. However, the South Korean economy has much affect by the September 11<sup>30</sup> incident that has created a chaos all over along with United States. The slowing of global economy, falling exports, and the

29 Daewoo as "Dae" in South Korean Hangeul: 대. Korean for "Great" and "Woo" 우 in the Korean as the first name of founder and Chairman Kim Woo-jung or the Daewoo Group is the important South Korean Chaebol (conglomerate).

30 The September Eleven attacks which could be referred to as 9/11 there has been a series of four coordinated terrorist attacks by the Islamic terrorist group 'Al-Qaeda' on the places in the United States on the morning of Tuesday, September 11, 2001.

sluggish corporate and financial reforms under catastrophe was responsible for the growth to fall back to 3.8 percent in 2001. This all happens due to the contribution of industrialization in GDP per hour has worked in terms of labour output which could be more than triple from \$2.80 in 1963 to \$10.00 in 1989. In this way, the economy could be stabilize and allowed to maintain a growth rate between 4-5 percent from 2003 onwards.

The progress rate in industry and construction business continues to maintain a growth in 2002, which was project as, was 5.8 percent, despite unhealthy global growth rate Worldwide. The restructuring of South Korean conglomerates which can be termed as chaebol, such as bank privatization, and the creation of a more liberalized economy. This has done with a mechanism for bankrupt firms to exit the market that remained Korea's most important unfinished reform tasks. Unlikely, the growth rate slowed again in 2004, but production expands five percent in 2006, and it was due to the popular demand for the significant export products such as HDTVs (high definition televisions) and mobile communications instruments.

Likewise most of the industrialized economies, South Korea has hit significantly and through the setbacks during the recession period. It has begun showing the consequences in the year 2007. The projected growth rate fell by 3.4 percent in the fourth quarter of the year 2008 from the previous quarter. The first negative quarterly growth in ten years was witness, with year on year quarterly growth continuing to be negative in the year 2009. Many of the sectors of the economy that were reported have had declined. The manufacturing units, which were level as low as 25.6 percent in the year January 2009, and consumer goods sales dropped to 3.1 percent respectively.

There was considerable exports in automobiles and semiconductors manufacturing industry, two critical pillars of the economy, which has witnessed as down from 55.9 percent and 46.9 percent respectively, while exports overall decreased by significantly to 33.8 percent in January, and then 18.3 percent in February 2009 year on year. It has been projection in the 1997 financial crisis. The South Korea's currency also experienced massive fluctuations, declining by 34 percent against the dollar. It has been observed that the annual growth in the economy steeply decreased to 2.3percent in 2008, and was expected to drop further to as low as (-) 4.5 percent as reported by the global economic rating agency the Goldman Sachs. Therefore the South Korea has managed to limit the downturn of the situation to a near standstill at 0.2 percent in 2009 significantly.

Disdain, in the era of the global financial crisis, the South Korean economy was help by continuous stimulus measures and strong domestic consumption of products. Therefore, that it could be compensate for a drop in exports, and would be able to avoid a recession. Unlike, the global industrialized economies, proving with the positive economic growth for two consecutive years after the crisis. In the year 2010, South Korea was able to make a strong economic recoil strike with a growth at the rate of 6.1percent, making a return of the economy to the before of the crisis levels. The position of South Korea's export has been able to manage the record ability of \$424 billion in the first eleven months of the year 2010. This has been already much higher than its export in the whole year of 2008. The South Korean economy of the 21st century, as a next eleventh economy, has been able a projection to grow from 3.9 percent to 4.2 percent annually between 2011 and 2030, which has been very similar to growth rates of developing countries such as Brazil or Russia.

In the meantime, the South Korean government signed the Korea-Australia Free Trade Agreement (KAFTA)<sup>31</sup> on December 5 2013. Here with the Australian government seeking to benefit its numerous industries like including automotive, services, and resources and energy. “This could triangulate the situation and position itself alongside competitors, such as with the United States and ASEAN<sup>32</sup> nations respectively. South Korea is Australia’s third largest export market and fourth largest trading partner as has been projected in the statistics of the year 2012-trade value which comes as \$32 billion. Though the agreement contains an Investor State Dispute Settlement (ISDS)<sup>33</sup> where the clause has been put that permits the legal action from South Korean corporations against the Australian government if their trade rights are infringed upon” (Davenport 2012).

31 South Korea is Asia’s fourth-largest economy with a population of fifty million people. It has been the Australia’s third-largest export market and the fourth-largest trading partner of Australia.

32 The Association of South East Asian Nations has been the regional organization. It includes the ten South East Asian states, which promotes Pan Asian intergovernmental cooperation and facilitates economic, political, military and cultural integration amongst its members and Asian States. It has been established on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand, the organization’s membership of these countries has expanded to include Brunei, Combodia, Laos, Myanmar, and Vietnam.

33 Investor-state dispute settlement (ISDS) also called as the investment court system (ICS) is a system to which individual enterprises can sue nations for the deliberate discriminatory practices. ISDS has been the public international law and provisions are contained in a number of bilateral investment treaties.

While the South Korea administration could be able to add their resilience to its roster significant achievements made globally. “It was been a significant wallop during the global financial crisis, but recovered faster than any other industrialized developed country. During the period between June 2008 and February 2009, South Korea lose 1.2 million jobs. South Korea's relatively open financial system, which was at the vulnerable to the volatility in world, markets, a vulnerability that continues so on. While in the same year in the month of September, foreigners withdrew over 1.3 trillion Korean won (U S Dollars 1.1 billion) from the stock market and the currency slumped to ten percent.

Therefore again in the year 2010, GDP has steeply increase by six percent. The above growth mentioned had made the expansion, which could be likely to be at four percent. “The unemployment rate is has been progressed to a covetable three percent. Many of the recoveries have been the result of Korea's happy dependence on China. It exports more capital goods to China relative to the size of its economy than anyone else does, even not from Germany and United States. The governments were able to initiate a public-works scheme that is mopping up over two percent of the labour force. It has introduced the system of old-age pension, which began the welfare mechanism, and then expanded which was crave on an earned-income tax credit. This initiative has been introduced by the seventeenth President Lee Myung-bak, who has assumed to be an excessively friendly to big conglomerates in the South Korean channels of state administration” (KOSIS 2011).

Korea's relentless convergence the interest towards the United States' standard of living which has made to missed the great beat of modernity as like the western influence of culture affinity. China's growth rate has been in dollar GDP per person, which would have to grow at the rate of 7.5 to 8 percent a year for 20 years. This was supposed to reach the heights of South Korea that has already scaled. The speculation of South Korean economy goes on growing at the pace of 4.5 percent a year and United States' at 2.5 percent, Korea would overtake United States in Power Purchasing Parity terms a few years later.

Thus, to match the growth that has been impressive, though, Korea will need some new tactics to play on. Therefore, it will need to develop them from scratch or wear and tear. There has been the situation on the nation's enterprises has been playing the take up plan it has to be cautious to at what others are doing and it has to plan for better. In the plan of the speculation as made above

Korea has done well as has been expected. Hyundai has left in the competition with the Toyota enterprises for target comfort, efficient, cheap cars in the economic market. In addition, the Korea's shipyards have beaten many others in the competition through economies of scale.

Labour politics here refers to the policy a package that has been initiated by government and employers to be succeed in their aims in continuation with the stabilized labour methods. The term under the umbrella of the political, legislative and institutional tool derivatives that has regulated the interlude of the employers and unions at the place of the work and has made the limits to be get sanctioned on the joint action taken judiciously. What till now has been staged with the legal feature of unions, the format of labour delve issues, and the proceedings to organize the workers and the defined performances of unions in politics and the economy. The politics related to the labour has been able to figure out the tripartite triangulation between the government, an employers and workers between the nations of the democracies. While the unions had their play to be regulated by the strict authoritative state and put the control over the capital in the countries not with the democracies. The Republic of Korea based on authoritarian labour politics since long until the massive protest witnessed in social movement in the year 1987.

The method was adopted autocracy not only with the place of work less making the control of making above workers who were suspect to rebel against the state made policies. The governments were trusted with aggressiveness and repressive means to get the solution of the industrial struggles and pulled with aggressiveness of the worker. The institution of police and intelligence were too fervour intermingling of the labour who showed their aggressiveness and made the complaint of ill-treatment at large.

The “struggle related to the industrial were commonly controlled and suppressed by aggressive police damage scrawl since long till the social movement happened in 1987. The states coercively legitimized repressive labour policies by stressing the workers and made to accept such practices until economic prosperity was achieve. Rapid economic growth was of support by authoritarian labour control tool, which harvested the maximum productivity out of workers. Since authoritarian labour control was a common feature of East Asian Newly Independent Countries. It is often argued that there has been the structural affinity between export promotion strategy and labour repression” (Haggard and Koo, 1987).

A proposition was made especially to be clear sense of Korea, which projected a major shift in the autocratic authoritarian suppression with the rise of industrial phenomenon in the future period. In the period, governing the Yushin administration happened in the year between 1972 to 1979. The state prurience was pushed too effectively which made the stabilized labour unable spread far the recognized moves staged the demands without the suffering maneuvered.

The labour administration centered to devolve and ill political motives for the industrial workers. The ill motives have taken to discourage the union formation. This was also to destroy the already formed unions, which created the turbulence in the industrial establishment with the methods often marked to the work hindrance and calling for the strikes in rallies opposing the state policies. De-politicization was carve out to prevent from the organized labour into the political joint action and opposing the move attracted to get for partnership with the state administration.

“The labour stabilization has been taken as a mandatory burden all through the Republic of Korea since time immemorial with the independence period of Japanese occupation. The much disturbed together with the steady growth and the opposing labour mainstream idea has been the crucial paradigm of the country’s economic development. The politics of suppression conjoined to the economy got staged with the defining policy of export oriented industrialization” (Heo and Roehrig 2014).

### **2.3 Rise of Labour Market and High Growth Led Industrialization:**

There the time has been evolve pertaining to the legal framework and political submissiveness in the labour administration, which can be seen by the special characteristics such as the formation of enterprise union, and the administrative control and political power play. The union of the organization has been the crucial entity of worker enterprise and its power play. It has been set provisions that the regular based menial workers inside an organization have been subject to be as the enterprise union.

There has also been the provision that union of the organization could be relate with the factory union such as the Federation of Korean Trade Unions (FKTU)<sup>34</sup>. However, this kind of relation

34 The Federation of Korean Trade Unions (FKTU) has been established in 1960, which happened in a military coup. There has been the dissolution of the General Federation of Korean Trade Unions and its

has not been sober recognized. The state put an effective stoppage on the union activity in the perimeter of the workplace. This stabilized into the making of the set rules as such that the union formed by the organization has been the great technical subjects for making the grievances and cooperation owned between employer and employees.

“The Ministry of Labour and employment in South Korea regulates the administrative and legislative perforation of unions. Thereafter a set of rules been made where the future coming trade union has to be get registration and recognition from the Ministry and it is to be from the Labour Office<sup>35</sup> until the year1981. While under the circumstances, the recognition has not been issue to the future coming union that has deleted. Prior to 1987 period, there have been major grievances regarding the registration and recognition especially when the Ministry has been in the collaboration with employers denied to recognize and certify to unions that could avail all the qualifications” (Chang, 2007).

The labour regulation has the provisions to empower the respective Ministry of Employment and Labour to pull out the legal value of the unions formed unless they were significantly involved in major political oriented industrial disputes, or have been faced of agitating aggressive strikes. While on to this, the union leaders had to make a complaint on their power play and express their annual budget to the Ministry. If and only if the annual budget has not used for activities devised by the labour riles, then the union leaders can face the prima foci of violating the law. The inspection on the administrative basis was an effective step of regulating the unions involved in some troubles and disputes.

Handled political regulations to the unions are based on the set institutions such as the police and intelligence agencies. Since the Ministry of Labour and employment checked and counterfeited the daily activities of unions, which could be have related to grievances on working conditions, wage related matters, and the labour practice that was not accepted. The security agencies are in relation with security. Their role was to prohibit the unions from being relation with and affected affiliates. The FKTU was replaced under the guidance of the military officials.

35 South Korea's Ministry of Employment and Labour MOEL, in Hangul 고용노동부 is a cabinet oriented ministry to look after the labour affairs. The earlier agency has been the Division of Labour, has formed under the direction of the Minister of Social Affairs (사회부장관) on 11 November 1948.



by militant groups outside the periphery of the organization. It has could be seen that security police get dispersed from large factories and industrial units in the long run.

While in the autocratic times, the national intelligence agency of South Korea majorly is intervened in aggressive strikes, which has made to shake the political stability. During the time, many large workers has detained on the issue of not complying with the national security laws and they faced imprisonment. This makes the presumptions about unions had have turmoil for of the national security legislations. This has made affirmed by President Kim Dae Jung. Thereafter the comprehensive formed labours has collected with and has regulated by multiple types of surveillance.

While the consequence, were that the unions could not have been able to form the horizontal and vertical relations, which were essential to the development of the labour as the alliance as projected. Then the union activities were compacted to the organizations and which were made to have had called on to make the joint moves beyond the firms have been put to strict and dangerous repression.

The proposition of union heralds calling for the protest had not given any legal security provisions from, evil, and arrest. Hence, they has checked with the mechanism of state bureaucracy, that it has made a respected period to reproduce the effective traits of leader, which could hold in the support with the regular members of management practices. Thereby making use of submissive measures by which the state focused on to the consciousness of the factory strength, an essential feature of the Korean culture of paternalism. An employer has made on the basic lines of the obligatory for the welfare of their employees. This has made regarded as to be sons and daughters, in lieu of the powers of control in the judiciary.

While in the actual scene, the paradigm of South Korea formed on the wealth for the state and employers. It effectively down to cover the employees in the umbrella of benefits of maximum productivity. It happened because of its evil nature and submissive character. With the social character of evils was such as inequality and political repression became worse. However, workers gradually turned away from the superficial speculation of government promises and began to engage in class conflict. This has done in close association with revolutionary student

groups. This explains why militant factions of the labour movement were oriented to a radical socialist revolution instead of gradual social reform in the latter half of the 1980s.

The most significant reason for the South Korean state, which could no longer be able to carry out its plans for industrial development in the styles modulated with the old certainty. The focus was its inability to control the burgeoning working-class movement. The unmitigated pace of industrialization created wage-workers so fast that they overwhelmed with the very considerable mechanisms of repression. Since the early 1960s, South Korean industrial strategy was depended on wage levels far below those of comparable countries. Until the late 1980s the hourly rate of pay in South Korean manufacturing sector calculated to be was seventy five percent that of Taiwan and also eighty five percent that of Hong Kong.

The first feature of the working class which might intervene scrupulously was the strategy which began in the 'leading edge' industry of early South Korean industrialization and that too especially in textiles and garments. In 1970, then at a complex of workshops in Seoul called the Peace Market, during a workers' demonstration, a twenty two year old male worker named Chun Tae-II<sup>36</sup> set himself alight as a protest. The suicide put the enormous sympathy from workers across the country and from radical students and other opponents of the regime.

The first independent union at the Peace Market, which was called as the Chonggye Garment Workers' Union (CGWU)<sup>37</sup> has been formed. This formation of union has to struggle under the conditions of illegality and continual harassment from the authorities in the coming periods. It was the first of many approaches has adopted as to organize independent unions. Indeed, during this decade i.e. 1970 and 1979, forty six percent of major industrial dispute were organized to questions the freedom of labour and the organization.

36 Jeon Tae-II during August 26, 1948 to November 13, 1970 was a South Korean worker. He has been also the workers' rights activist who committed suicide to self-emulation to death at the age of 22 in protest of the poor working conditions in South Korean factories. His death has made attention to the degraded standard labour conditions.

37 It was during the phase of great workers' struggle in 1987, the workers' committee represented a significant move in labour organization of the preceding earlier years. While, the workers' committee was formed with the 18 members, even though there was only one trade union termed as 'Chonggye Garment Workers' Union.

Thereafter from the year of 1988 the sixteenth President Roh Moo Hyun government attempted to restrict the 'Chaebol' as their core firms. This has attempted to practice the direct credit to only selected businesses in each group. Again, the 'Chaebol' managed to subvert the plan by siphoning credit from these core businesses to others in the group. In brief, there was no other government since the 1980s, which has the agenda to discipline or restructure the 'Chaebol'. The structure of chaebol such as sheer size, diversity, increasing control of finance and its importance to the economy as a whole has fundamentally altered the balance between them and the state administration.

Thereby the state started to lose its ability to control the 'Chaebol' with the coming of 1980s. This has produced the much greater global reach of their activities and the intertwining of their networks with foreign capitalist corporations. By the end of 1994 South Korean enterprises and corporations has calculated as two thousand six hundred fifty projects overseas, involving investments of \$4.2 billion.

This has been more significant part of their operations and was relocated outside the country, where in the 'Chaebol' were less prepared to accept the state direction. The South Korea administration has opened its mouth to overseas investors that also has weakened the directive capabilities of the state. Measures has taken to liberalize the capital inflows, which began in 1981. This has done with foreign securities firms, which was allow to open offices in South Korea. Although, at this stage, still there were only very limited foreign investments could had been allowed on the Korean Stock Exchange. But throughout the decade obstacles to foreign investment were gradually dismantled in a very subtle mechanism. It has been the calculated amount, which was required for approval by the "government's Foreign Investment Deliberation Committee and was gradually raised. In 1992, foreign investors were allow to direct access to the stock market. By 1996, these investors owned about 11.6 percent of the listed stocks. Therefore, the barriers to imports were lower in the 1980s. It has noticed that the average tariff rates fallen from 31.7 percent in 1982 to 21.9 percent in 1984. Then the import liberalization ratio, which can be define as the ratio of types of goods allowed to be imported without state permission to the total number of types actually imported, was also increased from 68.6 percent in 1980 to 87.7 percent in 1985.

There was a belief that the important indication of the changing relationship between state and 'Chaebol' in the 1980s was the "privatization of banks and non-bank financial institutions (NBFIs). Denationalization has done under the umbrella of the eleventh President Chun Doo Hwan in 1981. This has led to by the end of 1983 the state had divested itself of all five major government-owned commercial banks. Despite this, the government still kept strong oversight and regulatory powers at this stage and were continued to set rates and adjudicate on policy loans.

There has laid many restrictions, which were remained in force until they has gradually removed in the late 1980s and early 1990s. This has done strictly that too especially with a major liberalization of interest rates in 1988. Chun as a means by which the near monopolistic power of the 'Chaebol' could made weaker touted financial deregulation and the privatization of banks and NBFIs. There the despite efforts a ten percent legal limit on bank ownership and the ten largest 'Chaebol soon held up to fifty two percent of all bank shares. This has resulted into a choice of their control over NBFIs and by the simple ruse of registering bank shares in the names of family members of the 'Chaebol' owners. As a result, finance tended to flow more strongly to the 'Chaebol' themselves which increase their size and power further. Despite the intentions of the government, economic concentration doubled in the five years after bank privatization (KOSIS, 2005).

The provisions has made where the foreign banks were allowed some access to the South Korean market in 1981 and restrictions on their operations has also gradually loosened. In 1992 a further liberalization of finance which was made between the years 1993 to 1997 Financial Sector Reform Plan<sup>38</sup>. This has allowed much greater foreign participation and made to remove the remained controls on the movement of capital. As the machinery of planning was weaken in the 1980s and largely dismantled in the 1990s, 'Chaebol' investment showed much less focused on the great national project of industrialization.

The important reasons lay down behind Financial Sector Reforms between the years 1993 to 1997 were such as the corporate debt was increasing and so was the budget deficit. The domestic financial organizations had compensated for the deficits by borrowing from the foreign banks,

<sup>38</sup> Financial Sector Reform has introduced in South Korea after the country has gone through a financial crisis in 1998. With this reform, the South Korean government focused on the reduction of the debt.

which increased the external debts. Then there was a huge pressure for repayment by the foreign banks had led the country towards a currency crisis. The increasing debt of the chaebols caused administrative failure of the shareholders and credit to the financial institutions.

The chaebols there has taken to liberalize the ownership of the non-banking firms, which was one of the main causes for massive indebtedness and investment. Then there has been the significant changes made in the reform process by the state administration. There, the South Korean government made several attempts so that it could overcome the ongoing financial crisis. For the banks, the government announced a fiscal fund, which was equal to thirty percent of the Gross Domestic Product. In addition to this, it has also provided some other facilities like, non-performing loan purchases, capital injections and depositor protections. The indisposed banks was close, but their depositors had kept under protection.

There has been the policy round up by the government, which has started to invite the foreign investors for re capitalizing the banks and to strengthen its governance. Public funds had injected into the banks to decrease their debts. This process had many features. The existing managers was forced to resign and capital was reduced. The government had taken over the control of the management of the bank and had set the numerical bound targets to achieve. The government has been able to organize the public funds by selling the nationalized bank's shares to the private investors.

Then there was the Asset Management Company (AMC) bought the non-performing loans, which was valued to twenty percent of the Gross Domestic Product. This was calculated at the market price and was disposed them of through direct sales and asset backed securities. The AMC was enticing the banks to sell their non-performing loans so that it could form a market for the non-performing loans.

The impact of reforms on the South Korea economy had that the banks of South Korea were able to reduce their debts and expenditures. The financial condition of the banks had improved, and therefore, the banks were able to restructure their corporate governance. The tendency of lending money from the Chaebols by the banks had decreased. The service sector in South Korean economy has started to increase their profits. The government was able to make the labour market more flexible.

Thus, there accepted the provision of short-term profit taking, rather than long-term capital accumulation, increasingly came to dominate their activities. Company expenditure on research and development has fallen sharply in the 1980s and spending on plant modernization and new equipment declined. There was the piece of information released in 1996, a former Minister of Labour, Governor of the Korea Development Bank and Vice-Minister at the EPB (Economic Planning Board) which claimed that the 'Chaebol', 'have become reluctant to build more new production facilities.

There was the step taken to prefer to invest in service industries such as the leisure industry or they avoid investment altogether'. In the manner of the free of state discipline, a great deal of 'Chaebol' investment was diverted to speculative areas, especially the Seoul real estate market and arbitrage money lending to which exploiting the difference in rates between bank loans and the curb (unofficial) market.

Although, in the late 1970s and until the democracy declaration of 1987 achieved, there was an uneasy alliance had built to develop a bridge between the middle-class opposition and the increasing working-class movement. Nevertheless, the workers' movement produced no political expression and no party, which could challenge for power at the level of the state as a whole.

Therefore, the field has left open to relatively conservative opposition politicians, above all the two presidents Kim Young-Sam and Kim Daejung both were to take advantage of the erosion of the legitimacy of the regime. Each had his base in small and medium business, especially in his home region, and each was attempting to build links to the 'Chaebol'. With the democracy declaration, the differences between the various elements of the opposition began to express themselves.

It has been marked that the milder middle-class democracy activists were placated by Roh Moo Hyun's concessions. "Even more importantly, since the declaration had set off a huge wave of workers' strikes. The material interests of some of the middle class of those who employed labour of which was imperiled. The workers' offensive hastened the rupturing of the alliance between the democratic middle class and the working class

There have been noticed transformations in economic pattern and also to the markets that gone with the two different steps:

1. The economic liberalization from the year 1988 to 1993
2. Another being the globalization from the year 1994 to the present.

This demarcation has been weird to the South Korean way where the population had focused on globalization more as the Kim Young Sam government made the term (Segeywha in Korean) as a political slogan” (Koo 1993).

The transformation in the commerce and economy made beyond the year 1987 were regarded as the duality of the concept in economic liberal attitude and political liberal emotions with an onset leave of state devolution in the economy of South Korea. It was obvious that the globalization phenomenon made a close public eye with the surprise breakdown of the socialism-oriented nations and the formation of World Trade Organization after the GATT renewal called as to be the General Agreements on Trade and Tariffs (WTO) in 1993, resulting from the Uruguay Round. However, no government and the business had the art of making the changes in world markets. Stabilized labour was on the wider aspect of its spread.

The profoundness of industrialization in South Korea at the cost of Financial Crises of 1997 gradually weakened the state’s strength and autonomy in relation to various groups of its political economy. As the economy grew in size and complexity, state intervention became more costly, economically and politically. As the number of labour increased and the ‘Chaebol’ become economically more powerful, they became increasingly vocal about the negative aspects of the centralized role of the state. The labourers and the previously very acquiescent farmers have become most outspoken in their demands for a larger share of the benefits of economic growth.

#### **2.4 Politics of Labour and their Movements:**

Within the global economy, the flow capital and services has been carry at the steady rate and any could not across any hindrance to the national boundaries. It is because of the advanced information technology. It has been in the circles of intelligentsia that the globalization as with the principle shifts from the classical relations developed as capital and labour. This would be true due to it can enhance the fluidity of capital and services across nations. Nevertheless, it was in notice that the technology achieved by the information slows the pace of goods delivery of labour in manufacturing.

It has been in notice also that in the course of the economy developed on the shore of international capital could flow in any direction to make the target of cheap labour and less legislation. Thus, globalization as the phenomenon makes the supply of employers' demand slow to abridge with unions. Whenever, there demand in wages could be high and protection mechanism. Thereafter the globalization has turn out to be the universal phenomenon in capitalist oriented countries. By this move the businesses takes full advantage of it and ignore the threat from central as well as the state legislation.

The unions in competition could to downsize their voice to secure the job proximity in the face of large wholehearted driven production. Likewise, in the unions in highly advanced capitalist formed nations all would go in the economy under a global. Then the international umbrella transformation creates a severe slap on the Korean union organization, which got settled after 1987 movement the situation got degraded.

It has been the first aspect that the introduction of flexible production is a menace to unions. Flexibility has three distinct aspects, which were employment, wages and skills. Employment flexibility means job instability for workers and a fundamental change in their perception of firms. Workers are no longer be paid by contribution and seniority but according to merit and ability once wage flexibility was introduce.

Thereafter, the workers are obliged to learn a range of skills in preparation for product diversification and new production technology. The shift in managerial strategy to flexibility was a great shock to Korean workers who were familiar with life-long employment, high commitment to the firm and a seniority-based wage system.

It has been then noticeable that the council of the management tried to make leniency and could attempt to blow the issue of disagreement for the capital and labour badly. The condition formed under the reign of the Kim Young Sam administration from the year1993 to 1996, even though the unions had to believe in this transformation when the state has taken step melt down OECD with the (Organization of Economic Cooperation and Development) in 1996. The shift in the paradigm makes about by uncontrolled production and the voice of the can be summed up to as follows.



The initial change could have been the many workers to loosen the work and this could be happen due to the shutdown of numerous labour-based enterprises, which could be in the fashion industry and textiles. The labour costs continued to rise have been the major factor for bankruptcy, and so many workers made their mind to move to under developed nations such as in Central America and South-East Asia searching the cheaper labour. Capital flow and foreign investment turned the industrial zone and export-making zones in the region of manufacturing of light industries has been there. This caused a surprise drop in making of FKTU and KCTU membership heavily.

Secondly, the major chaebols started to the reduction of the workers and huge lay off the workers in order narrow down their debts and put the profits high. This was the first phase when the worker the big chaebols faces the job instability with the collapse of until the future employment. FKTU and KCTU showed their strenuous attitude to the management council but could not able to prevent it.

Thirdly, the shift noticed in the disinvestment off state led enterprises and public services. This has been controversial issue due to the aggregate of the deficits and negative factors on economic development. Globalization has legalized and made a strong the proposition about the public owned firms, which outperformed with the private sector related to the efficiency and productivity. It has been the general belief about the hierarchy of red-tapeism, poor incentives and no job security are the main points to downsize the efficiency led production in the public sector.

While, the government started to cover the possible solution for putting up the sale and dis-investing state led enterprises in 1994. The public firms led unions showed the strong and persistent opposition, and called for the effective strike. To the utilities of the public, which had long held a monopolistic position, the unions on the end were effective utilized with a high commitment to leadership.

Thereafter, the government made a one on one with major unions such as the Korea Electronic Power Corporation and the Korea Telecommunications. Public firms led unions formed a joint committee to oppose the disinvestment and decided to fight the serious and aggressive struggles in the year 1994 and 1995. KCTU has made the nod in affirmation to go for the struggle and

public-sector unions were the main players of been call democratic unionism. The confrontation continued until 1998 when the Kim Dae Jung government signaled an official schedule of disinvestment to make a solution to the economic breakdown. At this time, no opposition has been listened and because it was channelized through tripartite negotiation to involve FKTU and KCTU.

The final point to be notice has to be in the connection with the conglomerates, which took heavy dependent global loans. To make a move into new areas such as information and financial services as a solution restructuring to the industries has been focus. Then the “new industries where the investment has been call had produced a little effect on the job creation and unemployment. Instead, deficits related to the finance has bundled and in the position to get exploded into the foreign debt breakdown of December 1997. FKTU and KCTU began to have solidarity in the wage to get a hand of the managerial initiative. In the years from 1993 to 1995 there happened to be big measured strikes in opposite to the government’s disinvestment decision, this is to break the conglomerates. The country’s union centers, FKTU and KCTU, give support fully at this time to make their common goals achieving job security and protecting the massive layoffs. The unions were craving in the search of the alternatives to the new wage and promotion system that big firms were trying to introduce. Employers wanted to reduce the seniority element in wage scales and promotion systems and to reward workers according to merit and ability. Unions contended that this would undermine the national employment system, which maximized worker commitment to the company. In spite of strong union opposition, the new pay schemes and promotion systems were gradually introduced in most big firms during these years and FKTU and KCTU finally set the amendment of labour codes as a new target” (Song 1995).

There arises the conflict in the sphere of job security also the mechanism of payment had been affects labour orientation. It has been the initial form of political union formation lost its intimacy among the labour class. A democratic oriented union formation has been attach with political oriented and stiff motions population of the labour class, replenished and exhausted. Instead, was the theme focus on union based democracy? The political union formation got out totally or vanished from the scene. Then there was the difference between the national focus and domestic unions.

According to Ramos (1981) who noticed keenly “the picture depicted in Japan. He presented in the case of the country’s apex entity, which pushed the workers’ interest through political way. Nevertheless, the domestic unions were more focus with economic health and healthy working conditions. The steady economic transformation led to the shift in the echelon of the labour market. Workers who were put off from the job by large conglomerates were in search of the fresh jobs in the service led sector”.

There after the medium oriented and small enterprises in competitive factories went out of business or positioned itself to some less developed nations and were able to find the lower wages. Management led advancement and industrial reframing spread across the labour market and hindered industrial relations. Severe outlook and increase of diversity led to the earlier competitor the current rival. It is observed that the shift to policy in the market related gives the important outcomes in the start of 1980s owing to the shocking economic rejuvenation globally and an improvement in the domestic sphere industrially. Comprehensive economic growth continued up until 1988.

It was too surprising to notice that the political turmoil and labour disputes of 1987 did not disrupt the economic growth. On the contrary, the growth rate was over ten per cent for three years before and after 1987. It has been observe that there was a sudden drop occurred in 1989 and the decline continued thereafter. Although there were no signs of crisis in terms of economic indices, the economy has experienced various ‘crisis phenomena’ since 1989.

The Rho Moo Hyun and Kim Dae Jung governments warned that economic decline would go to result from political turmoil and labour unrest. Unions have accused the government of using the term as a political tactic to suppress the legal demands of workers. For instance, an official alert about economic recession was to produce every spring when wage negotiations started in all industries. It has been notice that after almost a decade of 1989, and after the warning projected by the government of recession, numerous crisis symptoms were actually observed. They included a growing balance of payments deficit, high inflation, wage hikes, excessive expansion of service-related consumption, external pressure to open the domestic market especially from the United States, and finally, the decline of international competitiveness.

The statistics analysis presented herein of the rate of growth in GNP was only five per cent in the year 1992, Yushin regime when declined the measure was too low. The European average has been disaster in comparison with the above. The Korean population with the difficulty accepted while they were prone to high growth of about 10 per cent for many years.

Roh Moo Hyun and Kim Dae Jung governments had many causes to ascertain the financial cause and of the government's export push strategy led to the exhaustion. The technological upgrading was delay due to the partial failure of the structural repositioning of the industry. The foreign capital and the skyrocketing labour costs caused the explosion after 1987 led to the opening of the market and to the foreign manufacturing investors.

It has been best way to study the decline in political activism covering labour unions has connection to the wage payment explosion. The wages have risen steadily at a pace well above productivity rates since 1987 it is due even though the sharp decline in the global competition and the incapability of the firm. The working conditions have gradually improved, as has been the observation, with a shorter working day and better fringe benefits such as the children's education and housing allowances. To promote worker compliance and commitment to firms, improved working situation has to be imposed which is going to yield the valuable fruits by bringing employees back from street rallies into the workplace.

The unskilled workers were so prone to political activism which gives the major belief about the unlimited supply of labour in the private sector to loose the bargaining capability of workers. In the new sectors of an industry caused worker interest to shift from political unionism to economic unionism it happened due to the right working condition and labour shortage. A consequence of economic liberalization and globalization favours compromise between employers and workers in their common fear of bankruptcy and unemployment. In the midst of economic recession, an intense competition has been in the domestic markets. The political to the economic and pragmatic has been showed by the change in labour modulation.

The Republic of Korea introduced an IMF austerity policy in the coming of the year 1998. To accept the terms of the IMF intervention, that has the focus on economic stabilization. It has to be get accept by the Kim Dae Jung administration but not left with the other options. The direction of the reform policies was impose before Kim's government has inaugurated. To

resolve conflicts of interest depended on the political capacity of the new administration with the implementation of the plans.

Thereafter, the Kim's reform, which had presented to the public during the Presidential election, has observed the unexpected IMF regulations to search for the more congruencies and diversities. Nevertheless, the Kim's political platform, was described as a "democratic market economy" it was because the package offered by the IMF was too consistent with the support. With the contrast to the German concept of a "social market economy" which is closer to welfare capitalism the different types of liberal and capitalist venture has been the broad and abstract concept.

The disagreement with Kim's strategy of strengthening the market function in the national economy has found in the order to create the situation through a series of deregulation and privatization policies. In what ways, and in which direction, makes the conflict between government, employers and workers. The key to economic recovery has explained with the delayed reform in the conglomerates and the financial enterprises. The "democratic market economy" has three elements, which separates the Kim's government from the earlier administrations that are as follows:

1. The balance between large and medium enterprises
2. Much to the equity, and
3. More dependence on the market in the national economy.

President Kim Dae Jung has been well aware of the callous and negative factors of state oriented capitalism and steady growth and dependence on conglomerates. The remedies implemented by the Kim administration that were challenge by business and the upper class to prepare the policies of the crises management. That restructuring these Chaebol, which would ruin national competitiveness what, projected the employees when the government initiated to break the conglomerates into the smaller and to be managed entities.

The business community and shareholders who too were alarm by the policy emphasis on more equity since this was conceive as income transfer from the upper class to the workers have realized it. In addition, people asked how the government could improve welfare under an austerity policy. Some critics stressed that more reliance on the market could be detrimental to

social justice, as was the case in the United States. Kim's government imposed a variety of reforms on the conglomerates.

This has covered the reducing the firm's debt ratio to two hundred per cent, increasing transparency in all transactions, and selling unproductive and inefficient firms to foreign investors. Government empowered the Bank Surveillance Office to terminate financial transactions and recall bank loans if 'Chaebol' firms could not satisfy these conditions.

With the introduction of the IMF package emphasized deregulation and structural adjustment; Kim's government put more emphasis on the market economy than on democratic issues such as equity and welfare. In the economic crisis, efficiency took priority over social justice. This provoked discontent among wage earners in the lower and middle classes who had voted for him in the Presidential election.

Now the Employers and shareholders also expressed strong doubts about some aspects of the economic reform, contending that selling out strategic firms would lead to the breakdown of industrial competitiveness in world markets. Crisis management meant implementing unattractive and unpopular policies, but without economic recovery, conflicts of interest between different social groups would constrain the capacity of the ruling party.

The alarming unemployment has been the condition that wage earners could not able to bear for long. Whereas the wage earners are mainly concerned about unemployment when there has been the urgent matter in the business as the inflation. The reaching 18,50,000 at last of the year 1998 the number has been steeply increased for the unemployed that got tripled by the records of the National office leading to the Statistics. Increase in 3.1 per cent in December 1997 to 4.5 per cent in January, 5.9 per cent in February, and 6.5 per cent in March 1998 for the unemployment rate record.

“The rate was over ten percent has been the highest for forty years has been there in the records of underemployment when taken seventeen hours or less than in a week. In addition, between 1961 to 1998 the statistics shows that the GDP growth rate fluctuated between five and fifteen percent except for a sharp drop to (-) five per cent in 1981. Inflation was also unstable during the 1960s and 1970s, culminating at twenty nine per cent in 1979, the year when the Yushin regime collapsed with the assassination of President Park Chung Hee. Since then,

inflation has been relatively stable throughout the 1980s and 1990s” (Ministry of Employment and Labour Report 1999).

The inflation went up to thirteen per cent within some months of the IMF intervention leading to the break from the stable and fused with the foreign debt crises. Under the tremendous pressure on Kim's administration, there has been the continuity of high unemployment. The politics of reform pose for the cause and effect. The government will face a serious political challenge from its supporters that has been the wage earners if the other reforms provisions has delay and the continuity of the unemployment for the longer period.

The disbanded organizational structure of labour in administration posed the labour politics ineffective and this has been due to the slackness of experience intervened in the labour market. There has been the significant factor of unemployment in the politics of reform. It was honest in affirmation to say that the success of reform depends on maximizing the feedback effect, curbing unemployment effectively, and introducing active labour market policies and establishing an administrative infrastructure to carry out the spirit of the Social Compact.

This has been the fact that the South Korea was accuse for human rights atrocities such as civil, political and human rights. For the authoritarian submissiveness, torture, imprisonment and illegal dismissal has been there in three decades on political aggression and social and labour activists. There rank-and-file<sup>39</sup> and labour movement since political oppression has been the tool to the improve the working conditions and workers’ standard of living there have been the human right approach and leaders got engaged in other emotional issue.

South Korea was among the countries contrast to the advanced human rights by international standards, which has to believe in the wide, spread recognition. To the labour movement the Amnesty International always expressed their significant concern at the country’s record. Apparently, through both formal and informal methods, there has been the violation of human rights and this has happened too often.

**39** The military concept to define the horizontal "ranks" (rows) and vertical "files" (columns) of an individual foot-soldier like the officers Positions on a chess board. This has also been referring to mark the list of troops, as opposed to the officers.

To downsize the trade union activities and workers' rights to organize, negotiate and express the voices there has been the hindrance-developed form the legal firms and institutions. The international organizations have pulled the pressure on the government to have the trade union in consideration. Since the labour dispute of 1987 the many organizations has referred to frequent observers and invigilators.

That "labour laws and other legislation should be reform in the light of ILO Conventions and the South Korean administration has been in the regular practice to make the reports because of the recommendation by the legislation offered. The organization like the ILO examined two complaints from Korean trade unions and sent an official letter to the government in November 1998" (Amnesty International 1998). To the sincere concern over the fact about the trade union leaders and members there has to be the expression to be maintain by the committee and the reports to be prepared. Those who were remain detained or on put hold trial. For activities linked to collective labour disputes gives the sense to its appearance.

To function harmoniously in the country with the trade unionist could be the subject of detentions and judicial proceedings shall be possible to have stable industrial relation when the formed committee on it be convincing. South Korea became a member of ILO (International Labour Organization) in the year 1991 and joined OECD (Organization for Economic Cooperation and Development) in the year 1996. The ILO Convention No. 87<sup>40</sup> on freedom of association and Convention No. 98<sup>41</sup> on workers' right to organize and to bargain in consensus the administration have to convinced.

To have better the productivity and competitiveness in world markets unions in the developed nation to be regard as the convincing partner has to be observe. They have good wages and working conditions has to be convince by the workers from their unions. It is hard to rectify simultaneously since high wages undermine firm competitiveness are the two functions in the

40 The Freedom of Association and Protection of the Right to Organize Convention (1948) No 87 is an International Labour Organization Convention. It has also one of the eight conventions that set the focus of international labour law given in the Declaration on the major Principles and Rights at Work.

41 The Right to Organize and Collective Bargaining Convention (1949) Number 98 is an International Labour Organization Convention. It is one of eight ILO fundamental conventions. It opposes the general principle of the Freedom of Association and Protection of the Right to Organize Convention (1949) in Number 87.



contradiction. The cheap labour for comparative advantage in world markets has been always the source for the nations to compete.

To the free trade and world markets, the protectionist policy has not been the solution the South Korean economy would reap the benefits. It was not so urgent for unions to restructure the industrial policy in the global economy. To the raising wages and improving working conditions most of the nations has developed the new concerns. To payment increased in wages and benefits in the early year's of 1990s an employer has to leave their gains and pay attention on the assets developed.

A cost pushing strategy<sup>42</sup> could satisfy the angry workers and gain their commitment to the company has been the general belief by the employers. The devolution of the management revolution, which includes the downsizing, has pushed the inward and outward pressure by the employers' effort. The new pay schemes and employment systems were too place on large scale. To the period of industrial restructuring and re-engineering in terms of technology rise and management innovation has been sensed after the decade of 1987 onwards.

However, due to of distrust and animosity against employers these efforts were not meant conducive to the union to happen. The sever distrust became stronger in the course of dispute settlements in the early 1990s. The amendment of labour laws in 1996 provoked another conflict between business and labour, instead of resolving tensions. Employers and unions both have failed to improve flexibility in employment and production despite the fact that flexibility was essential to cope with the global economy. The most sought IMF intervention of December 1997 altered the entire atmosphere of conflict between employers and unions, as the government was obliged to implement new policies including labour reforms.

To reduce job security and a well life-long employment handled tool has to be crucially change by the employment system. Due to numerous workers lost their jobs and it was the result of layoffs, which has been legal, framed in February 1998? It would be longer safe to be on the offensive has been seen by the union system. In the midst of economic crisis and increasing unemployment these have become defensive and to inactive. The high rate of unemployment has been grasped by the union alertness. Their organizational base could ruin their power to negotiate

42 Cost Push and the Pull has been the business terms define to push and pull that originated in logistics and supply chain management, and also used in marketing..

has been the by the encroachment they were well known too. It is the more policy-oriented than strike-oriented in the making of the severe of economic crisis has desire by the unions. The period of struggle for political freedom and worker rights has started in the year 1970 to 1980. This was the decade after the political opening of 1987 was the era of attempts. To cultivate a long run partnership between politics and the economy require a decade of 1987 to the political opening.

The weathering democratization and globalization simultaneously of the unions has been into the years of 1970 to 1980. To maintain worker unity beyond the enterprise unions is not easy in a democratizing and globalizing economy. The diverse interests of workers and intense market competition among firms have been the factor. Although it will take time for unions to overcome these challenges, experience indicates that they will grow into strong and healthy organizations in the Republic of Korea.

## **2.5 The evolving politics between the State and the Corporate on Labour**

The labour movement has been stalled against the corporate management jointly with the state administration had to enter an entirely with the new epoch after the political opening of 1987. It went through a period of trial and error in adapting to a new environment in the new phase of South Korean political economy. The distraught of 1987 has given a good chance for workers to be stabilize in the true sense of building an effort for their betterment; this could be to the other unions, big and small afresh. The problem pertained with the fresh unions has been to get organize the labour movement effectively with the good experience and to management of the labour demand.

Thereafter, was no coherent leadership to manage the local unions and rank-and-file workers at the high positions to assemble the industrial sector workers in apprehensions? Unions whether old and new, were to cope with entirely new focus related to the democratization and globalization. Thus, in the years after 1987 witnessed the challenges and response, related to success and failure, for the satisfaction and frustration of the unions in South Korea. They got better-organized skills and capacity to fulfill the workers' demand. Then the inter-union collaboration has been weakened by intensified the market competition.

“The long democratization proceeds through three consecutive phases like in political opening, transition and consolidation. The South Korea successfully make through the first two phases in a too less time. The politics agenda has started with the general election of February 1985 in opposition wing to won in maximum of votes in the National Assembly. This has posed the announcement of 29 June 1987, which formed the political relief to the civil society. The nation has been transformed into the democratic sensed with the Rho Tae Woo administration within the years of 1987 to1992” (O’Donnell and Schmitter 1986).

The speculation what the Rho regime into the constrained democracy led to the slow of the political upheaval concentrated to be remained unchanged from the eleventh President Chun Doo Hwan regime. The contribution to democracy process led to the coming of Kim Young Sam there being the opposition leader comes as the candidate to be President. It had made the end of authoritarianism and has support by the military. The willing of Kim Young Sam government (1993-1997) comes as the civilian government was the major thrust to the military attack of 1961. This has created the consolidation with the democratic reforms in the beginning term. The move was only part went into unsuccessful. It was due lack in political expertise and healthy reactive push from conservative groups that has consolidated the movements.

The different methods imposed in the making of the democracy for the South Korea has made many different features. Initially this has made to reform the democracy in place of rupture democracy. The reform democracy could be transform from classic autocracy and the institution collapse completely thereby giving the political power conjoined with the old and opposition leaders. The system, where the autocratic élites makes the inactive formulation to the demands of opposite set of populations.

The political stability could be maintained along the process to pose the reformation of the democracy to have an advantage. “It is quite impossible to have the historic changes as expected. The authoritarian rules have to be push out in the sense of democratic movement in South Korea. The party formation has witnessed no changes in the recent times, also the electoral system or power structure. It has been common understating the labour laws has not implemented until 1996. The stabilized labour has never regarded in reform politics. The class interests has not been seen in the South Korean politics while the authoritarian governments have pushed down these

and highlighted the public motives instead of the private interests, also the national rather than individual causes” (Stephan 1978).

“Thus to the projected scenario, leaders of the labours could not get in the system of the nucleus of the politicians that has been monopolized. In addition, the set labour could not afford to the peak official set agreements, which has led to the transition to democracy. There was the approval of the political agreement which led to the common emergence in a period of transition to minimize socioeconomic costs and political instability. Nevertheless, in the Republic of Korea, organized labour was alienate not only from these ultra-elitist agreements but also from policy implementation in the absence of “a social pact”. The position of the labour grievances in the year 1987 has been termed as “Ulsan Typhoon”<sup>43</sup>. It has organized to set the strike with the reasons to explode on the state autocracy. Thus, the acceptance of the worker demands was the best strategy to tackle in economic break. The government accepted the reform to make the labour code” (Ibid.).

There comes the situation when the situation regarding workplace struggles that took place in 1987 occurred within the wider background of political reform. For thirty years, South Korea had ruled by a military dictatorship, and growing calls for democracy had echoed across the peninsula through the 1970s and early 80s. Street demonstrations called for Korea's military rulers to accept opposition demands for democratization, including constitutional reform.

The presidential elections took place in May of that year i.e. 1987 and gained further ground in early June when the government abruptly called off negotiations with opposition leaders. Protest was too intensify by news of the death of a student demonstrator in police custody due to torture, and of the sexual assault on female student labour activist by a police interrogator. The protests grew to massive proportions by mid-June, mobilising not only opposition activists but also large numbers of students, white-collar workers, shopkeepers and industrial workers. It was the spectacular sight of hundreds of thousands marching in the streets proved a disquieting sight for the government, and on Twenty Nine June Roh Tae Woo, chairman of the ruling Democratic Justice Party (DJP), announced that presidential elections were to take place and constitutional amendments would be granted.

<sup>43</sup> The reference of short account of the South Korean strike series of 1987 has also known as the Great Workers' Struggle in Ulsan Province South Korea.

Based on the revolutionary and socialist ideology there the development of the progressive and informal workers to protest out the push to strike and break. The strikes and street rallies during the labour disputes organized by the workers led by student activists, religious groups and political opposition factions. The authoritarian repression and in achieving the liberation of labour were abolished by the important union formation.

“It has been observed the aggressive labour groups based on the socialist ideology has been the critical weapon against the state and monopoly capitalism. Whereas, the growth of the union formation laid the foundation of labour freedom and posed the radical and progressive vision of future society. With the establishment of the Korea Trade Union Congress (KTUC), has been the apex body free of FKTU framed in the year 1990. Union holders promoted severely the amendment of labour laws as mobilizing workers on the stage. The former union of the push known as democratic unionism gives the goal of abolishing the autocratic exploitation. If the comparison were made with the power of FKTU and KTUC, it has been found in report about the KTUC labours projected the number 1,93,000 to the Congress has been established. This has been compared with 17,39,000 in FKTU in the numerical sense. This explains that KTUC only one-tenth of the member formed that of FKTU and the 2.7 per cent of the factory workforce. This has been efficiently was put in explanation that KTUC give the very little fraction of industrial workers with a truth bared and militant ideology” (KSLI 2005).

Although, the new union established its apex body headquartered of worker struggle. The severe tension included state repression; consist of feeble programmes, and competitive with FKTU for members. It has understood that the democratic union formation could not fixed on the autonomy. The politics under the umbrella of reforms played by the Kim Young Sam administration ignores the set and stabilized labour from policy framing led to its implementation. Though it has been satisfied the need of the required democracy. The political power was largely one handed by individual high officials loyal to the opposition leaders of the classical past. In contrast to the orders made in his election manifesto, President Kim Dae Jung ignores totally to the social groups to have their effective roles in the nations’ politics.

On the contrary, there have been the attempts to amalgamate the leaders of social movements into the ruling officials as the respected members of the assembly. He made an appointment of the influential leaders to important government positions. Organized labour was no exception.

Some prominent figures in the labour movement became members of the assembly. While, the others became independent researchers on labour problems or consultants on labour relations. Thereafter the political democratization at state and national level weakened political unionism that emphasized between the union cooperation and collective action.

The process of organized labour continued trying to strengthen its influence on politics and the economy. Union leaders adopted various strategies to increase their political influence. This has included the attempts to establish a labour party and strengthen the industrial unions. This also has led to the formulation of labour code and construction of a rigid nationally focused by mobilizing the irregular workers. There has arisen the contrasting feature with the two national focus has been the observable feature of this period.

The noted centers were FKTU (Federation of Korean Trade Unions) and KCTU (Korean Council of Trade Union Representatives), have been formed by combining KTUC (Korean Trade union Congress) and KCIIF (Korea Congress of Independent Industrial Trade Union) in 1993)<sup>44</sup>. In the year 1995 a fresh KCTU (Korean Confederation of Trade Unions) has formed.

These country's two centers very often cooperated and pressed the government thereby reformed the labour legislations. But, the important differences have been there among the centers in related to the labour issues. Then the Government has called for the discussion only to FKTU because KCTU which were officially unrecognized. KCTU influenced in the year 1990s by making the severe impact and by large unions under the umbrella of the strategic alliances in industries such as automobiles, shipbuilding and metals.

Thereafter the FKTU terminated its attitude of the inactive and submissive against the government for the remedy of the identity crisis pushed by the slow member formation. However, there have been able to slow the growth of KCTU by the above mechanism. KCTU functioned and focused of the working group struggle under these years. The democratic union activism of the KCTU gained great influences manufacturing industries formed union, as well as on the high officials and their employment. The process of reformation of the labour laws has been the focus of that FKTU and KCTU conjoined together. The two centers of the South Korean state repealed of laws to the disfigured ILO labour standards. There has been the demand

<sup>44</sup> The National Council of South Korea effectively made a nation-wide May Day strike in 1989 for the first time in the 1945 free from Japanese imperial rule.

provision third party intervention in labour disputes should be abolished to put restriction on the political activism.

However, giving more power to unions has regarded as making fundamental change in the formal relation to the labour, which the state could not accept, the demand. The long run focus of strengthening industrial unions has been proximity with the crucial demand for the intervention of any third party. The limited union activities related to the enterprise with the company union has been the desired industrial relations suitable alternative. While, the national centers made great efforts to accomplish with the industrial union formed activism in contrast to the strongly restriction of the state. According to labour orientation made the varied the attitude of the local unions.

The labour leaders at the factory level favoured enterprise unionism pull out those who preferred industrial unionism has made in the survey. The conducted observation by Song support to the findings of two hundred fifty labour leaders who were working in the units of large and small medium units following the union activities, worker attitudes, financing, and other issues.

It has observed that leaders of the labour groups control by a higher organization were not ignores. The process of liberal politics with economic breakup has felt by the labour leaders to be inward-looking model. Another feature of the union such as the KCTU had made to the government to legalize multiple union activists with the national and domestic levels. In addition, the FKTU strongly opposed and feared that multiple union activism. The making of collective bargaining less effective at workplaces would sweep the KCTU advantageously.

Finally, the rapid and wide platform of social reform made a severe light on the two national centers of the motion in South Korea. These propositions demanded the evacuation of the links between politics and business, punishment of corrupt politicians and bureaucrats, the introduction of transparency in banking transactions, and finally the tax reforms.

In the year April 1993, FKTU accepted the low pays of the workers in lieu of that the government would immediately want the social reforms. Thereafter the KCTU severely criticized the FKTU on the issue. The social reforms set out in the wage agreement did not even then sailed on effectively. In this respect, an effort of organized labour to democratic process becomes ineligible. It has seen that there was formidable pressure on government to implement a

package of reform policies, regardless of the outcome. Nevertheless, organized labour continued the struggle to gain its goals until April 1996 when government announced the schedule for labour law amendments.

It was certain that to the Republic of Korea that white-collar union has collaborated with blue-collar unions in pursuit of social reform in the process of democratization. Most white-collar unions emerged shortly after 1987 political concessions to worker demands for union freedom. Many new unions represented journalists, hospital workers, clerical and financial workers. They all were influential in terms of size and activities. The journalists' unions achieved solidarity and extended a strong influence on the media through a massive and violent strike at KBS (Korea Broadcasting System), the public television station, in 1990. The government controlled the news broadcasts and other programmes wherein there could be free speech and protest to the government for the alleged demands.

Then the workers in the broadcast joined and supported the KBS (Korea Broadcasting System)<sup>45</sup> strike as a symbol of resistance to state control. Thereafter the journalists' unions thus earned an image of pioneers at the frontier of democratic labour relations. In 1993, six out of thirteen white-collar unions acquired legal status through decisions of the Supreme Court.

The motive behind the struggle of the hospital unions was to acquire legal recognition get-well known. It should be under notice that the nurses, mechanics and other low-paid workers who had many complaints about working conditions has formed the memberships. The connection to the quality of public service has efficiently demanded for the holistic approach to follow.

The clerks and the union made the important focus in the implementation of the banking transactions under real names in the financial labour. The new institutions have been required to blacklist the corrupt relations between politics and business. It has been accepted there requires the worker demands for economic well-being and better working conditions. This requires the social and political reforms in the three sectors of the unions such as the journalists, hospital

45 Korean Broadcasting System (KBS) in Hangul 한국방송공사 it is the country's public broadcaster of South Korea. It has established in 1927, and operated as radio, television and on-line services, being one of the biggest South Korean Television Network. It made an effort to broadcast and support the strikes created by KCTU since 1987 great struggle.



staff, and financial and clerical workers. To organize workers and promote independent occupational unions there has to be the need of the high employees union.

In May 1990 Congress of Independent Industrial Trade Union Federation. The umbrella of organization for white-collar unions has formed for the Congress of South Korea called to be (KCIIF). The main function has been going for the general strikes, street rallies, and other public events. It has main aim of the labour legislation reformation and union freedom in support of KCTU. It has been also observed about the KCIIF were closer to FKTU. Generally, KCIIF has paid attention to social and political reform. The quality of public services by the government and employers to improve the regulation of jobs and improvement of the workplaces has been the unending demands.

The white-collar unions are significant have mainly three respects that could be notices as follows:

1. The occupational unions mobilizing workers in the right place
2. There has been no difference between private and public sectors jobs.
3. Occupational unions could go with the public sector instead of the legal restriction on unionization.

Thus, the coming up of white-collar unions has been the problem faced to the state labour regulation. The industrial union activities have been much in favour because of occupational amalgamation across firms. Finally, it has been the great appreciation in the aspect that their economic interests are associated with social and political reform since their jobs are mainly in the public services.

“There could be many features in much given suited formats in an analysis of white collar formed unions (Suh 1998). The significant feature of the white-collar movement in South Korea has been:

1. The social reforms have to be proliferated and the solidarity has to build with the much focus goal. Therefore, the labour movement has spread in the historical formats.
2. The white-collar workers’ formulation has been the conjoined effort to overshadow the weakness of enterprise unionism on the other” (Ibid.).

Therefore in the view of the institutional and structural context, it was remarkable that the contemporary white-collar labour movement in Korea. Even though in its beginning stage, it was in a transition period from business unionism to social unionism and from enterprise unionism to industrial unionism. There are two defining aspects of labour processes and that could be heterogeneous and antagonistic, and people can make two opposite observations from the ecological perspective. In the first place, some scholars may emphasize the meaning embodied in ‘realization of purpose’; making an interpretation that Marx is an anthrop centrist advocating ‘domination of nature’.

For instance, in the “paper of Marxism and natural limits which provoked a hot debate, (Ted 1989) criticized that “Marx under-represents the significance of non-manipulative natural conditions of labour process and over-represents the role of human intentional transformation process in contrast with the nature. With the defining, the perspective of ‘acceptation’ and ‘domination’ the theme embodies the meaning of dictatorship or authoritarianism. It is often interpretation as absolute manipulation to the servants from the masters. By contrast, ‘mastery’ is quite different from ‘domination’”. Besides the meanings of reigning and overruling, it also includes the connotations of skill, proficiency, and controlling.

In the wholesome, the ‘mastery’ could be interpret as the reigning and controlling built based on fully respecting and familiar with the objects. Therefore, although the two terms have the similar basic meanings, there are some subtle differences among them.

There could be a semantic difference that to construct the basis of our argument, but it does provide a theoretical approach to solve our problems. That is to say, we can consider the concepts of ‘mastery over nature’ and ‘domination of nature’ as two distinct theoretical categories. This distinction has a key significance in our following analysis of Marx’s concept of ‘mastery over nature’.

It has well accepted that the First of any choice is the absolute domination works like the master towards the servants. It is an arbitrary attitude of humanity towards nature that humans define their roles like the autocratic monarch to domineer over nature, attempt to dominate nature and make nature subordinate to them. Within such a framework of dominant relation, human beings actually consider nature as their own accessories. Whatever they could possibly do towards

nature and no matter how they exploit nature is not subject to moral constraints. This is the common understanding to the term of 'domination of nature'. Here, what Marx trying to conclude is the domination of an authoritarian State with the nexus of Corporate Organization over the Labourer in the manner of reforms, rules and regulations as to lay down or not?

The nexus of State with the Corporate Management made the labour movement divided after Financial Crisis 1997, the more conservative Federation of Korean Trade Unions has refused to join forces with the KCTU in its fight against restructuring, and the widening split in the workforce between permanent and temporary workers makes it difficult to maintain labour unity. The media is universally anti-labour, the middle class fears that labour activism will destabilize the fragile recovery, and the once-powerful progressive student movement no longer exists.

The neol-iberal restructuring process has dismantled or badly weakened most of the policy tools the government used so effectively to impose social control over the Korean economy in the decades before the crisis. Indeed, this is largely what neoliberal restructuring is when the replacement of potentially democratic political control over the economy with market processes dominated by rich individuals and powerful companies.

Under a suitable theme the 'flexible' labour market and a weak unions, free cross-border capital flows, unregulated stock and bond markets, corporations independent of government influence make the banks could guide only by short-term profits, and foreign domination of finance and industry. The United States had been trying for decades, but could achieve only a limited success, to open Korea's prosperous economy to Western multinational firms and banks. The IMF takeover of Korea finally gave multinationals the opportunity they had long sought. However, these companies wanted no part of Korea's militant trade-union movement.

There could be provisions made to attract foreign investment, the Korean government and corporations would first have to drastically and weaken Korean labour. One of the IMF's key demands was that the government repeals labour laws protecting workers from being fire and replaced. In February 1998, "South Korea for the first time in the country's modern history has legalized mass firings and the creation of firms to lease temporary workers to other companies. Korea's Chaebol were quick to take advantage of their new legal powers, firing about thirty percent of their workers. When the demand increased in the year 1999 and 2000 subsequently, the

firms hired mostly part-time or temporary workers. As a result, the percentage of Korean employees with stable permanent or regular jobs, already by far the lowest in the industrialized world before the crisis, fell dramatically, from fifty eight percent in 1995 to forty eight percent in 2000” (Shin and Chang, 2003).

However, since 2008, the external vulnerability of the Korean financial system has diminished, reflecting higher international reserves, lower reliance on wholesale funding, reduced foreign exchange liquidity mismatches, the entry of new foreign investors in domestic bond and onshore dollar funding markets, and the introduction of macro prudential instruments. The Korean economy is also susceptible to energy price shocks, which could boost inflation and further weaken private consumption.

Chalmers Jhonsons (1987) explains “the whole phenomenon of the centralized state power which has played a leading role in mobilizing human and material resources necessary for rapid industrialization originated. This could be maintain on the cultural foundation of Confucianism. He emphasized that the Confucianism also places a hard work, diligence and a reverential attitude toward education, given that such traits are widely perceived to be the most acceptable means of career progression in a hierarchical system. This in turn implies that Confucianism encourages rapid human capital formation. In South Korea, the phenomenon for the high demand for education matched with the economy’s demand for skilled work force. However, the Chalmers Johnson advocates that echelon selection does matter. And in line with this argument he dedicates financial control as the Korean developmental state’s strongest instrument to guide and accumulate the economy”.

It is the developmental oriented stateman’s paradigm, which has hold strong explanatory power over the economic success of South Korea under authoritarian regimes. Focus of this approach is place on the state’s capacity and efficient role for macroeconomic intervention and mobilization of resources, its insulation from social pressures, policy consistency acquired from imposed political stability, and infusion of developmental ideology.

“Developmental state as put into postulate that economic success of South Korea is attributed to the active, interventionist state. Thus, was able to formulate efficient, coherent, and consistent economic policies, and to implement them effectively and State planners, not the free markets, it

is argued, determined the direction of economic activity and a complex system of financial directives, while conglomerates were used to achieve desired ends. In all major economic decisions, in short, the state dictated economic policies, while the large conglomerates executed them” (Lee and Han, 2006).

## **Conclusion**

The South Korean administration encompasses the forces of global neo-liberal economy. This system was a complex of disparate ideologies of political economies and social structures. In the consequences of the neo-liberal reforms, South Korean high technological innovation and industrialized growth went to reshape the motives, process and conditions of the resulting neo-liberal reforms. The politics, economy and society were the process went into the ethics of interest convergence of state authoritarian regimes.

State policies and projects devolved into the conservative and neo-liberal ideologies in terms of both spending levels and institutional framework for labour and welfare mechanism. The progressive and pro-activism of the South Korean state administration has been involved in a systematic harnessing of sacrificing of social policies and grassroots population interests. This is for the sake of maximum economic optimality. The South Korean administration had always maintained the progressive liberal notion in their social and political policies.

However, the sacrifices of the South Korean population at the grassroots were due to the oppressed labour rights, the state, and its business and its allies withheld. While, another factor of the minimal welfare protection has become untenable as democratic transition significantly went down for the state motives. Thus, the empowered industrial workers and the other grassroots citizens had their confrontation with the authoritarian bureaucracy and its business allies. It was the ideology of progressive development projects, which could be to base on western neo-liberal policies and were political embrace.

In the democratic political regimes, the political challenges were had been mended from the below to the development notions of neoliberal policies to satisfy the interest of state and its business allies. The nature, the process and the after effects of neo-liberal reforms in the economic and social policies of the state were critically enmesh with the thought of neo-liberalism and convergence of interest. This was sustain by the political and economic motives of

state and business allies respectively. Economic and social progress becomes an outburst and imperatives when South Korean population chooses Park Chung Hee the sixth President of the nation. This has done only for the remedy of their all troubles. He managed with the progressive thoughts and practices in the neo-liberal way.

On the contrary, the Marxian ideology enlightens the development nostalgia that could be the outcome of the intricate interaction between ambiguous democratic politics and neo-liberal social pulverization. This has decisively shaped the political landscape of the South Korean state for its citizens. While, the coming of “the pretentious progressive governments of the Kim Dae Jung and Roh Moo Hyun, in South Korea had led to a serious political epistemological obfuscation. South Korean politics of state administration has based on the unique development nature and cooperation of business entities. The interaction pattern of the state-business relationships and the business relationship formed as by the business entities that would devolve for the national target of industrial and trade growth. This was the mission of the state progressive developmental state coined by the Chang Kyung Sup, Professor at the department of Sociology, Seoul National University, South Korea.

Private and the Public enterprises of the developmental state thereby, fostered to create a clear instrument for the national development. The corporate interest through convergence of self-motivated ideologies of state and its business entities has to protect. It was due to this political and economic interest, the labour policies and high technical growth projected by the foreign lenders like IMF (International Monetary Fund) were anti labour orientation.

Thus, to achieve a high technical growth and the progressive manufacturer global market without creation of regular positions in the job market of the South Korean state instead of non-regular. The state regulated the protection of health, safety and security or the basic human rights of workers has abandoned and neglected with the support of the successive progressive governments. Thus, such asymmetrical labour policies by the developmental state were sustain. This has led to the rise of non-regular positions instead of regular positions created incoming future stages of the politics and economic development of the State of South Korea infirmly.

## **Chapter Three: Financial Crises (1997 and 2008) and the Rise of the Non-Regular**

### **Background:**

The study of South Korean political economy projects the significant light on financial crisis, this had been there for almost a decade. The issue of non-regular force in the successive governments has been the consequence of the tripartite council formed and the negotiations of corporate to succeed in the export-led industrialization globally.

“In South Korea the significant rise of non-regular employment is commonly associated with the 1997-98 national financial crises. Although, the growth of non-regular jobs predates the crisis, especially when considering the impact of mobilization of capital and factory sites closures. This was in connection with the labour-intensive industrial growth. There the move would be on the predominantly manufacturing and service providing workforce in the late 1980s and early 1990s” (Chang, 2003).

The initial feature of non-regular employment proposes the picture of an unjust and discriminatory form of employment. This has become an issue of public concern after the financial crisis. The mounting struggles in the caption of wage to workers employed in a typical contractual form such as special employment and subcontracting created a worldwide attention on the issue. Employing workers under the dominant norm of full-time job security and full protection under existing rights and welfare entitlements has avoided. The more predominant practice by employers was in the form of non-regular employment and its reclassification. There happened the better formed categorization of the workers under various types of indirect and triangulated employment schemes such as:

1. Contracts to be formed as the part time,
2. Contracts to be termed as the limited term basis,
3. Agency employment to be termed as the dispatched workers,
4. Subcontract workers as the in house,
5. Independent contracts to be made as the self-employed, and
6. The work and day workers to be based on home built.

Thereafter the employers deny have to get under the support of reduce wages and the benefits as the basic conditions. It has been the practices of likewise the touched emotional pattern of the

employees as a necessary measure to remain economically measure rulebook as the solvent during the so-called International Monetary Fund (IMF) crisis at the hike of the degradation. This has in long feature of the labour market in the fashion for the long run after the immediate financial crisis ended.

“It has been seen that the size and types of non-regular employment schemes has been expanded. The policy makers and researchers began on the discourses on exactly how to measure its scale and scope to be intervened. The Ministry of Labour and the National Statistics of South Korea has faced the difficult to assert that the other various criteria has to give. This was to measure the size of the non-regular workforce. It has been to encompass variation across time and employment status. There has been the formation of Special Committee on Non-regular Workers (SCNW)<sup>46</sup>, established by the Tripartite Commission, which was recommended in 2002 that non-regular employment include three distinct categories are as follows:

1. The first classification has been into the limited-term workers whose termination of employment is predetermined or fixed.
2. The second classification comes under the part-time workers, who work less than 36 hours a week.
3. The third type would be the typical workers, which include dispatched workers, subcontract workers, specially-employed persons, independent contractors, and home-based workers” (Shin, 2010).

### **3.1 Financial Crisis of 1997 and the Politics of Labour**

This section would be able to explain the in depth the cause and the consequences of the financial crises of 1997 and the politics played by the State and the corporate management in South Korea with the mechanism of demand and supply with the guidelines laid down by the IMF (International Monetary Fund) standards. It has made the South Korean economy to explain the role of society in traversing the effects of financial crises in the daily life and the anger and the frustration of the deprived condition they faced for the decade.

46 KCTU had made an effective step for non-regular workers, concluding the major part of the ‘market reform plan’. It has been supported by the government as a remedy to various problems which has been termed as so-called ‘dual structure of market’; actually it has been the comprehensive neo-liberal policy to tackle wages, employment and trade union rights of all workers.



There has been the reconstruction of capitalist oriented employment relations which in the contemporary global economy of the work culture to be posed. The increase of workers can be found in non-regular (bijunggyujik)<sup>47</sup> forms of employment has been shown the non-regular co-founded the workers increase forms of the employment. This kind of employment has defined by the structural disturbance on the explanation of what could be a worker and an employer could be. This could be apparent in South Korea, where the non-regular employment has projected as the dominant form of employment, with more than seventy percent of women employed as part-time workers. The workers enrolled as by temporary agencies (Pagyun)<sup>48</sup>, while the workers were also enroll under subcontracting companies, independent contractors, on-call workers, and day workers among others between 1993 and 2003. There has been insecure forms of non-regular employment and continues to be a dominant pattern of employment for traditionally disadvantaged sectors of the workforce under the capitalism since time immemorial.

“Till the time in South Korean economy so-called “IMF crisis in 1997-98 and the subsequent passage of flexible law revisions in South Korea. It has been the non-regular employment, which has become synonymous with a systematic assault on workers’ livelihoods and collective organizations. The imposition of flexible type of non-regular employment has seen as a key mechanism by employers and the state to downgrade workers’ job security. The rights imposed on the protections and social wages could break the power of the militant movement of the South Korean population” (Choo 2000).

Kim, (2002), “a researcher for the Korean Labour and Society Institute (KLSI)<sup>49</sup> speculated in figures that the 55.7 percent of the total workforce among South Korean population has been employed under non-standard employment arrangement. His figure directly challenged a report by the Ministry of Labour and Employment stating that only 27.3 percent (36,02,000) of the workforce was non-standard. There has been analysis released by the President Kim Dae Jung

47 The term ‘bijunggyujik’ clearly connect with the regular class of workers in South Korea. The concept has proposed for the Global Working Class Project.

48 The term connects to the temporary agencies, which employ the non-regular workers in South Korea.

49 The Korean and Society Institute located in Chunyeongno Golden Bridge, Seodaemun-Gu, and Seoul, South Korea. This organization sees the World with aspect that the workers make themselves. The organization put forward theories and policies in the spirit one community belongingness. It is the think-tank fueled with the knowledge and ability to guide the information and the knowledge for people.

who pointed out that the National Statistics Office released much higher official estimates for the number of the nonstandard workforce, stating that 50.9percent of workers were employed in temporary (im shi jik)<sup>50</sup> and day jobs (iryong jik)<sup>51</sup>”.

The competitive economic breakaway of their living and working conditions in the post-IMF period has been identified by the Korean Confederation of Trade Unions (KCTU), the militant democratic national centre of the South Korean movement. This has identified the abolition of non-regular employment (bijonggyu chulpye)<sup>52</sup> as one of its major organizational priorities. Since the year 2000, the KCTU has staged mass rallies, petition campaigns, hunger strikes and joint solidarity actions with the more politically moderate. The historically led affiliation with the government linked Federation of Korean Trade Unions (FKTU) has to condemn the assault on workers’ wages and livelihoods under the umbrella of flexibility.

In spite of many different efforts, two key obstacles hamper the KCTU governed with the movement’s capacity to challenge the expansion of non-regular employment and the repressive, cost-cutting practices associated with it. First, the vast majority of KCTU affiliates represent male workers employed under regular, full-time employment in large enterprises, which is less than one-quarter of the entire workforce.

There has been observation that “the narrowing constituency base has heightened tensions between KCTU’s regularly-employed union members and the non-regularly-employed workers. This has led to the situations that were perceive to threaten their job security and wage standards. But, it has also plagued its ability to genuinely represent the workforce at large, especially the rapidly growing periphery of non-regular workers in lower-paid, more insecure and socially marginal forms of employment. Second aspect in this phenomenon has been that while there has been a staunch opposition to authoritarian developmental state regimes in the past have been a key feature in securing de facto rights and improving living and working conditions. The KCTU has been largely unable to expand democratic rights for workers in the post-authoritarian period.

50 The Ministry of Labour classify them into temporary workers.

51 The Ministry of Labour and Employment in South Korea classify them into day workers . Ministry of Labour and Employment respectively distinguishes into temporary and day jobs in South Korean Economy.

52 The term give the sense that the abolition of irregular employment in South Korea.

This has been very tragic that since the installation of democratic state regimes in the 1990s, workers and trade unions face a rollback on formal rights and protections. This is largely due to the inability of the KCTU-led movement to adapt its strategies and tactics against the anti-unionism of a new political regime - the neoliberal democratic state regime” (Kim Sookon 1999).

In December 1997, at the dusk of financial crisis 1997, the new government of Republic of South Korea was ready with the social framework based on partnership. President-elect Kim Dae-Jung proposed the introduction of a tripartite consultation mechanism to overcome economic crisis. Around January 1998, The Korea Tripartite Commission was set up as a presidential advisory body and in February 1999, The KTC adopted the Social Agreement for Overcoming Economic Crisis through which 90 items were agreed. Around May 1999, the Act on the Establishment and Operation of the Korea Tripartite Commission (Legislation No. 5990) was enacted and promulgated.

In November 2002, The KTC reached an MOD with the Economic and Social Council of the Netherlands (SER) to promote mutual cooperation and exchange and in June 2003, The KTC became an active member of International Association of Economic and Social Councils and Similar Institutions. In March 2004, The KTC reached an MOD with the Economic and Social Council of France (CES) to promote mutual cooperation and exchange.

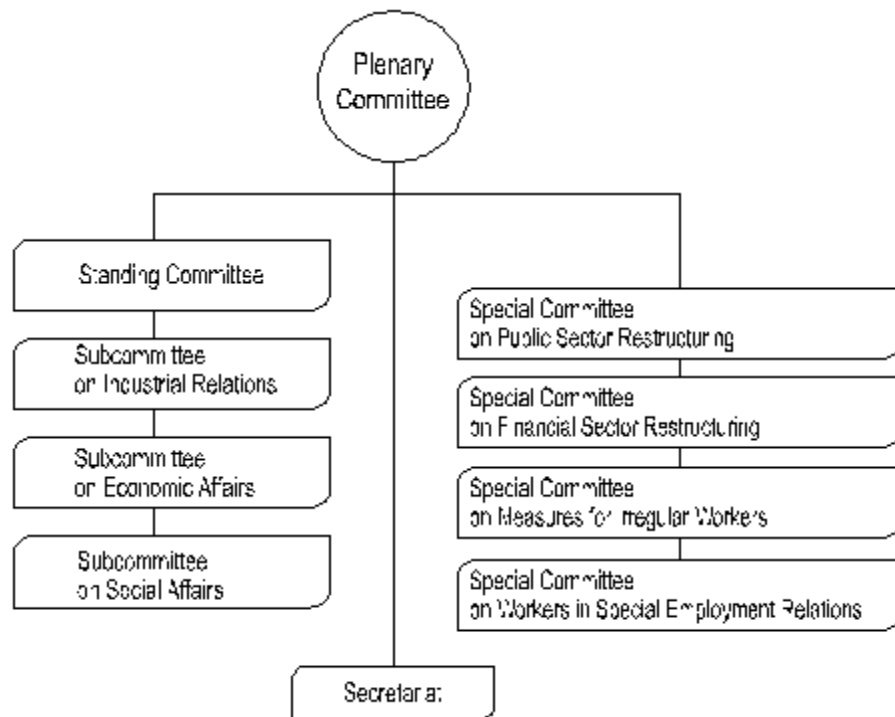
#### **Objectives and roles of Korean Tripartite Commission:**

1. To provide a forum for frank consultation, dialogue, and compromise among tripartite actors i.e. State, Business Groups and Workers.
2. To support socio-economic development by establishing healthy industrial relations based on social integration.
3. Realize participatory democracy by encouraging cooperation among labour, management and government.
4. To hold the tripartite consultation on labour-related policies with regard to:
  1. Labour policies concerning job security and working conditions and closely related matters which significantly impact the national economy as well as society as a whole;

2. Matters pertaining to principles and directions of restructuring the public sector and others;
3. Matters related to the improvement of the systems, mind-set and practices for the development of industrial relations;
4. Measures regarding the implementation of agreements reached through the KTC;
5. Matters pertaining to supporting those projects designed to promote cooperation among labour, management and government.
6. To implement a policy counsel for the President to the labour-related matters for which the President seeks counsel.

The Structure of Tripartite Commission is as follows:

Figure: 3.1: Structure of Tripartite Commission, Social Dialogue based on Partnership, (June 2004), Introduction to Tripartite Commission in South Korea, [Online: web] URL: [http://www.lmg.go.kr/bbs/down.asp?code=e\\_bbs61&number=3&seq=1&mime=doc](http://www.lmg.go.kr/bbs/down.asp?code=e_bbs61&number=3&seq=1&mime=doc)



### 3.2 Financial Crisis of 2008 and the Politics of Labour

There has been another focus on the causes and consequences of another financial crises phase of 2008 and the politics played with the new type of market structure and the new type of societal

changes. This led to the rise of the civil society and the formation of social organization for different motives and realms.

“At the dawn of financial crises of 2008, by the OECD Employment Outlook 2008 reports the working population to be of 29.7 percent to the non-regular workers. This has made South Korea in the echelon of rank with the second position of the largest non-regular ratio globally. The calculated ratio has been 12.3 percent for the France, not less than half of South Korea’s calculation projection. With the Korean economy struggled a sharp increase rapidly from the crisis of 2008<sup>53</sup>. It has been nearly impossible to expand anymore to increase the portion of the employment in the non-regular kit. The purpose of employing non regular workers and their treatment due to the several reasons has been different form the other nations. It has been noticed the percentage of the non-regular working population has stayed between thirty three percent and thirty four percent since the month in the August 2008. The expansion of the population, which has become uncontrollable up to the point it could be stabilize has been the phenomenon of the society. Finally the revealing of the different progress on regulating non-regular employment in South Korea has been observed severely”(Chang, 2009).

It was quintessential to figure out why non-regular employment was brutal has been explained, as the problem in this form of employment described rationally. A non-regular worker is discriminated but this has been only for showing instead it is though the clear legislation laid non-differentiation between the regular and non-regular. Three categorization of unfair treatment received by non-regular workers has observed. The discrimination in pay, working environment and employment instability been considered. There has been a justification made on the statistics released by the Ministry of Employment and Labour. It has been found that the difference in the total wage of regular worker and that of a non-regular worker in a same company. This has escalated to 9.1 percent and the gap of hour made payment workers was 4.2 percent. The gap between the working welfare benefit rates in contrast to the social insurance security has been seen with differentiation of the working sphere has been set.

“During the March 2008, according to a report mentioned in a research on economically active

53 This give focus on the non-regular workers, non-regular employees related labour, education, school, government policy, bill No. 1902259

people by the Korea National Statistics (KOSIS 2008)<sup>54</sup>. It has been figured that the number of temporary employees in South Korea comes to 56,38,000 and accounts for 35.2 percent of total salaried employees (1,59,93,000 people). While, the Fixed-term workers were 22,93,000 or 40.7 percent of total temporary workers as compared to the statistics of March 2007, before the enforcement of the Act on the Protection of Fixed-Term and Part-Time Employees” (Non Regular Workers Protection Law)<sup>55</sup>.

“It has been also figured that the fixed-term employees numerically in contrast it the eligible working conditions. While, the temporary employees have consistently rejected for the renewal of their contracts repeatedly efficiently. However, temporary employees in numerically, inferior to the working conditions and who cannot to have continuous work speculation, has increased sharply. Thus the analysis in the fixed-term employee Act can be projected as who employment have degraded in the contrasting situation” (JLIPT Report No. 9).

It has been observed that among the total salaried employees, a non-regular labour wages are 65.3 percent in comparison to regular ones has been the speculative demand theory basis. If we talk of the social insurance then meagre, only the forty percent has been to collect in the respective manner. The conditions such as the employment insecurity, low wages, and increments in the wages of labour have been the concern of the non-regular labour. This has to be received from the social insurance or company welfare, which has been the devastating and odd framed as compared to regular employee counterparts.

Thus, it has found that what makes it difficult for a non-regular employee has been to sustain a life of healthy and caring in regards to the wellbeing. These problematic situations bring about not only there has been the competition of low wages among employees and is caused as the serious troubled problems acting in the different situation. This all could lead to the devolve and efficient gap and conflicts between the rich and poor and could be interpreted regular and non-regular workers.

54 The date made by KOSIS (Korean Statistical Information Service) 2008, government complex situated in Daejeon, South Korea.

55 The government made the Basic Employment Policy Act in the year 1993 and started the Employment Insurance System in 1995, which in future has been the social safety net.

### **3.3 The Differentiation of Regular and Non-Regular Labour with the evolved State and Corporate Politics**

This section deals with the difference made between the regular and non-regular while the corporate management and the entry of non-regular into the job. There to do ease so that management with the help of state legal mechanism make easy hire and fire law for the self-benefits.

“It has been under the examination about the most representative working conditions, such as wages and working hours. It has observed and made to learn more concerning the actual employment situations of temporary employees. The average working hours per week of a temporary employee is 90.4 percent of that of a regular employee in 2005. It has been come to notice that there was no actual difference between regular and non-regular employees in terms of working hours except for part-time employees, whose working hours are clearly shorter. Nevertheless, there is a huge difference in wages between temporary and regular employees” (Chang 2007).

“However, the percentage of part-time work is lower than that of other countries. The main characteristics of temporary employees were first; the percentage of fixed-term employees, which accounts for highest proportion (44.4 percent) among the types of non-regular employees, shows a tendency to become permanent, though this figure is higher than in other countries. At the same time, the amount of part-time work is increasing. To the cost efficiency and the flexibility in the employment the matter is of the security the contribution has been the aspect of the enrollment as the temporary labour instead of the regular labour. The time schedule arranged at the work for the labour in the lenient aspect for the employees render has always taken as the optimistic aspect taken as the reference. To the society considered as a whole for the common and the alone labour the decreasing wages and the low level of the working sphere has been a serious threat to his or her future and the individuality” (Ibid).

To the comparison with the regular employees for the similar and the equity of the work there has the denial demand to be the tool taken for the business groups with the state administration.

In the criteria of their wages and other working sphere, there has the method of the employment of the discrimination to be taken for the temporary workers and the employees. The form a class of poor labourers, of which could in to the outcome of the labour market to appease the method and tool likewise the insecurities of the employment and the low wages has imposed. This, in turn, worsens the income distribution system to be talk much for the state administration to perform as well. These factors act to impede upon the social integration, as can be seen in recent examples such as Ssangyong Motor<sup>56</sup> and Kumho Tire<sup>57</sup>” (JILPT Report No.9).

This has been noticed, “the low personnel expenditure on to the wages and outnumbering the employment in the too attractive pattern could have the generation for the registration of the temporary employees as has been regarded. The employer ends up discriminating against non-regular employees owing to emergent factors mentioned above in the vigilance of the state for making to get notice. Therefore, it have a negative influence on corporate management in the long-term at the many points of view that could come up with eh resultant controversy on the matter of the labour disputes with the management council in regards with the knowledge of the other fringe benefits and welfare mechanism for the temporary employees. Despite these factors, discrimination against temporary employees the sphere of the dark symptoms has spread as the mushrooms of the new legislation developed by the state administration. Understanding these problems would focus on working conditions and employment insecurity that could be march on for the labour and their unions. This has been the main point of discrimination of temporary employees has been a focus on time-fixed employees” (Ibid.).

The working sphere in the concealment of the treating the temporary workers has been has laid down the prohibition of discriminatory treatment in contrast to a labour contract too aggressive and violent. Conditions such as wages, working hours, accident compensation, safety and health, fringe benefits, and dismissal, were to be cover up under the umbrella of the working conditions

<sup>56</sup> SsangYong Motor Company, it gives the meaning as Double Dragons Motor Vehicles. It has been the fourth largest South Korea-based automobile manufacturer. It is a subsidiary branch of Indian multinational Mahindra & Mahindra Limited. Mahindra & Mahindra Limited has owned the seventy percent share of Ssang-Yong in February 2011.

<sup>57</sup> Kumho Tire Company, earlier it has known as Samyang Tire. It is a South Korean tyre company. It was headquarters in Gwangju, South Korea; also, it is the subsidiary of the Kumho Asiana Group, connection with Asiana Airlines.



of the temporary employees. The most crucial of these were to be describe in wages. The condition for supporting their dependent family for the temporary workers has created the sphere of the insecurity and the fear to be search as the discrimination in terms of unfair and dismal practices of the workers behavior. It also means to put a low esteem of certain workers in the labour force. This could be more dangerous of a workers' dignity and a violation of their human rights in the sphere of hatred and vandalism. The method of equal pay for work of equal value has been the significant factor of creating the environment for the equal potential treatment to be proposition.

“What the Article 32, Clause 4 of the Constitution<sup>58</sup> provides in explanation that employers shall not discriminate against the workers on the ground of gender, and that equal wages must be paid for equal work to male and female workers. Also the Article 6 of the Labour Standards Act<sup>59</sup> which prescribes that employers pay equal wages for work of equal value. The work has to be equal which evaluated as being equivalent for the wages not only in terms of paid work to be regarded as equal has been stipulated bit also has been the major guiding principle of equal pay for the equal work. The same wages as males for work which could be termed as considered being of equal value even to be applied in the principle that has been concentrated for the female concept as well” (LSA 2010) .

The enlarged provisions of the legislation related to the employers of receiving to have equal pay has given for the both male as well as the female workers in performing the various kind of duties can be described in one or the many different word of the definition. This provision has been enlarged the sphere of equal treatment principle as regards to workers' wages and has affected relations. Thus the new legislation and the provisions had been made as the principal torchbearer for the non-regular employment as has been proposed in the South Korean Labour Market. This has done in accordance and the resultant effect that has reaped in the post-financial Crises.

58 Employment and Employees benefit in South Korea” in this an overview presented by Jeong Hon Lee and Anthony Chang positioned about the law connected to employment subject in South Korea.

59 Article 6 related to equal treatment in LSA of South Korea, which states that no employer shall be discriminated against workers based on gender.

### 3.4 The Successive Government Reforms and Politics

This section provide the explanation to depict the policy analysis of the successive government reform policies in lieu of financial crises retrenchment of workers and their deprived conditions in the decade of 1990's. In 2007, "there has been a formulation on the taskforce on the Non-Regular Work Acts. This was set up in accordance with the ESDC (Economic and Social Development Commission)<sup>60</sup> to point out some of the features related to future amendments related to the Temporary Agency Work Act<sup>61</sup> (2006). This has done also to the Fixed-Term and Part-Time Work Act (2006)<sup>62</sup>. The taskforce has charted out of labour supporting members, pro-business members, and some government representatives. It has to see as very unrealistic towards the future amendments to these acts and regarded that it could not be able to make a proposal to the National Assembly" (KLSI, 2010).

The uses of non-regular work in workplaces or in order to prevent its expansion to support the labour pattern to whom the member could be formed when the acts has been transformed has to be rejected. The use of non-regular workers would help to create jobs in the labour market taken as the start up for the deregulation in the membership to be on the side of the membership. It has also held that in compromising opinions, the government representatives could make their basic stance in major forms.

It is maintained that there has been no evidence that the acts, like in the Temporary Agency Work Act and the Fixed-Term and Part-Time Work Act, could affect the total payroll employment in the labour market, either positively or negatively. It was made in other words as that, the expansion of non-regular work either creates more jobs or hinders job creation. Another striking feature would be that some non-regular workers have shifted to regular jobs. It has speculated that the many of the fixed-term contracted jobs meant for the working platform could be a

60 ESDC has been formed and operational with the Legislation Number 5990 in the year 1998. It was amends in year 2007 with the Korea Tripartite Commission. Its website address is [www.ig.go.kr](http://www.ig.go.kr).

61 Temporary Agency Workers Act, 2006. The motive of this act has to protect the proper operation of temporary work agency business. Also to make the eligible criteria for working conditions, etc. for temporary agency workers.

62 Act on the protection and so on of fixed time and part time employees, Act No. 8074, Dec. 21, 2006. The motive of this Act has been the promotion of effective development of the labour market with featuring factor of the without discrimination against fixed-term and part-time employees.

contract to the temporary agency work or contract work with the enforcement of the above-mentioned acts.

Thereafter, the amendments to the Fixed-Term and Part-Time act should be to raise the two year limit. It could be able to improve the anti-discrimination procedure for non-regular workers and encourage the transformation from non-regular jobs to regular jobs in workplaces. Finally the Temporary Agency Work Act shall be amended for making a line between temporary agency work and contract work in the true sense. In 2009, the government proposed the amendments to Fixed-Term and Part-Time Work that could put the four-year limit period when employing fixed term workers. The National Assembly did not accept the proposal with no specific reason. There has been a much outcry over the National Labour Relations Commission (NLRC)<sup>63</sup> complaint process. This has lasted since that time, because the acts have not been amended enough to resolve many of the controversial issues.

### **3.4.1 The problems evolved in the reformation of Labour**

The first issue was related to the acts and legislation to sought where the labour unions has to file a complaint on the behalf of their own members. This has to done by those who have been discriminated against because of non-regular workers by employers. Thereafter the Temporary Agency Work Act and Fixed Term and Part-Time Work Act were asked to comply with the given aggrieved agency employees, fixed-term employees, or part-time employees. It was because of the employment status could be able to file a charge of discrimination in the NLRC process.

The second issue was attach with the scope of comparable employees. The acts were label to prohibit the unfavorable treatment of non-regular employees as compared to the employees with same or similar jobs in the same employer's workplace or business. Thus, it has argued that the scope of comparable employees could destroy the effectiveness of the anti-discrimination process. It was so because an employer can easily undermine the principle of comparable employees by assigning specific jobs to non-regular workers alone, and not regular employees. Finally, another issue relates to unclassified contract workers who worked as contract workers and for lengthy duration than two years but whose employment status in substance has to be

<sup>63</sup> Labour Relations Commission Act given by the Law No. 5311).It promotes the Labour Relations Commission that is the triangulation of the Central Labour Relations Commission, the Regional Labour Relations Commission, and the Special Labour Relations.

consider that of agency worker by law. In actual circumstances, many employers have used contract firms just for employing workers in their workplace to compensate the Temporary Agency Work Act.

It has been observed that the Fixed-Term and Part-Time Work Act established in the year 2006 came in the effect in July 2007. The act has the provisions to prohibit the discrimination against fixed term and part-time employees. There has also been provision of NLRC (National Labour Rights Commission) a process to remedy unfavorable treatment of employees. The coverage of the commission would depend on the numbers of employees employed by an employer. Since it was declaration at the time of this writing, the act covers workplaces or business of employers who regularly employ more than five employees. In addition, the family businesses was exclude, and domestic workers was not a count as employees of the employers. In addition to all this, it covers all agencies of central and local governments regardless of the number of employees they employ.

The Fixed-Term and Part-Time Work Act has defined as a part-time employee who agrees on weekly working hours and would be less than to those of full-time employees with the same or similar job in a workplace. The definition has provided by the LSA (Labour Standard Act, 2006: 5-110). "On the contrary, the status of a part-time employee has been determined subject to the comparable full-time employees' work time. The MOEL (Ministry of Employment and Labour, 2006: 20-76) has published the standards for part-time work as follows. There could inflate a situation when an employer has made a part-time employee work more than the agreed-upon number of hours. Then the employee can be a count as a full-time employee in the workplace. It could be seen in a case such as let's suppose there is a workplace with the maximum forty hours per week and the worker agreed-upon a work time for part-time work which could be a maximum of thirty hours. In this situation, if the employer has regularly required part time employees to work twelve hours overtime per week, the employees would be to see as full-time employees by labour laws. But if the overtime work has not made compulsory but optional, and if the employees have not regularly worked overtime, but only when needed, then with the act of labour law they retain their status as part-time employees.

The allocation on the basis of Proportion to the calculated factor rule under the employment conditions for Part-Time Employees was the LSA which could provide some specific protections

of employment conditions for part-time employees. The rule of proportion to calculated factor was based on very general rule that part-time employees' pay, other fringe benefits, and working conditions should be arranged in proportion as comparable to the full-time employees. Under the employment of a part-time employee, an employer is obliged to provide the employee with a written contract that specifies pay, work hours, overtime work, and other employment terms. If it has been the case when the part-time employee works beyond the fixed number of labour hours, the employer doesn't have to compensate him or her for the extra work. The provision for the overtime pay is voluntary unless the extra work time exceeds the maximum labour hours stipulated by the Labour Standard Act (LSA: 4-54). The rules fixed to pay for part-time employees should be calculated based on an hourly rate.

“The daily wage for part-time employees was to calculate by multiplying the number of agreed-upon hours a day by the hourly rate. An employer has the position to offer part-time employees the employment handbook or manual of the rulebook that full-time employees in the workplace would get. This has to mandatory or, the employer could individually establish an employment rulebook for part-time employees only. The employment handbook has been a staff manual that an employer with more than ten employees has been mandatory for establishing and for making available to employees under section ninety three of the LSA. The rule book should provide topics such as arrival and departure time for employees, meal breaks, holidays, pay rates and calculations, retirement system, occupational health and safety, and other miscellaneous under the LSA” (Ministry of Employment and Labour 2006: 32-120).

The employer wants to change the required mandatory details of a handbook in such a way that could be unfavorable to employees. Then the employer should get the majority consent of a labour union or an employee representative who has to be elect by a majority vote of all employees in a workplace. If the majority consent of the new handbook is absent, the handbook will be invalidate by the LSA. To the workplace, there are vacancies for full-time jobs then the employer may employ part-time employees performing the same or similar jobs on a preferential basis. With the regulation to be followed the Fixed-Term and Part Time Work Act, an employer could accept the request submitted by an employee. This could be to alter his or her employment status from full-time to part-time based on studies or family reasons.

“However, this doesn’t mean that the employer has been forced to employ such employees in the vacancies or to accept these many requests. The act defines does not give a full-time employee the right to choose a part-time job in place of a full-time job. Thus, it is the satisfactory act and just a kind of recommendation without any penalty or enforcement. There has been the rule for anti-discrimination based on employment status<sup>64</sup> has laid down. The defined purpose of the Fixed-Term and Part-Time Work Act was to prohibit employment practices that treat fixed-term and part-time employees less favorably than comparable employees, that is, permanent employees and full-time employees respectively” (Chang 2011).

The act also recommends that an employer should not negotiate with fixed-term and part-time employees less favorably than permanent and full-time employees, respectively. It has considered in performing the same or similar jobs of the employers’ workplace or business. Less-favorable treatment defines that an employer could discriminate as against a fixed-term or a part-time employee. This has to be built on the grounds of employment type without any reasonable justifications in all kinds of pay and other terms and conditions of employment. There have been the cases by the eminent labour scholars and the courts have presented the act prohibiting employment discrimination in every aspect of working conditions that could be in the workplace. Even, if some terms and conditions of employment was not specific in a written contract of employment, a collective bargaining agreement, or a staff handbook.

“This working condition covers all compensations by an employer, bonus on a regular basis, incentives cumulative on business performance, and any fringe benefit packages. The definition of comparative employees in relation to a fixed-term or part-time employee has been determined on any employee meeting the following requirements such as, a permanent or full-time employee. In making the same or similar jobs as a fixed-term or part-time for the employee or it has been employed by the same employer to work in the same business or workplace with a fixed-term or part-time employee” (Lee 2011).

### **3.4.2 The Policy analysis of Labour Reforms and Legislation**

64 The major sources of law and regulation to direct the employment relationships in Korea are the Constitution. There has been the Standards Act and other statutes, like the individual employment contracts, internal employer work regulations, and collective bargaining agreements.

First, in connection with the employment the act does not regulate the employment differentials between some fixed-term employees or part-time employees. There has been the provision for the permanent or full-time employee. This can be compared only with a fixed term or part-time employee respectively, to determine whether any less-favorable treatments occur because of employment status.

“Second, another provision allows the permanent or full-time employee to perform the same or similar jobs as a fixed-term or part-time employee. Whether they are the same or similar jobs or not depends on the job values, characteristics, ability to replace, and so on. Last, the same employer should employ them the workers all. While, if there are no comparable permanent or full-time employees in the same workplace, regular employees in other workplaces controlled by the employer would be considered comparable employees” (Ibid.).

Thereafter, the NLRC (National Labour relation Commission) the complaint process for discriminatory treatment has made. This should include the fixed-term or part-time employee, alleging discriminatory treatment, can file a charge of discrimination at a Regional Commission of Labour Relations<sup>65</sup> (hereinafter, RCLR) under the NLRC. Another provision for the employee must file a charge within six calendar months of the date of the discriminatory practice. If the practice is ongoing, such as monthly wages and within the time limit of 6 calendar months of the day on which the last discriminatory act occurred. The employee, as a petitioner, must submit a written complaint furnishing the details of the discrimination. Or else, the complaint would be dismiss by the RCLR.

The employer, as defendant has required showing that there are no less favorable treatments for non-regular employees in comparison with any regular employees. Or else, there are reasons justifying the differential treatment between the employees. Hence, the Minister of MOEL (Ministry of Employment and Labour 2011: 22-79) also can order an employer to correct the discrimination, if and only if labour inspector from the MOEL discovers there is unlawful

65 Labour Relations Commission Act posted in Law No. 5311. It has been the Labour Relations Commission and triangulation of the Central Labour Relations Commission, the Regional Labour Relations Commission, and the Special Labour Relations Commission.

discrimination”. If there comes the situation that the employer has been unable to make out such an administrative order, the Minister refers a written statement specifying the details of any discrimination to the NLRC. It also notifies the employer and the relevant fixed-term or part-time employees. On receiving the written statement from the respective Minister, the NLRC starts the complaint process for employment discrimination and furnishes the employer and the employees with an opportunity to present oral arguments. There again a charge of discrimination by a fixed-term or part time employee, the RCLR will convene a special committee on anti-discrimination to investigate the charge and to preside over a hearing.

There would be a special committee which has to be formed with the three members. Upon hearing, the committee can order witness to attend at its discretion. Also upon the request of the parties, the committee shall offer sufficient opportunities to submit all evidence in support of the complaint and the answer. This has to cross-examine all witness. In the process, a RCLR or the NLRC can go to mediation upon the request of one party to the dispute or by mutual agreement, or by its own authority. If one or more of the parties with the arbitral agreement in advance could be able to seek an arbitrator’s decision in the process. The competent RCLR or the NLRC can issue not a remedial order but the arbitration award to the arbitrator. The parties with the dispute must submit the petition for mediation or arbitration within fourteen days given to the date of their complaint to the RCLR or the NLRC. Any of the RCLR shall make a consent decree or an award within sixty days of the day they went to mediation or received the petition for arbitrary. The decree or the award has the same enforcement as the final judgment of the courts. The RCLR has the right to dismiss the complaint if they would find that the employer did not commit discriminatory practice. Otherwise, if discriminatory treatment of a non-regular employee has been verified during the process, the RCLR will issue a remedial order.

“The remedial order would like to cease and forbear from any employment discrimination. In addition to remedy the discrimination, this can include an order to correct the unfair rate of pay and other discriminatory practices as well as a monetary judgment. The claimant or the respondent within the the parties to the dispute, must appeal to the NLRC for review within ten days of receiving the dismissal order or the remedy of the RCLR. On the decision of the NLRC, the parties can only file an administrative suit in the administrative courts within fifteen days of the decision. If the parties could not be able to submit the petition for the decision of the NLRC,



or do not reach to the administrative courts for judicial review, the dismissal order and the remedy would be finalized. If the employer doesn't agree with the final decision to remedy for any discrimination, he or she is punished with fines not exceeding hundred million Korean Won. The Temporary Agency Work Act regulates temp staffing agencies, hirers (or clients), and agency employees in triangular employment relationships and protects such employees from less-favorable treatments compared with regular employees who are directly employed by a hirer. In temporary agency work relations, a temporary agency or the temporary staffing company takes the agency employees in order to place them in a client's workplace. It is the client or hirer who employs the agency employees of the temporary staffing company in practice and who supervises the employees' work. It is because the company and the hirer make a contract for service, which is defined as temporary staffing agreement or employment agency contract" (Johnsons, 2011).

The agency worker is someone who has established into an employment contract with a temporary agency. Nevertheless, who works under the supervision of a hirer assigned by the employment contract? Temporary agency work was differentiated from job placement. It does not make employment contracts with job seekers, but only refers them to an employer with vacancies. The former is legally the employer of agency workers, whereas the latter is not.

Within the umbrella of MOEFL (Ministry of Employment, Finance and Labour, South Korea), a temporary agency has been suggested to staff a business license are certified. There can be two procedural requirements for the license to obtain. The first formality has to have the enough assets to run the business. The other requirement has been on the multiple clients to be assigned. Therefore the staffing company if has been able to provide employees only for a few specific clients, the MOEL would not issue license to the company to provide employment agency services. This has done to provide such firms from a proliferation from the employer's liability with the direction given in labour laws. It was because many employers could be able to staff the company as an employment agency just to shift the liability on the company. The mandatory rule put on the license to be renewed every three years. Thereafter a firm allows a worker who has supplied by a staffing company without a business license to work. Then the firm and the company shall be made to a fine exclusively more than twenty million won, and can be of imprisonment for three years of maximum, or both.

“In a period of two years maximum could a fixed term worker the employer could employ to save the employment of kind being regarded as the fixed term job for the significance of the state reform process. A worker who comes under the labour contract with no fixed term has to be supposedly termed as the fixed term employment not crossing the limit of the mentioned two years as has fixed as the time of his or her employment by the principal employer. The sum of the periods, which exceeds two years of the period in registration of the labour contract, has to be mandate in the order of not going more than two years, as has the provision to be lay down enormously. The made a labour contract with no fixed-term in the mandated and registered labour contract has to be continuous being repeated of the fixed term labour contracts much occasionally has been the ideas to be flown away in the South Korean labour department and the ministry ” (JILPT Report no.9).

In subject to the above condition if an employer employs a fixed-term employee with the creation of a certain period of time, then the provision would not applicable to the restriction of two years. On the contrary, an employer may hire a fixed-term employee for a period in excess of two years where:

1. There should be clear definition mentioned for a period needed to complete a project or particular task.
2. The provision needed for the fixed-term employee has to fill a vacancy created from a workers’ temporary suspension from duty or dispatch until the worker returns to work.
3. The clear definition for period needed for a worker to complete schoolwork or vocational training has mentioned.
4. The fixed-term labour contract has to be fix made with the aged as mentioned clearly in Article two of the Aged Employment Promotion Act<sup>66</sup>.
5. The kind of job requires professional knowledge and skills also the job offered were a part of the government’s welfare or unemployment measures and have to be prescribed in the Presidential Decree made strictly.

<sup>66</sup> The act on Prohibition of Age Discrimination in Employment and Aged Employment Promotion posted in the Act No. 4487 declared on Dec. 31, 1991. The motive of this Act has been the supply of the employment security of the aged and focus on the development of the national economy with the stop in the discrimination in employment.

There has to be justified law created for the conversion of regular to non-regular. The employer wish to make a labour contract without a fixed term according to the provisions lay down. He or she has to make efforts to the criteria of selectivity to hire fixed-term employees those were have to engage in the same or similar kinds of jobs within the business or workplace concerned.

To the fixed-term employees and the regulation regarding the temporary workers related discrimination put up the case and taken in to the custody of the national labour relations commission commonly called as the NLRC . The LRC<sup>67</sup> (The Labour Relations Commission, 2000) has formed on consensus based administrative body of the Ministry of the Labour and the Employment in South Korea. The employees, employers, and public interest a committee individually has formed for the cause of the tripartite representation. The LRC has been an independent quasi-judicial body of the general cause of the labour legislation formulation. The concerning with the interests and rights to the disputes that has been on the mediation of this adjudicate the disputes contrasted between the labour and the management council has the valid concentration. Since the revision of labour law in the year 1987 the large umbrella of the sphere of the undertaking where the individual grievances and the dismissal to the employment has to be focus. A company which has been the part of the implementation of the Non regular Workers Protection Law has been struggling with the emollition of the discriminatory treatment with the temporary workers has been the sphere of consultation to the LRC .

There has also been the “discrimination case to be accepted. There have been the three public interest commissioners and an investigator in charge where the LRC has the power to organize the Discrimination Correction Committee for the irregular workers. The real question at the issue has been the responsible duties to be are investigate. The treatment occurred by the judges formed by the DCC in the event of the actual discrimination. This is further subjected to the DCC orders the redress of discrimination through an inquiry. The employees and employers commissioners both who attend this inquiry have the opinion in the matter as proposed for the adjudication in the refereed DCC jurisdictions. It then issues a redress order if it adjudicates that

67 The Relations Commission has been the quasi-judicial agency formed under the Ministry of Employment. It focuses and reviews employee complaints of unfair practices in relation to union activity, like the discrimination based on union membership, and complaints of unjust dismissal or disciplinary action.

the application of discriminatory redress in question that has the validity of conscience. To redress of any the case of missing to the type of the discrimination then dismisses the application for redress” (Ibid.) as has being determined in the period of which and the matted to it has taken

“To the part of the redress procedure in a discrimination case, mediation has to be presented by the application of both parties. It has to be with one party concerned, or one’s authority. When a party agrees to follow the arbitration decision in advance and applies to the LRC for arbitration, it can then receive an arbitration procedure. Furthermore, when both of the parties who was affect there accept a mediation proposal once they have arrived at the mediation also when they get the arbitration decision. It then has equal weight to a conciliation reached in the courts in accordance with the Civil Procedure Act. At this point, when it fails to reach arbitration, the DCC shall make a decision through an inquiry” (Koo and Kiser 2001).

The period allocated for the discrimination correction system has been from 1 July 2007 to 30 June. Within the date of 30 June 2009, it has to be scrutinize at the application cases for the correction of discrimination in terms of the forms of employment. The numbers mentioned are total 4,747 applications by the RLRC calculation. The number of the fixed-term employees has been 4,564 (96.1 percent). The number of the non-fixed-term employees is 122 (2.6 percent). While the dispatched employees’ total 61 (1.3 percent). It has been mentioned about the greater portion of non-fixed-term employees which were not fixed-term employees but employees under labour contracts without a fixed-term.

Lastly, the classification about the contents of discriminatory treatment in the applications for discrimination correction has to be put. Among most of the complaints were regard to be a bonus or performance-related pay, and those accounts for 2,023. The issues related to the basic salary or various allowances have involved in three hundred fifty four cases. The number of complaints regarding fringe benefits was record to be thirty-seven and the retirement pension cases involved in eight. Further, the contents of other working conditions accounted to be of seventy cases.

### **3.4.3 The Labour Reforms and the Labour**

The percentage of redress order decisions has been recorded very low as has been the expectation about the application to be received in the very small number. The true character and institutional factors has been the cause of the every step that has taken. To further, maintain of his and her employment relations of the temporary employee the true character of the pattern-developed factor was too difficult to address as to be make in the reality. The chance of application could be getting away when the temporary worker has carried away more or less in the different spheres. The termination of the employment relationship has to make only after the assurance of the employment in to the future oriented employment. The scope of applicants, which could go further away, and this could done or made to the exclusion of the emotion of the institutional character. The LRC did not take effective actions to tackle the discrimination correction in the early stage of enforcement in the lucid manner in the particular cases to be the symptoms to relate to the management.

The new legal principles in the NLRC in taking or the carving out the stand point of the view in the daily discrimination correctness to be more active on the tilting of the decision taken has been the another aspect. The stance of the denying a qualification as applicant posing in the case of the special matter to present the stand viewpoint in the cases of the labour contract. In addition, the NLRC has been able to shaping to the principle of judgment and the consideration factors, which was in relation to the problem whether there, was compared with an employee. To judge between several components the defensive parameter has to be taken in anyway. To judge the equality or similarity of work the foci of the duties has to be main layout criteria has to be the insufficiency in regards to the other parameters. The other employees compared with temporary employees in the existence of the problems of given imperatives of such attention has to be bayed.

According to the Article of eight of t law posed the ground of the discriminatory treatment in comparison with the mentioned of the treating the fixed term employees should not be provided with the employment status. This has to compare with other workers engaged in the same or similar jobs under a labour contract without a fixed term in the business or workplace concerned.

An employer has not been under any position to give discriminatory treatment against part-time workers on the ground of their employment status compared with full-time workers who are engaged in the same or similar kinds of jobs in the business or workplace concerned. It has been a necessary step to consider the characteristics of regulation. Regulation might be a confirmative regulation and it has to regulate on a concrete context of the principle of equal pay for work of equal value. Otherwise, it might involve the regulation of policy. The problem concerning whether a fixed-term or part-time serves as a definite reason to discriminate, also to prohibit the discrimination against a temporary employee, though the labour productivity is low in proportion to the term. This has been a preferential policy toward a temporary employee. These problems bring to light the fact that regulation is compatible accorded with the South Korean Constitution.

A wage system to the system of allowance for long service has been the focus of the actual employment in the consideration and the regulation of the type mentioned above. In other words, an employer has not employed in the ground of the fixed-term employee over two years. With the application of a salary, class system to the temporary employee after the employment on a fixed term basis has to maintain in the regular interval basis. Her and his career could not acknowledged on the situation that has created for the recruitment of the temporary employees. The temporary employee cannot assert discrimination concerning the values of the actually formed the salary based the class system on the motive of the rational demanded wages and payments.

Finally, to how these regulations can be applied in reality has been the face of the problems that has been the session of the investigation. The enterprises, which can endure these sorts of wage increases, can protect a temporary employee pursuant to these regulations of discrimination prohibition. However, the enterprises, which cannot endure wage increases, might dismiss a temporary employee or force the employee to work under previous working conditions. These kinds of problems worsen the polarization of workers.

### **3.5 The Corporate sector Politics and the Financial Crises**

This section deals with the affair of corporatization and the politics played by their management council with the hire and fire rules with the legislation and through legal mechanism.

Analyzing “the data of the Ministry of Employment and Labour (2008) which was based on Research on economically active people of March 2008 by Statistics on South Korea has been referred. The number of temporary employees’ accounts for 33.8 percent compared to regular employee counterparts, which has been 66.2 percent within the same period. This has been the lowest ratio since the beginning of the analysis made in August 2008. This shows that the increment of the number of non-regular workers, which had been sharply increasing by approximately 8,00,000 every year since 2002, then get lessened thereafter in the successive years” (KLSI 2009).

“Meanwhile, the number of non-regular employees has slightly increased and is recorded as 26,000 people which are just 1.1 percent of the total workers. The percentage of temporary employees among salaried workers has gone from 36.6 percent in 2005 to 35.5 percent in 2006. This positioned the result of the increase in wage earners which comes to 3,83,000 people comes out to be 2.6 percent of the total workforce. The steep decreasing from the height that has been achieved in the year 2005 has been the ration and the size of the non-regular workers mentioned. There has been considerable increase in the size and the ration of dispatched workers, contract company workers, and home based workers. Intra sub contractual work was on the benchmark of the pattern of the continuous increase, though the exact statistics are unknown under the scrutiny. The major significance of the Non-regular Workers Protection Law for the non-regular worker has been under the umbrella of the protection, under their existing conditions. This has been the objective, which could not carried out. To avoid the visibly suffering damage as has been given by the law has to handle the laws to the basic purpose of the connecting laws and legislation. There has been a law, which precisely reflects social reality and is then enacted to improve societal problems could be consider valid. The situations mentioned to relate the Non regular Workers Protection Law are the reverse grant to the reflection of the owner on social reality” (JLIPT Report No.9).

The above explanation could be put into other words, while the law can be seen as a remedy for some social problems. It could go useless if it has to be tangentially remove from the social reality. Therefore, having an accurate understanding of the social reality has to be the pre requisite feature in order to create a law, which is necessary and relevant to making a better of

society. The onboard situation of labour and management relations had their own reasons behind the increase of temporary employees. There has been the enterprises make efforts to adjust in order to take advantage of radical changes in the environment and overcome fierce competition. Therefore, the crucial management's main objective has been made to be flexible and prompt.

The ongoing enterprises already have the basic elements to survive in the current worldwide competition. They have been able to put their core competence, which could enable them to lead the economy. While, they have restructured their businesses through decisive outsourcing and the disposal of non-core business to done with the situation. This kind of effort could witness in the personnel restructuring of companies. The kind of stresses felt that the recruitment and maintenance of the best employees in order to achieve core competence as the criteria to differentiate them. Non-core competence has to be leaving behind of through cost reduction, and scarce competence has to push strategically by enhancing productivity and then gain a flexibility of work force. This consolidated corporate and personnel management triangulation has made to survive in this competitive period.

The better use of the “temporary employee under the current situation pushes the demands of the times and has to be realistic for survival. Thus, the increase of non-regular work gives the situation to a limitless competition arising from globalization and is part of a trend that we cannot afford to ignore cause of social polarization. There have been the five reasons why non regular employees' conversion into regular employees faces the problem. First, it has been very difficult to match with employment adjustments. Secondly, the costs are the primary factors that influence the utilization of temporary employees; a low number of temporary employees was convert into regular workers.

In other words, if we triangulated the enterprise' view, it has been very difficult to convert a non-regular worker into a regular worker. Since, this would involve an increase in wages and the added cost of welfare benefits. Hence, if the enterprise cannot discriminate against a non-regular employee as matched with the Non-regular Workers Protection Law, this could leads to the increase of personnel expenses and the deterioration of corporate competitiveness. With the acceptance to the problem, it has been noticed that the deterioration of corporate competitiveness



and also the possibility of corporate bankruptcy.

According to the Non-regular Workers Protection Law, the factors that were responsible in the case of the conversion of the non-regular employee with a non-fixed term agreement or the case of the regular employment to be adopted. Then the enterprise would not be able to fix or ease out numbering the number of employees during difficult times. This will further create a burden to an enterprise in the end. To solve the above-mentioned problem there has been the requirement of the recognition of the employees in the vital mechanism to be sense as the very crucial feature. Due to lack of flexibility over employment, there has been the prevention of the decreasing competition and the possible rising cost would be the factor behind the move to be fixed. Then with the improvement of technology and productivity, these problems will solve.

The other feature in this situation is with the temporary employees who are usually employed in vulnerable and less competitive businesses such as small businesses or medium-sized enterprises. Therefore, this is a factor, which renders their jobs insecure. While some factors, such as low education levels, low technical skills, low individual competence such as the foreign language or computer skills, etc. in addition to all this a less competitive age spectrum and the like, make it hard to convert them into regular employees.

There comes another factor which is the rate of participation in job training of temporary employees is very low. The opportunity for career development, which could help them to convert into being a regular employee, has been very scarce. This happened due to the policies for the active labour market as they apply to non-regular employees, such as free education for prompt re-employment, employment support services for less employable people, etc. are insufficient. Lastly, as it has seen in the case of Germany and France, the practice of converting employees into regular employees after they have employed as temporary workers, has not been set up in Korea. This is because temporary employees, such as interns or unilateral contract workers, have abandoned. These are as disposable workers due to the economic recession and the youth unemployment problem.

### 3.6 The Rise of Non-Regular Labour and the Politics involved:

The section going to make an attempt that how easy hire and fire entry of the non-regular into the job in the market made the demand and supply of non-regular in comparison with the regular high and the politics and tussle between them arises personally.

There has been a bifurcation between the focus group of regular employment. This would describe the peripheral circle of non-regular employment that has been tangent with conflict and contest. There were some unions representing workers in the focal zone of regular employment to set out. There has been also the rise in the pattern of union membership since the 1997 national economic crisis. Although this been comparatively the privileged sector of the workforce. This has been able to maintain higher than the average market wages and were able to function some degree of influence during collective bargaining negotiations. The workers were not insulate from the hostile climate surrounding them.

In a flow to corporate bankruptcy, factory mergers, workforce reductions and the shift of managerial rights to foreign companies, regular workers face the constant insecurity. This has been due to their feeling about their jobs, which would shift into the impervious and adjacent zone of non-regular work<sup>68</sup>. There the several studies feature that employers were in great favour to hire non-regular over regular workers with the experience of the 1997 economic crisis as a way to reduce costs.

“The increase in wage disparities and comparisons within the regular and non-regular workers gives the sign that employers could go with the hire non-regular workers at almost half the price as regular workers. This has been emphasizing the cost advantage of hiring non-regular workers. From 2000 to 2005, the rate in the wages of non-regular workers in contrast with the regular workers fallen steeply from 53.7 percent to 50.9 percent” (Kim and Park, 2006).

The employment of the workers under different categories of non-regular employment such as short-term contracts, temporary agency employment, part-time employment and special employment called to be *Tooksu Goyong*. This is a category similar to categorize as an independent contractor, which could allow employers to hire workers under the same working

68 JEONG, J. (2005), “Diversity in Union Security among Enterprise Unions: Cases of Korean Metal Firms from a Micro Socioeconomic Perspective”, *The Journal of Industrial Relations*, 47, 43-61.

conditions as regular employees. That could be either working hours, or under the workplace supervision, except with no job security and little to no benefits such as paid overtime and paid sick and vacation leave.

The threat to be speculative of decrease in the cost and job displacement has created a tension among KCTU's predominantly regularly employed membership. There has been the growing workforce of non-regular-employed workers. There has been a study of workplace related to regular and contract workers who was hire as non-regular workers under temporary contracts to distinguish them from regularly employed workers with job security guarantees, firm benefits and possibility of promotions.

Lee and Frankel, (2004) in the study find "that especially the contract workers were stigmatized and demoralized with the behavior of exclusion and attitudes of regular workers. They do not cover the contract workers into their social activities, and blame them for getting away with the jobs at such low pay and deny them resources and protections on the job. There has been another study on the evaluation of the union attitudes by regular workers toward non-regular workers. It has been based on a 2002 survey conducted by the Korea Labour Institute (KLI) Seoul, South Korea which confirms some major findings, such as highlighting the majority of union members and leaders who were not willing to act in genuine solidarity with non-regular workers".

This has been "especially if anyone supporting the non-regular worker feels of bringing about a loss of their own interests. While some union members and leaders had made their position very clear to address as many as work with related grievances related to non-regular workers. Then there are some groups who are much less willing to allow non-regular workers to join their organizations as equal members" (Park et al. 2004).

The circle of repeated negative attitudes of regular union members has been compared with non-regular workers. This has given the strong tendency of employers to employ the non-regular workers in establishments. This has the practice where the union membership formation has been high and the influence of unions was too strong. There was the argument to support that employers tend to employ non-regular workers to cut costs as well as weaken the constraints imposed by unions on managerial authority.

The refusal of unions representing regular workers, which could cover the non-regular workers in their organizations, has resulted into major clashes. This has been happening in both between non-regular and regular workers in a single workplace as well as between unions representing regular workers and the leaders of industrial and national movement organizations.

According to Lee et al. (2017), “these difficulties stems up from the authoritarian and patriarchal legacies of the enterprise union system. These beliefs have been able to undermine the worker solidarity across firms and heighten worker commitment to a specific company over broader class-based solidarity. Lee further states explain that the structure of the enterprise union has served as a major resource to undermine the solidarity. This has been also a crucial factor in polarization. This has resulted into, the movement despite its official slogans clamoring for social solidarity. There has been a trapped in the regularity of narrow delivery of interests only for members of enterprise unions. In this connection the ignorance and the augmentation leading to polarization between a small minority of workers at large firms and the large pool of non-regular workers and unorganized employees of SMEs (small and medium enterprises)”.

In a special follow up incident where there was the shortfall of the 1997-1998 economic crises to be proven a lesson. The 10,000 Korea Telecom workers submitted voluntary resignations and this has been to prevent the outright dismissal of workers. In 2000 the South Korean government identified twelve foci public sectors to undergo “structural adjustment reforms,” which led to the major strike initiated by the Korea Telecoms Workers’ Union.

To the global statement, the Korean Telecom union believed, that the strike was a huge victory in that workers of Korea Telecom. It resisted the implementation of a structural adjustment plan that had unilaterally imposed by the government. It was with particularly the Ministry of Planning and Budget. Union and other progressive forces were too glorify with the KTTU members for having sustained such a difficult strike, especially as it was KTTU's first strike ever. More than anything, this major feature arose from rank-and-file determination. It was union members' unending resolution to fight. Further, this has led the union leadership in the decisions it made. There was no expression of the severely posing strike by out thrown contract workers and their failure to act in solidarity to support their struggle.

In 2002 various rivulet of the non-regular workers' movement united to portray the National Alliance for the Eradication of Insecure. This collaboration has been the driving force of the movement's resistance to the passage of new laws that would expand the scope and scale of non-regular employment. The outlet it has opened for the eradication of non-regular employment has been the unifying principle of this national coalition. However, the ideological opposition to non-regular employment has been an indirect conflict with burgeon women oriented section of the non-regular workers' movement. This has a call for the finishing of the discrimination of non-regular workers. While the enroll members of the national coalition has positioned the anti-capitalist census. This has governed the reformist nature of their approach to non-regular work. The women activists pointed out the continued neglect of gender and the found the specific nature of women's employment in the formulation of movement demands.

There devolve the ne frame of organizations and social movement oriented actors. They have also emerged to address the specific issues related to non-regular employment. The Left activists and women worker activists provide a crucial source of support for non-regular workers<sup>69</sup> who were going to organize unions. This has led to the secure collective bargaining agreements in the face of legislative hindrance and employer hostility.

While questions of leadership and worker initiated activism were in central to the vitality of the non-regular workers' movement. This has the support of left activists and women worker activists as well. In addition to rank-and-file unionists, this led to the crucial importance of developing more broad-based forms of movement activism. Since the employers often unable to recognize the legitimacy of unions by non-regular workers and it was due to their employment status. The struggles of non-regular workers involve a symbolic dimension. Therefore the unions must be depended on public understandings of justice and fairness to develop the symbolic authority for their demands.

Furthermore, the union struggle often results in broader struggles in the legislation led institutional and policy arena. This is to address the multi-dimensional aspects of non-regular employment. Legal struggles over workers' rights as well as social campaigns has been formulated to raise wage standards and working conditions which should be a significant part of

69 Jennifer Jihye Chun, *The Contested Politics of Gender and Employment: Revitalizing the South Korean Labour Movement*, Department of Sociology University of British Columbia

organizing non-regular workers. The shifting politics of the national movement signal that the significance of recognizing the consequence of global economic forces was associated with the disintegration of trade union movements are also functions to revitalize its democratic character.

In the South Korean case, the drive has been to implement neo-liberal flexibility, which has severely undermined the legitimacy and advantage of union militancy. However, of which is due to the historical source of power. It has also highlighted the uneven terrain on to which flexibility was carry out. While, there have been the existing differences in the market along gender and employment. This should be the basis of an expanding periphery of lower-paid, more insecure and socially marginal workers. It also generated the new frictions which were there as the resulting into new strategies and institutional forms to organize peripherally employed workers.

Thus, rather than view frictions as splintering sources of unity and strength for the movement, the South Korean case highlights the importance of recognizing the possibilities and new directions that result from shifting lines of inclusion and exclusion under processes of globalization.

## **Conclusion**

South Korea experienced the twin financial crisis of 1998 and 2008 respectively. It has managed the economic recovery too efficiently as well. There was the crisis of stumbling of currency market and the market economy of downward spiral.

South Korea's macroeconomic variables was ruin badly like GDP growth, unemployment rate, inflation rate and current account deficit. While, the corporate profitability and non-performing loans, foreign exchanges were tremendously hurt.

There were stimulus and long driven factors responsible for the economic turbulence of South Korea. The South Korean government did not wait for the market confidence to stabilize the financial markets. Nevertheless, it aggressively controlled the financial institutions to keep the country's credit system intact, but then on shallow structural reforms.

South Korean state administration overlooked the ideas of the shivering fundamental apprehension. These were focus on premier structural reforms and recapitalization of the

financial sectors. Businesses led corporate were design to survive with the crisis and due to the balance in real wages as much of the productivity.

However, due to social and political movement demands for welfare weakens the recovery system of financial turbulence. South Korean market was made flexible and with the support of the South Korean state administration, and was suppressed to appease the business and its allies. The adjustments was make to overcome the financial crisis. The regular positions in terms of employment was ignore by the business entities. Instead, there was increase in the non-regular employment. There were employment increase of women, old age population and other short-term mode sharply to satisfy the business and its allies with collaboration with the state adjustment in laws and legislations.

The adjustments were allow due to the implementation of IMF (International Monetary Fund) recommendations of the floating exchange rate in South Korean economy. It was apply due to prevent the future economic crisis, which was inevitable and retuned with crisis of 2008. Then in South Korea, it was maintain the two exchange rates regime, which were a floating exchange rate and another, was fix exchange rate. It was also refer to as the currency based and dollarization in South Korea. In the meantime, the currency market ruptured and South Korean market returned to a crawling peg system to maintain the trade surplus and foreign reserve surplus too.

The economic recovery was possible only by heading towards the momentum of low and financial cost respectively. The struggle after the financial crisis has curtailed by the structural adjustments and in response to the financial crisis in South Korea. This has led to make the market more flexible and South Korea's large and big conglomerates more out thrown. The structural reforms of the South Korea state administration on the adjustment and flexibility signifies the transition to a new era of state led business collaboration process specifically the chaebol dominance.

The South Korean state has been in the supreme position in the 'developmental regime', the term coined by Chang Kyung-Sup, department of Sociology, Seoul National University of South Korea. The decade after the democratic transition of the capital had assumed the position of the head-honchos. These indicate the transition mode of governance of the South Korean state to be

neo-liberal democratic. This would describe as the triumph of the neo-liberalism and for the business groups who were following the principle of interest convergence. While, the regular workers to enjoy the fullest benefit instead of non-regular but were outnumber in the counts.

Hence, South Korea created itself neo-liberal market economies, which were responsible to build a flexible market regime and non-regular at the job to be more suited for the business and its entities on the lines of IMF regulations. While, the structural reforms made for the s had been restricted to explicit bond between the government and the business groups. The final breakdown of 2008 economic crisis remained as heavily pro-business as evident by its failure to address the issue of non-regular employment. Non-regular and its sudden rise manifests the South Korea's anti system and pro-business system.



## Chapter Four: Hi-tech Sector, Jobless Growth and the Labour in Korea

This chapter would like to throw light on the phenomenon of coming of high-technology sector and the heavy industrial economy. This has outdated the labour in the human form, which was related workforce and diminishes the employment and yet there is high growth economically following science and technology. It will focus on how the mechanism of export-led industrialization growth made the labour at the margins and their weakening of bargaining abilities.

“South Korea has made its labour market more flexible through deregulation to gain from globalization. There have been the numerous effects of these twin trends one is flexibility and the other is globalization transcends to employment and working conditions. However, the impact of these trends on the well-being of workers has well recognized. The empirical studies related to the employment conditions with the phenomenon of globalization has been too less. As a result, the study related to the labour issue in South Korea seems beyond a superficial macro-level analysis. This has been done to examine the kinds of employment conditions that individual workers have gone through, such as employment status, wages or incomes, work hours and workers’ right” (Lee and Eyraud 2008).

“If we carefully examine the South Korean industries, for example the Korean auto industry which has been supported by the backward linkage. This has been too in accordance with a number of outsourcing suppliers. There has been explicit division between regular or which is called permanent and non-regular which is called as a temporary) workers. Into which the inferior status of the contract workers is been highlighted. The contracts workers tend to organize for their demand from the mother firm<sup>70</sup> to get employ them as regular workers” (Lee and Frankel 2004). .

In the same manner, the migrant workers or labour from outside the periphery in South Korea has too treated as contract workers. The South Korean shipbuilding industry has regarded high in rank among the other global competitor. This has been due to the number one around the world the industrial hazards and safety problems have been mostly the ignorance and rise as the issue occasionally.

<sup>70</sup> A parent company is the firm that owns more than it needed the voting stock in another firm to control management and operation with the mechanism and influencing or electing its board of directors.

South Korea was severely affected by the outbreak of the Asian financial crisis in 1997 and in 1998. In response to this, the country adopted broad ranging economic reforms featuring. Among other things, there has been target on the development of high-tech industries particularly export led industrialization and information technology. This has been a key sector for restoring the country's competitiveness. South Korea within two years has recovered and put a stiff competition with the level of industrial R&D<sup>71</sup> (Research and Development) achieved prior to the crisis. Moreover, it has successfully transformed itself into one of the world's most dynamic technological economies to overcome the crisis. In 2011, South Korea's gross expenditure has been on R&D, which has calculated for 4.03 percent of its Gross Domestic Product. It has ranked the sixth highest in the world. In addition, it ranked eighteenth in the Global Innovation Index<sup>72</sup>, in 2013 with high ranking in the sub-indicators such as:

1. The human capital and research and
2. The development of well-established infrastructure.

“South Korea has made well use of its well-established infrastructure. It invested into the highly educated labour force and has a strong intervention of the government's support to develop competitive edge in many different of high-tech industries. This includes the information communication technology, liquid crystal display, and semiconductor and medical or biotechnology industries. However, a factor such as development out from small and medium enterprises by Chaebols, insufficient basic science research, and weak relations between the technology development and application has overshadowed the South Korea's future technological development” (Robinson 1996).

71 R&D has been termed as research and technical or also called as technological and development (RTD, Research Trade and Development) if the third term added in R+D+T. it is a general term with the work or the effort with corporate or governmental innovation. Research and development has been classically at the front end of the innovation life cycle, which could turn with commercialization.

72 The Global Innovation Index (GII) could be defining as the annual ranking of countries by their capacity for, and success in, innovation. It is being published by Cornell University, classified as INSEAD in French language (European Institute of Business Administration), and the World Intellectual Property Organization, collaboration with other organisations and institutions.

#### **4.1 Rise of Hi-technology and the demand and supply of Labour**

The pattern with the rise of technological growth in the society is the basic target at first. Thereby supply of labour into skilled, semi-skilled and advanced skill labour has to be according to the demand of the industrial management team in different sections. For long-term structural change, manufacturing plays a crucial concern. It creates many productive, formal jobs at many different stages of development. It led to the push of technological development and innovation to sustain productivity growth in manufacturing as well in other sectors.

“There have been the varying effects on employment, wages, technological upgrading and sustainability at different stages of development. The reason for these changes has been the manufacturing changes economic structures, usually from labour intensive mechanism to more capital and technology driven activities. Thereafter the each manufacturing subsector also changes their products and production processes. This has to be done with the increasing format of capital and technology” (Yang 2012).

“The process of premature unindustrialized poses a serious blow to growth in developing countries. This can be smothering the increasing potential of manufacturing when it sets in. The kind of informal service activities could lead to the emergence at the different stages to reduce instead of enhancing the growth. The different many services that emerged were such as the logistics, business services and information technology services, when there has been the stable unindustrialized sets in at higher levels of per capita income. They are much more dynamic and which could over transfer and complement the growth with the enhancing role of manufacturing. There have been different formulations. One common theme from the literature on organizational trust has been the idea that organizations in the contemporary period have a need to externalize the employment relationship. Then it has to replace traditional employees in favour of temporary. The external labour has to buy in from various kinds of labour intermediaries. The need has to be seen as a factor for motivation by the unprocurable demands of shareholders in a globalized economy” (Costa and Frankema 2007).

In the theories of the management literature, the kind of work externalization has recognized as the product in a problem of coordination and control. This has to be there since temporary organizational members lack shared history and a shared understanding of the organizational

environment. As the trust has formed as a lubricant of social relations, it has proposed as a solution. The devolution of the idea made to the individuals who trust one another but do not need to be control to the same extent as if they were not. At the same time, work externalization has seen as presenting a challenge to the maintenance of trust in organizations. Thus, there is a dominance in the literature of organizational trust and could be called as the psychological state. This has primarily related to personal characteristics like, what the management literature actually tries to increase the division of labour into categories of internal and external workers. This poses challenges for the formation and maintenance of trust among organizational members.

The National Science and Technology Council of South Korea handle the special IT (Information and Technology) policies and projects. “It looks into the development strategic policies based on technological innovation. It has been there to provide guidelines for future development of the IT industry. The Framework Act on Science and Technology also provides an institutional strategy that can be through:

1. Systematic promotion of the science and technology policy to subvert with the comprehensive knowledge with the information regulated society in the new century. This has been the motive and support to promote the innovation oriented economic system.
2. There has to be the medium and set long-term development goals in science and technology based on the Act.
3. To establish the quintessential plan for science and technology” (McKnight et al., 1998).

“There has been the boost up from the private sector which has been the major the push to South Korea's Information and Technology industry. This has contributed up to seventy five percent of GDP expenditure to the R & D during the year 2011. Chaebols has been the dominant change maker in the Information and Technology industry. It has regarded that the SMEs only have minimal influence in the industry. The dominance of Chaebol system has been the significant factor in the government's favourable policy related to the business conglomerates. The largest Chaebols in South Korea's IT industry were has been the Samsung, Hyundai and LG” (Schoorman et al. 2007).

“Natural resources have always been the constraint on to the South Korea’s development. To be able to push the economic growth, South Korea has actively developed its human capital. There has been the investment to heavy in science and technology. This was done to promote IT (Information and Technology) led industrial development. South Korea has been making its leap on the development of science and technology since in the 1960s. It was started when countries began to import and then conformed to foreign technology and simultaneously enhancing its indigenous technological capability. The era of 1980s has been on the verge to figure out the changes in South Korea's industrial policy from technology learning to technology development. There has been the transfer of function of the government from planning and financing. This has been to promote and facilitate the private oriented industrial research and development” (Ibid.).

High-income generation nations have an advantage in high technology led industries. This has made clearly to have the potential to gain the faster growth in the low and medium oriented technical industries. This has taken as an advantage that formats the structural change within manufacturing. This is also responsible to transfer the resources towards high-tech industries at higher income levels. Productivity has been the major contributor to the growth of high technical industries. Their growth does not depend significantly on an increase in the use of energy and natural resources.

During “the progressive years of industrial led technical growth, South Korea’s industrial structure has been drastically transformed. Dominant industries were devolve to include automobiles, petrochemicals, electronics, shipbuilding, textiles and steel products. Since the learned lessons from the time immemorial of development in the West, South Korea was able to make a similar duplication from an agricultural to manufacturing and on to a service oriented economy within too less period. It has been because of GDP led growth pushed the brisk of export and sizeable investment in plant and facilities. South Korea emerged as the world’s eleventh largest economy in terms of GDP, which comes out to be \$887.4 billion in 2006. South Korea has formulated a very special act which has been on the framework act on Science and Technology. There has been a body formulation to govern the development of the IT industry, which has up until now has managed by:

1. The Ministry of Science, ICT (Information, Communication and Technology) and Future Planning.

## 2. The National Science and Technology Council.

The act specifically requires the South Korean government to formulate a basic plan for the science and technology sector every five years. The most significant basic plan been released in July 2013. This has targeted to make use of the government's support for domestic R&D projects. This planned to raise South Korea's innovation capacity and to create 6,40,000 new jobs. This has also manifests to increase the contribution of basic science research to the GDP growth over the next five years” (Chang, 2007).

The industrial sector has played a major factor in the development of Information and Technology in South Korea. This could be accounted to seventy five percent of GDP expenditure on Research and Development in 2011. The inclination of the business oriented industrial sector has mainly foci on the Chaebol system to built around the government led policy towards business conglomerates

“South Korea has speculated the growth in its non-regular work in the labour market after the global financial crisis, like many OECD member countries does. According to the OECD Employment Outlook (2012), non-regular workers made up to twenty three percent of the total workforce in OECD member countries in 2001. Their proportion has then increased to 28.5 percent in 2011 (OECD, 2012). Thereby in to South Korea, the expansion of non-regular worker has risen to at thirty-seven percent in 2004. This has showed little or too minimal change having the coverage from thirty three percent to thirty-four percent. The case has been since, 2008 according to the Economic Activity Census 2012 of Korea” (National Statistics Korea, KOSIS, 2012).

The figure of forty nine percent of the non-regular workers has been enumerated. This has signaled that they wanted their non-regular status, but only fifty one percent of the workers shown up that, they had no choice but to accept the status offered by their employers only. There has been no social agreement on the matter on the status of non-regular work that has continued to grow. The reasons could categorize as follows. One factor could be the employers’ demand .Employers has always made their strong motivation to recruit maximum non-regular workers procuring any legal limits as possible. The motivation from the employers’ side has contributed to the rise of non-regular work in the labour market without any hesitation. Most of the multi-

national corporations or the medium-sized enterprises, and small businesses from Korea have to go through global competition in their domestic or overseas markets. Thus, they managed to reduce their costs, especially their labour costs. It has been seen that the major corporations or conglomerates were dominant only on labour cost cutting but this could be achieved through business restructuring. It has been very difficult to enter into a technology intensive industry that requires highly skilled workers in comparison with the non-regular. Thereby, the employers have come to realize that they can be transform to regular jobs to various types of non-regular work at low cost. This can be possible only because of South Korea's low union density and deregulation policy.

The second factor could effect has been the employee demands. There has much talked about whether many non-regular workers can be consider as voluntary participants in non-regular work relations. There has been a clear message that the regular jobs in the actual circumstances were shrinking in workplaces or businesses. The unemployment rate has remained high. Therefore, the employees have fewer choices of jobs. Many scholars point out that women's participation in the labour market has increased steadily. There are the female workers voluntarily going for the non-regular jobs, because they have a better mindset as compare to the male workers to restore their work with their family life.

The third factor has been the about the government demands which were around the creation or preservation of domestic jobs. This has become the most important aim in Korea's labour policy during the global recession. Though major of the non-regular jobs were of poor in quality and that too in terms of wages and other employment conditions. The government has been assiduous to push the major domestic companies and multi-national corporations to maintain such jobs in their workplaces and in the domestic labour market. Thus labour policy has more pertinent to facilitate the labour fluidity in the domestic labour market than considering the non-regular workers lack job security in reality.

There has been the technological advancement needed to a broad and widespread of knowledge throughout the whole economy. Such a widespread of knowledge requires strong public policies to amalgamate the new technologies with an institutional infrastructure. These includes, among other things such as the extension services, industrial clusters, metrology standards, productivity standards, technical information services, and quality control institutions.

The enhancement of the technological capabilities do requires a technology led commercial infrastructure. This has to put into practice of the new knowledge created, such as in government research labs and universities. This kind of infrastructure includes such a as adequate intellectual property rights protection systems, technology-transfer offices at universities and research institutes, science and industrial parks, business incubators, and early-stage technology finance and venture capital.

With the structural transformation, societies are depended on the technologically complex. This led to the economically productivities, improving incomes, wealth and subjective well-being etc. Thereafter the demographic shifts, pushed and this led to the rising incomes and the enhancement of modern technologies. This helps to improve outcomes in health, education and urbanization. Manufacturing tool has been the fundamental to this process. It provides productive employment in the early stages and act as a catalyst for technological innovation.

With the passage of time the country's manufacturing should get evolves out of being labour-intensive to being more capital and technology intensive. This would create a demand for more skilled labour. The better skilled workforce provides incentives for technological innovation. This would enable a virtuous circle of education, innovation and productivity growth. Everyone would not get can access to the opportunities that has been created. Only to those with the domestic capabilities and technologies would be suited to comply with these conditions can socially inclusive industrial development distributes the fruits of economic growth more evenly.

The technology led structural changes proliferate with the modern capabilities. The formal industrial sector and industry oriented services, absorbs the labour from the echelon of underemployed workers in agriculture or informal services. Manufacturing tool plays the major role in generating and diffusing new technologies. Moreover, backward and forward linkages and overflows have an effect out of manufacturing push the regional and nation's development. This would create feedback loops of accumulating human capital and improving institutions.

Thus, there could be a creation of direct and indirect jobs in manufacturing and manufacturing depended services brings more people into the growth process. It then also increases average productivity, wages and family incomes. When the family incomes rise, an individual is able to help in reducing poverty. This continuous process can temporarily lead to income inequality. An



example of the phenomenon could be the invention of the internal combustion engine, which caused substantial job losses in the horse drawing carriage industry. Anyway, in the end it eventually resulted in substantial new employment in the automobile industry.

The lesson from the technological innovation has not only produced the static effects in the short term reallocation of labour but has led to the dynamic effects, like the facilitation of the growth of productivity and output in modern urban factory set up. The proliferation of the advanced formal sector pushes the government to set up a tax base. This would lead to more revenue generation in the public sector that might enable the government to improve economic, administrative and political institutions and widen social protection measures. It could more women participate in the labour market.

The condition of modest earning opportunities, parents want their children to receive good and sound education. To the phenomenon of the quantity and quality tradeoff for the number of children, the expanding modern sector may reduce fertility. Thereafter with a shift of resources towards better education of children in turn could enhance the human capital formation and labour productivity. Thus, a growing modern sector is also a major determinant of fertility and the demographic transition.

#### **4.2 The Changes in the pattern of Employment of Labour**

This section deals with the issue of change in pattern of demand and supply of labour in the market with the non-regular labour monopolization. To capture “the power dynamics that has been the major factor for the growth of non-regular employment it has to examine how and under what conditions employers and the state have changed the social and legal norms that regulate employment. Contractual discrimination has been set up as a powerful vehicle for undermining prevailing norms and standards in the social exchange of labour for a wage. Contractual discrimination has been operational with the three distinct yet interrelated mechanisms” (Amsden 1989).

Concealment masks the presence of a direct wage relationship. This has done by employing workers under indirect and triangulated contractual forms such as in house subcontracting and dispatch or we call it globally the temporary agency employment. Denial to the condition would result on employment misclassification. This has been done to prevent workers classified as self-

employed or specially-employed or independently contracted from availing the labour rights and welfare benefits. Avoidance enables employers to circumvent existing legal framework and standards by employing workers under limited term, part-time and unsuitable contracts. This forms, which have been and was legally exclude from existing labour regulations and protections. Not to be see around forms the conditions for extreme vulnerability to arbitrary employer practices. It has been due to the lack of public knowledge about the actual conditions of work. These kinds of protective measures could be created to prevent employer abuse and employment-based poverty.

There could be eluded earning opportunities. Therefore, parents want their children to receive more education. Moreover, with a quantity and quality tradeoff for the number of children, the expanding modern sector may reduce fertility, further allowing a transfer of resources towards better education of children and enhancing human capital formation and labour productivity.

Thus, a growing modern sector is also a major determinant of fertility and the demographic transition. From this perspective, even if new technologies hurt income distribution and employment creation, it is often temporary. The continuous rise in inequality ultimately reflects institutional and policy failures. This could lead to the technological gaps between sectors, regions, and countries or that fail to provide adequate social buffers in times of rapid change. Hence, the conditions to delve into the technology to push the social inclusiveness were the need of the hour. Regulations and incentives help steer the direction of technological change, and more could done was to guide innovation to complement rather than replace humans. It may also be necessary to support technological innovations with organizational change, helping to flatten hierarchies and decentralize management responsibilities.

Nations should try to use technologies that are better suited for their characteristics. The mechanism should reflect their factors, skills and endowments. Innovation into the industrial policies is therefore fundamental in shifting the dynamic path towards a more inclusive trajectory. This would determine the structure of prices, factor costs, infrastructure and the availability of alternative technologies. This also confirms the knowledge that firms have about these technologies.

“These mechanisms were often tried in amalgamation with each other. In order to strengthen the capacity of non-regular employment with the schemes to be operate outside legal frameworks regulating both employer-employee relationships and industrial relations. Various mechanisms also interact with other social mechanism to subject the socially disadvantaged groups of workers such as the women, youth, seniors, the disabled and less educated workers to heightened levels of discrimination and abuse. The significant example of the use of concealment in contractual discrimination has been in-house subcontracting. This was in connection to the business practice in which the primary contractor contracts out part of his or her business to a subcontractor whose employees are to work under the umbrella of the main contractor’s premise” (Cho 2012).<sup>73</sup>

Since from the past the uses of indirect or intermediary employment were either could be in the form of in house subcontracting or labour dispatch. This was later ban in South Korea, except in the port and transport industry and by firms that provided salaries for veterans under authoritarian regimes. However, when the President Kim Dae-Jung government passed the 1998 Dispatched Workers Protection Act<sup>74</sup>, the government sanctioned the use of labour dispatch agency in thirty-two sectors. This is to make this form of indirect and intermediary legal for the first time in the nation’s history. Technically, the process of making the legal framework of dispatch employment was not mean to authorize cosmetic changes to the employment relationship. Rather, it was mean to diversify business practices, to allow the more flexible forms of labour market adjustment to do. However, in house subcontracting became a famous business practice within the multiple sectors and industries. This was due to reduce labour costs and avoid unionization in the context of the national economic crisis.

“The most inflow use of in-house subcontracting was done in the service sector. It has been the common practice for a single enterprise to put service in contract as has been in janitorial, service work and hotel room cleaning to multiple subcontracting companies at a single site. There the prime contractors have commonly multiplied the number of contracts with in-house

73 Cho, Joonmo, GiSeung Kim, and Taehee Kwon (2008), “Employment Problems with Irregular Workers in Korea: A Critical Approach to Government Policy.” *Pacific Affairs* 81, 407-426.

74 This act related to Protection and so, exclusively for Dispatched Workers posted in the Act No. 5512. This law proposes the eligibility to the employment for temporary workers contracted out as dispatched to other employers.

subcontractors to avoid wage and benefit gains after a successful unionization effort” (Chun 2009).

The availability of tendency towards fragmentation in the practice of in-house subcontracting, it is important to figure out that in in-house cleaning subcontractors in South Korea tend to be small and medium firms that hire less than fifty and hundred workers. It has done unlike done in the cleaning contracting sector in the United States, Europe and South Africa. In South Korea, this has dominated by multinational contracting companies such as Sodexo<sup>75</sup>, Aramark<sup>76</sup> and Compass<sup>77</sup>. This has done by the firm agglomeration to avoid the consolidation of a single entity, which was required for the bargaining collectively with a single union. This could be an effective strategy of undermining the strength and effectiveness of workplace-based organizing. Although manufacturing phenomenon was excluded from the echelon of sanctioned sectors in the year 1998 with Dispatched Workers Protection Act.

The use of in house subcontracting has also grown in the manufacturing sector, including in Korea’s large automobile sector. Many large manufacturing companies have turned to in-house subcontracting. This has mainly done to avoid expanding the size of their regularly employed manufacturing workforce. This was heavily unionized and regulated. With the coming of the year 2004, the new labour ministry survey posted that each prime contractor uses an average of twelve different in-house subcontractors. While in the year 2008 and 2010 surveys done by the Ministry of Employment and Labour shows that only one-third to one-half of large companies which comes out to be over three hundred employee could use in-house subcontractors. There have been numerous cases filed in the courts that challenge the legitimacy of in-house contracting by large companies such as Hyundai Motors<sup>78</sup>. However, legal differences between

75 Sodexo Korea, or called as the Sodexo of South Korea. It has been the division of the Sodexo enterprise group. Sodexo signifies the quality of life services to promotion of the businesses to enhance their employees’ work life. Pierre Bellon in Marseilles, France established Sodexo in 1966.

76 Aramark Company Limited has been as catering company in South Korea. It offers its services to businesses, industries, hospitals, schools, universities, and mining, oil and gas rigs feed in the Olympics, Asian Games, major sporting events, and many other valuable customers.

77 Compass Technology Company Limited was establish in June 1997. It has been the manufacturer of flexible device substrate also supported by the stable management and technical personnel with the year in the semiconductor industry.

the courts and government agencies such as the Ministry of Labour and the Human Rights Commission could prevent the effective back up on the enforcement.

It has been too shocking for the public sector which has been the major source of in-house subcontracting, with a higher share of public sector companies. In figures, it comes out to be 75.8 percent to be present with in-house subcontracting than manufacturing companies, which comes out to be 58 percent. In the ILO report” as presented by Yun (2007) explained in “the wake of the economic crisis in 1997, the South Korean government has been able to push the public sectors. This has done to reduce the personnel segment and to contract out their services. Specially, the Government has pushed this restructuring through budget mechanisms. The imposition of financial penalties, when public organizations fail in implementing required the restructuring.

As a result, hundreds of thousands of public employees have been washed and menial types of employment have been introduced, which led to make the budget cuts possible. The research has been not the standards were made on the growth of precarious work in the public sector. There has been too the non-regularly-employed public education which supports workers who were from the beginning to organize in large number. Nevertheless, in-house subcontracting companies hire not all non-regularly-employed public education support workers. In-house subcontracting has been one of the many different non-regular employment schemes. This has made in addition to such as the daily workers, part-time workers and dispatch agency workers. This has made used to cut labour costs and prevent union formation among people who work in public elementary, middle and high schools. This also includes workers such as who serve school lunches, run school libraries, aid science laboratories, assist disabled students, teach physical education, run after-school programs, and perform administrative functions for elementary, middle and high school students. The prohibition has been another effective mechanism for enacting contractual discrimination upon non regularly-employed workers.

“People were classified as “specially-employed” which equivalent to a self-employed independent contractor or independently-contracted is denied recognition as legitimate workers under the law, allowing employers to avoid abiding by existing regulatory frameworks. With the motion of Labour Standards Act, the legally recognized workers were entitled to come under the

78 Hyundai Motors Company has been the South Korean multinational automotive manufacturer company. It has headquartered in Seoul South Korea. The company was found in 1967.

umbrella of wage and benefit protections. In addition to this as well as three basic associational rights like the freedom of association, the right to strike, and the right to collective bargaining. By no later than 1998, the legal status of workers as independent contractors was rarely the subject of labour disputes” (Chang 2009).

However, with the beginning in 1999 the union struggles of golf game assistants, home study tutors, and insurance sales agents, various entities that were depended on the services of “specially-employed” or independently-contracted workers. They have begun to challenging their right to form unions and negotiate collective bargaining agreements. On the contrary, opposite to the legal rulings by the Ministry of Labour, the Human Rights Commission and the courts on the legal status of specially employed persons as workers have diminished the union formation efforts. As in the recent case of the denial of union recognition to home study tutors affiliated with the Jaenung Educational Industries<sup>79</sup> (JEI) union.

In many cases, workers were not even having the knowledge that they are hire under one-year limited-term contracts. It was because their contracts are repeatedly renew without question. Labour disputes have arisen in companies when employers refuse to renew workers contracts as the reason for the termination of their employment.

“The struggle led by E-land Workers Union<sup>80</sup> was also at the peak to challenge the avoidance strategies by employers. As they have refused to transformation, the status of none regularly employed workers to regular stats after two continuous years of employment. The employment of the people as part-time workers also allows employers to avoid employing workers over a set number of hours. This could done by reducing their fiscal and legal responsibilities to meet minimum employment-based welfare benefits. For example, the majority of homecare workers in South Korea are employed on a part-time basis. However, to avoid providing these benefits, some agencies hire homecare workers less than sixty hours per month. Many employers also terminate the contracts of homecare workers after eleven months before they reach one

<sup>79</sup> The firm led to the struggle of home based tutors in the format of a business organization. It raised awareness about the feeble position of workers in “special employment” and the need to reclassify the independent contracted workers into legally recognized workers.

<sup>80</sup> The E-Land Union has been the one of the KCTU’s first unions to organize the non-regular workers. This has come by the experience of the dismissals of retail and supermarket cashiers and sales assistant is wok.

continuous year of employment. It is due to avoid paying workers an annual extra month of salary as retirement compensation” (Chang, 2011) .

### **4.3 Jobless-Growth and diminishing demand of Labour**

This section deals with the important issue, which was very common at the end of 1990’s and beginning of 2000’s in different economic zones of the world. The technological and economical values were rate high in the most of the developed nations. The social factor or the shades of unemployment, retrenchment or the lay-offs were too high. There was another kind of investment of the capital and this has been about the human capital. This has done away from the economical processes. This trend was alarming in Korea and got most affect.

“In 1997, the Asian Financial Crisis marched and crossed over to South Korea. With the economy in shambles, the South Korean government had to make a deal with the International Monetary Fund (IMF) to stay afloat. Without the deal, the Korean government spending was two billion dollar per day to keep the large banks solvent. Korea received a dollar fifty--seven billion-bailout package based on massive economic restructuring speculations. The reforms were projected at making the economy more transparent, market-oriented, and efficiently supervised” (KLSI, 2011).

These neo-liberal market reforms have projected on disinvestment of public corporations. Then there the enhancement of labour market ‘flexibility’. The opening the financial market, and governance reforms made to the big family based corporations or to be called Chaebol. Chaebol corporate reforms were position more of a shareholder dominated corporate configuration and less corruption. South Korea has been in a shift from a developmental state. This happened too with the strong government intervention of the economy, into a neoliberal state. This has to be characterize by sticking to free market principles. These reforms made a leaner, more efficient Chaebol with the operation and structure<sup>81</sup>.

“There has been a steep fall in youth employment noticed within the last two decades. The youth employment rate in South Korea remains has been minimal as compared with the other OECD countries. There has been certain pattern on the data on youth participation. This has suggested

<sup>81</sup>Chen, Shu-Ching Jean (2010), “Chaebol Chief Alleged to Kidnap, Beat Son’s Foes.

that the driving factor trends to the lower unemployment rate for youth. This has been the decline in labour force participation. Especially, the youth participation rate has slowed down steeply over the last two decades, from about 37 percent in 1994 to around 26.50 percent in 2012. This has been one of the lowest in OECD countries while the average youth participation rate in the OECD was reported to be 47.50 percent<sup>82</sup> (Choo 2008).

Another angle of demarcation in the Korean economy, which has changed during the neoliberal reforms, was the different of corporate governance. A neoliberal economic format posits that placing corporate shareholders' interests first has been the need of the hour. This has gone against the stakeholder holder's angle of corporate governance. This takes into account various groups, which have a stake in the corporation, which includes such as stockholders, management, employees, labour unions, financial institutions, government, and local community. To the IMF reforms, South Korea adopted the "Korea Code of Best Practices for Corporate Governance<sup>83</sup>" which enacted a shareholder based and market dependent model of corporate governance. In due course of time, many Korean corporations have adopted this governance model.

Dong Ju Kim and Dong-One Kim (2015)<sup>84</sup> compared "South Korean corporations which have and have not adopted this market-oriented model. This formulation further examined if the two different governance structures has based on different employment relations. The outcome has been in general, there was found a positive correlation between stakeholder dependent corporate governance and employment relations. Especially, the stakeholder firms spent huge money in training employees, employed workers for longer, and had a lower

82 Jones, Randall, and Satoshi Urasawa, (2013), "Labour Market Policies to Promote Growth and Social Cohesion in Korea," OECD Economics Department Working Papers, No. 1068, OECD, Paris.

83 Cho, Joonmo, Lee Kyu-Young, and Lee Jaesong (2011), See to this "Dismissal Law and Human Resource Management in SMEs: Lessons from Korea." *Asia Pacific Journal of Human Resources*, 49 (1), 105-123.

84 Kim, Dong Ju and Dong-One Kim. (2015), "The Impact of Corporate Governance on Employment Relations in South Korea: The Shareholder Versus Stakeholder Perspectives." *The International Journal of Human Resources Management* 26 (17).



projection of strikes.

The speculation led by the management in a shareholder dependent firm has been the maximization of short-term profit. Investment in the human capital of employees was not the sole priority for these firms. As these firms have not invested in time and money providing skills to these employees, they are less valuable to the firm. Thus, are relatively more fragile and limiting to their job security. In addition the shareholder firms were more likely to behave passively and develop the negative in response to make a demand from labour unions.

The many projection developed leads to less power and benefits for workers in these types of firms. This has happened due to the lower and often temporary costs associated with non-regular workers. In addition, it makes sense for shareholder firms to be open to be heavily utilize non-regular workers. In the opposition to the behavior of stakeholder-oriented governance, which takes into account employee considerations in its operations, shareholder-oriented governance has been under pressure to consider for the short-term profit, and neglecting its impact on workers. The IMF reforms made to put a heavily cut back with the power of labour unions. The devised IMF reforms promulgated the government to crave a tripartite Commission between government, labour, and business. This is in order to establish broad social agreement about the direction of reform, which has to be develop on the pattern of European “competitive corporatism”<sup>85</sup>.

Anyway, “the commission has crippled of the major national union FKTU to post the response as the aggressive strikes from the other, or more militant national union KCTU of not having a comprehensive stand. The positions has made to create a corporate oriented social contract. Nevertheless, this has failed because the inclusion of labour gives the order of being selectively pro-labour without being anti-business. The KCTU left the Tripartite Commission in 1998 because it got dissatisfied with the direction and behaviour of the policies. The continuation of the Tripartite Commission without the key representation of labour posed the difficulty of labour in achieving a momentum of a voice in mainstream Korean politics. Further, the tripartite commission did eventually pass out the ninety historic agreements” (Chang, 2011).

85 This is the concept has been developed with the ideas of globalization, labour markets and welfare states together in the state ideologies.

The apprehension of the government to continue the tripartite commission without the effective participation of key labour groups positioned the sour attitude of the government. There also have been the labour considerations during the neoliberal reform movement. In all, the direction of these agreements has been to create a global and competitive flexible labour market, which also aims to expand with the labour rights and social security.

One of the outcomes of the decrease in labour union strength generation has been the ability of managers to lay off workers too smoothly. It could exemplified in 1998 layoff regulation, which provisioned the proof of “urgent managerial need.”<sup>86</sup> This has combined with good faith acceptance with labour unions on “efforts to avoid dismissal” which were the needs demanded to lay off a worker. This certainly allowed for wider managerial freedom in comparison with the previous, rigid and dismissal regulation.

Earlier to this 1998 provisions on legislation, the South Korean labour law proposed that a firm could not dismiss, layoff, suspend, transfer a worker, or reduces wages, or take other punitive measures against a worker without justifiable reason. With these provisions there has been the little freedom levied on the part of the employer. This has been the view as the Korean courts accepted only justifiable dismissal as one that occurred when a firm would go bankrupt. Before the neoliberal reforms, Korean labour markets were significantly inflexible, and that too with very strict requirements for lay off the workers.

However, to the 1998 regulation which was intended to increase flexibility, in true sense it created a situation in which collective dismissals were impossible. To meet the need for labour flexibility, firms shifted to non-regular workers. The hiring and firing of contract workers has not been under the subject to the labour regulations formed within the umbrella of the tripartite commission, which led the contract workers extremely desirable. Additionally, many companies, like small and medium sized enterprises were without any effort lay off the workers in direct contradiction to the law.

<sup>86</sup> Choi, Sukhwan. 2007, “Employee Representation System in South Korea.” Ph.D.(Thesis), Seoul National University.

The government then paid attention to these occurrences, but did nothing to enforce the regulation. There has been missing of powerful, organized and centralized union power. This led to push these firms to pay any attention on the legislation, contributing to frequently unjust dismissal of workers. In comparison to the previous South Korean labour market, there has been high employment and faced little need for layoffs. The labour market flexibility was regulated by the IMF which has become one of the key aspects of liberalization and results onto resuscitate the Korean economy. There has been much management discretion in the case of dismissals, which could see as conducting to greater labour flexibility. However, the legislation, which has formulated to the labour dismissals, had ostensibly intended to increase labour market flexibility. This failed to do so and even with its concessions to labour. Then also, the legislation could not do meaningfully contribution to the job security.

The contribution to the growth of non-regular workers has been pose an obstacle in the path of flexibility. Firms get away with this obstacle with the employment of more non-regular workers, who were not subject to such regulation. Non-regular workers confiscated the burden of labour flexibility but the regular workers get support from government regulated job security. While, the government advocated the effective neo-liberal market reforms led to the expansion of favouring non-regular workers. The broader structural factors also led to polarization of the labour market. In addition to labour market flexibility inside the economy, the Korean government speculated the neo-liberal reforms. It also put the Korean economy into more direct international competition. Higher international competition made the reduction in low wage jobs and a high focus on high technology exports. To the increased competition with Chinese producers made the steep decrease in the market share of low payment and menial skilled industries in Korea.

The subjection of low wage Chinese labour force has covered the larger share of the international market in labour-intensive industries. Nevertheless, the South Korea previously had an advantage. This could explained for firms, which has affected by China's elevated maximum rise, in the early 2000s. It has been calculated as above of sixty percent of Korea's export commodities intersect as with of China in the markets globally. In the face of this rough

competition, many of the SMEs in low skill industries been fixed in the market, as with the previous to secure employment for low skill labourers.

Firms which could survive have outperformed by adopting a labour shedding mechanism to reduce costs this is to reduce the core group of highly skilled workers. South Korea lost its comparative advantage in the labour intensive manufacturing sector as has compared to China.<sup>87</sup> The exports began to be undermining by China, then the dominant Chaebol<sup>88</sup> put forward their focus to high technology and information technology industries. The high technology industry has been the function of a virtual locomotive for the country's economic recuperation.

In 2006, the Korean information technology industry maintained a pace at a rate of 13.3 percent. This has been accounted for forty percent of GDP growth in the respective year. However, if it has compared with the year 2002, the growth in information technology industry has showed the 26.3 percent of GDP growth. The industry whose major products have been such as mobile phones, semiconductors, and display panels relies heavily on capital and economies of scale to be internationally competitive.

Due to the factor of heavy reliance on capital, the export growth in these industries could not have been able to produce any significant job creation. Unlike the growth in manufacturing sector during Korea's developmental period, this growth has failed to provide good number of jobs. In addition to the jobs created through the growth of this sector were often for elite groups, and were in nature of highly skilled workers. This has created confusion between the few, desirable, highly skilled, highly paid workers and the rest of the workers.

The sufficient back up by international competition, the Korean economy has shifted from labour intensive manufacturing to non-labour intensive high technology industries.<sup>89</sup> These

87 Lee, Yoonkyung (2006), "Varieties of Labour Politics in Northeastern Asian Democracies: Political Institutions and Union Activism in Korea and Taiwan." *Asian Survey* 46 (5), 721-740.

88 Park, Seung-Rok and Ky-hyang Yuhn (2012), "Has the Korean *Chaebol* Model Succeeded?" *Journal of Economic Studies* 39(2),260 - 273.

89 This has found in the study by Kim, Wonik. See to this "Simultaneous Transitions: Democratization, Neoliberalization, and Possibilities for Class Compromise in South Korea." *Review of Radical Political*

shifts in the composition of the overall Korean economy had produced a sharp decrease in the demand for low-skilled workers. This gap has filled by the cost cutting on the part of Korean firms, and mainly using non-regular workers.

Even though the increase in inequality and non-regular workers has been the significant failure of the government's neoliberal reforms following the Asian Financial Crisis. There have been many attempts by the government to figure out these problems since the 1997 crisis. The Roh Tae administration declared in the year 2005 that vulnerable groups in the labour market shall provide with more welfare benefits and job training opportunities. These recent government policies, has been modulated to reduce both the growth and harmful effects of non-regular workers but with disgrace generally not been effective as was predicted.

There has been the government policy, which led to the expansion and employment of non-regular workers. There has been the continuous subsidization of SMEs, instead of their continued inefficiency and low profitability. In the early period of 2000s, the South Korean government began to supply generous, low interest loans to SME enterprises, effectively keeping these unprofitable firms afloat.

To keep the maintenance of these firms there has been the formation of ephemeral based stabilized labour markets. This is to provide jobs for workers, and the employment has been non-regular. In order to maintain some level of competitiveness and lower costs behaviour, the surviving SMEs congruently utilize non-regular labour. Ther has been the formation of downward spiral for the SME productivity. This has been in regular fashion and created by government support, which contributes to the expansion of the growing numbers of non-regular workers.

The Employment Stabilization Program (ESP)<sup>90</sup> has been fabrication to push the on back employment of non-regular workers. The incentive promoted firms has to retain workers, but *Economics* 42, no. 4 (2010): 505-527.

90 Employment Stabilization Programme in South Korea happened between the years 1993 to 1995. This has supported three categories of programmes launched by MOEL. First is the support of Employment Creation, second is the Employment Generation and last is the Employment Promotion.

produced a very little to affect to needed workers. It has proposed that only thirty percent of non-regular workers have given opportunity for ESP benefits. Even though it was mention that there has been clear need of non-regular workers and other marginalized groups, the ESP provision has only spent half its allocated budget. Even though the government has been aware of the problems faced by non-regular workers, the only programs to be flexible approach on their plight were design badly that it produced very little effect.

The government has been trying to formulate the job training programs. It has designed to help firms to provide training to low-skill workers. In addition, to gain the skills needed to adapt to the technology focused Korean economy. Nevertheless, this has been not the sole reason for the rise of non-regular employment. The change made from manufacturing to high technology brought many workers without the skills to thrive in the new economic environment.

However, like the ESP even this job training program simply does not reach to non-regular workers who could be trained efficiently. About twenty-seven percent of these low skilled workers were liable to get government funds for training. This training program, if then was been well in to effect then could have been an effective method to tackle the problems faced by non-regular workers.

In respect to all this, South Korea's social safety net has been formulated to position a better benefit the regular workers more than non-regular workers. To the provision for the pension and national health insurance systems, non-regular workers were been marked as self-employed. Then to the pension system, it gives the proposition that have to pay the whole amount relating to the pension insurance charges. This has resulted in much lower enrollment than expected of non-regular workers to be under the umbrella of the pension system. There has been the coverage of only forty five percent of all taken into the consideration as self-employed by the pension system that has to actually pay into their pension.

Another scheme of the health insurance plan for the self-employed did not positioned as favourable as it is for regular workers. It has been menial benefit coverage for making out from the pocket payment, which has been nearly between thirty five to forty five percent of the levied

expenditure in medical. To the non-regular workers, who generally have a lower wage, the turned costs come out to be as much as larger in percentage of their earned income.

There were many effective policies, which have made from the side of the government's efforts to sort out these problems. Another feature has been the unemployment insurance, which has the expansion limit to cover the daily workers, belongs to construction, fishing, agriculture and other specific occupations. As these were the formulated policies but have affected only a limited segment of the non-regular labour force that to without addressing the grassroots cause of non-regular employment.

The Korean social safety net which has been like the pension and health insurance have only encourage the polarization of employment benefits by retaining the benefits from the already made vulnerable non regular workers. Due to the limitation imposed of Korean unions, these groups do not have the political influence, which could affect any transformation to the devolved policies. Then the effectively implemented and correctly targeted employment incentives and job training programmes, which could be many reasons of the growth of non-regular workers. However, the successive governments policies have aimed at reducing non-regular employment have mostly failed to do so.

To the active policy failures, the government has been ignorance to non regular with their action and implementation. The South Korean government has been deviated smoothly with its enforcement of regulations. Then there has been frequent negligence to enforce social security liabilities. Firms are covered under the duty to workers by denying the existence of prior contracts that had been renewed and allowing the firm to get evaded from this kind of obligation.

There have been the numerous examples like once the worker has employed at a health center for almost three years without receiving any social security benefits. This happened because the worker's initial contract has renewed informally to every six months. When the worker finally able to receive state benefits, his contract period has been arbitrarily changed to two months. This has led to increase in the labour flexibility for the employer instead of worker of decreased job security and reduced social security benefits.

The process of subcontracting has made an easy layer of overshadow and this has been to hide the mismanagement of non-regular workers. In many cases, the subcontract company simply does not pay the amount required to workers. Therefore, the relationship between the employee, the subcontract company, and the order company is deliberately vague.

A particular example of this kind where the Chaebol were able to create a subsidiary, then it has been able to use as a subcontracting firm. Therefore it is further subdued to other branches of the parent company to withholding these subcontract workers' requisite social security benefits. Then the workers formed a union to protest, the Chaebol threatened to terminate their contracts. This has been the case of the showcase of the immense power of business over labour, especially non-regular workers, in the Korean system<sup>91</sup>. These kinds of the firms are able get a clean sweep with this misbehavior because of the loose regulatory environment. It has been through deviated inspection and exceptions to social security regulations. There could be the possible reason for this unwillingness to the restrictive enforcement of the employment regulations in a simply manner which could be too expensive.

To the position of convoluted and dynamic nature of non-regular work, it would be difficult for the government to put a check on firms. This kind of difficulty has magnified by businesses' incentives, which have the major objective not to cooperate and to hide their workers. It has noticed that there has an extensive influence of business in the government operations, which could led to the lax enforcement of regulations. Narrow cooperation of business and government has been certain before to democracy movement and the market reforms led by the IMF. There have been very close familial and business connections between the government and Chaebol in the formulation.

"There has been the mechanism of immediate reentrance between the Chaebol and government.

<sup>91</sup>Lee, Yoonkyung (2006), "Varieties of Labour Politics in Northeastern Asian Democracies: Political Institutions and Union Activism in Korea and Taiwan." *Asian Survey* 46 (5), 721-740.



There have been the provisions when corporate leaders often retire to become judges or political figures. Chaebol leaders relatively and very often bribe officials. This has reached to such an extent that in famous article mentioned by the Forbes magazines. The article put in the way that the arrest records of some of South Korea's higher corporate officials were as remarkable as their commercial success. Influential business leaders have used their power to swipe off allegations of making bribes to government officials and committing financial irregularities. Even the violent offenses has created and ignored. These evidence, make clear that large corporations have gained substantial influence within the government and used that to create a system favorable for them. Because enforcing the provision of regular workers could not be profitable to the great chaebol, therefore the government is unlikely to go for pushing" (Sungmoon et al. 2011).

Further, unable to get unified and organized labour movement. The non-regular workers do not have channels to go for change to this system. Amalgamating all these issues with the reality of organizing and allocating funds to enforcement. It has made clear that non-regular workers are unlikely to get attention from the government, which was supposed to protect them.

The country like South Korea gets accustomed with the skills and expands their infrastructure. The kind of opportunities for growth and employment generation have steadily increased in other industries but usually pressed by drawing an increase of amounts of production factor and also natural resources and energy. Most industries when in the middle-income platforms are to be intensive and have relatively poor emission performance. The countries, which evolve from the low-income stage, have good prospects for continuing the path of fast and inclusive development. Hence, they start facing sustainability challenges. Their entry into the high-income group at a mature level of industrialization comes with structural and technological changes in manufacturing. High-income countries get into the pattern of slower growth in manufacturing, except for high-tech industries, and experience a reduction in employment.

To the stage, where the productivity has been the major push for growth across manufacturing industries, leads to output in growth, without much increase in inputs of capital, labour and materials. The population employed in the manufacturing sector might receive an impressive

wage, but the sector has not been able to expand or conversely shedding employment. Thus, the sector has constrained opportunities for inclusive development in employment absorption. Nevertheless, this has been more environmentally friendly. Although employment prospects in manufacturing diminish as incomes grow beyond a certain level. The high technology led industries could create a large number of manufacturing dependent service jobs with a wage often comparable to that in manufacturing. While this could fully offset the low level in manufacturing employment, further.

#### **4.4 Rise of Non-Regular Labour in the Market-Mediated system**

This section deals with the politics of management concerning with the state policies where they made the rise of demand of non-regular labour were high in the market. While, there goes the tussle between the regular and the non-regular labour to get entry into the job framework. In this way the corporate management was reaping all the benefits of profit.

The discrepancy between the demand and production perspectives has been the result of derived demand. The demand for manufacturing products leads to demand for services and for resources, and vice versa. In fact, the significant part in the height of globalization is the amalgamation of such derived demand, and certainly indicating the rise of global value chains.

The factors have been the technological change that leads to the structural transformation by generating a continuous flow of new products and productive activities. This led to the result of the new sectors that has to rise and old ones replenish to become technologically obsolete. A technological change in production processes out performs in rapid productivity increases. This can be the outcome of interaction with changes in demand of labour. This would result in dramatic transformations in the structure of production.

“The productivity output resulting in a great push by technology decrease employment in some sectors and liberate resources that can be deployed into other sectors in the economy. Korea has been one of the very few nations that have a great shift from low income to high-income status between 1960 and 1990. Its trajectory positioned to the expansion of modern employment and increases in relative productivity. While during the period between 1985 and 2008, the modern sector ceased to expand as a share of labour force, but relative productivity was still under the

process of polish and improvement. There has been the alternative trajectory which could be defined for economies that remain trapped at low-income levels, failing both to increase their modern sector and to bridge technology gaps” (Chang 2011).

The expression of non-regular employed workers’ struggles presents that a comparative isolation and distinct cases of non-regular worker contention have consolidated. This consolidation has been into a new social movement spearheaded by the non-regular employed. The different forms of claims made during the course of non-regular employed workers struggles have been very moderately consistent across the individual cases. They include:

1. The outperformed contract termination has to be readjust and reaffirmed.
2. There should be limit to deceptive and discriminatory hiring and firing practices.
3. There should be regularization into the employment status.
4. There has to be the comprehensive recognition of unions and making the legitimate status as workers by non-regular employed workers.
5. Intensive polishing and re-framing of exploitative conditions of non-regular employed workers. But, there are key differences across the cases.

For example in the cases where the vast majority of non-regular employed workers are women and then the position of contractual discrimination overlap clearly to the factor of gender discrimination. The external support from students and the various civil society groups, which has too active in performing the role in supporting non-regular employed workers struggles. Interestingly, in the case of independently contracted truck drivers, interestingly, external support actors have played a denial role.

“While, the regular employed workers and international labour unions have played an active role in solidarity with the workers’ struggles. This led to the attribution in large part to the strategic location of truck drivers in the construction and transportation industry in the logistics sector. Also, their ability has been to cause significant financial losses to company revenues and the overall economy” . Another important difference of factor has been the amalgamation of the long protracted symbolic struggles of militant workers and unions. There has been the pragmatic approach of unions such as the KWTU<sup>92</sup>. While the KWTU has been unable to make their approach global, they have restricted their organizing capacity over a ten-year period. This led to

92 In the year 1999, on the steps taken of demand for a women workers’ independent trade union, which could be able to organize most insecure women workers in order to develop the structure of women workers’ movement.

manage and creation of enduring worker organizations for women in some of the most unsuited and vulnerable jobs” (Denney 2015).

In contrast, it has been observed that the consolidation of a genuinely prescribed echelon of extreme symbolic tactics for militant workers and unions. Workers have been use to the tactics such as head shaving, three steps, one bow, hunger strikes and tower scaling. The symbolic tactics have played too extreme in the case of hunger strikes and tower scaling. The number of workers participating in the symbolic action has reduced. There has been the deployment of three different forms of union organization formed such as the general regional unions, industrial unions and unions organizing specific constituencies. These include women, migrants and youth. They also have been provided with important organizational vehicles for union membership among the non-regular employed.

Many of whom have been dismissed by existing unions comprised of regular employed workers. For example, more than fifty general regional unions, which are open to workers of all occupations in specific townships, cities and provinces, have created to accommodate non-regular employed workers as union members. Although union density among the non-regularly employed has been extremely low at three percent in contrast to the overall rate which has been ten percent. Their struggles have given the new wave of social movement unionism.

According to (Shin 2013), “the solidarity between social movements and non-regular workers’ struggles drastically publicized the situation of non-regular workers and their demands”. The push in South Korean economy for CMOs<sup>93</sup> (citizen movement organizations) in non-regular workers’ strikes waved a new form of social movement, and resulted into one of the solidarity among labour and civil society. However, there has been still much discourse to put on the characteristics of struggles happened by the non-regular employment. Thus, what kind of similarities and differences to be formed across struggles, has to be found in factors that account for success and failure”.

93 The significant move related to the social phenomena in Korea since the 1990s has been the expansion of citizens’ movement organizations. In 1999, Korea had about 4,023 citizens’ movement organizations to as many as 20,000 branches. In 2003, the figures soared to approximately 7,400 and 25,000, respectively (NGO Times 2003).

To get with the thorough understanding of new wave of workers under the organisation among the non-regular employment has to be a descriptive inventory. This has to be prepared on published media reports. The domestic and international solidarity appeals in print and internet media as well. The initial research by the South Korean media and press puts that union struggles display a wide range of characteristics such as of employment status, type of job and worksite or inside factory area, union affiliation and trajectory, and periods of struggle”. To have more similarities and differences in the different cases there shall be access to profile cases along the following dimensions:

1. Lengthy, protracted public dramas.
2. Strong union mechanized role, and
3. The influence of worker associations on independent unions.

The outcomes of the so-called IMF crisis marked the full-scale implementation of neoliberal governance in all aspects of employment. The outflow of the mass denial of law posed the employers with the green light to fire regular workers and re-hire them as temporary and part-time workers for less pay, job security and no benefits under the guise of necessary business restructuring. The government has stalled as the major force behind mandatory lay-offs, ordering business to implement thirty percent workforce reductions, whatever of the firm’s economic condition. The state got weathered down on unions that challenged mass dismissals, privatization and other components of the state’s neoliberal restructuring program” (Korean Labour and Society Institute, KLSI, 2011).

## **Conclusion**

Job insecurity, income inequality and fragmented labour-management relations has been the significant characteristics of South Korean labour market over the past few decades. South Korean state administration has managed to transform its economy and society from one of the poorest to the richest nation of the world after the decisive Korean War. Innovation and technology were the significant factors that have boosted the South Korean export led economy competitiveness and fuelled the country’s remarkable economic rise over the past few decades. Since the sixth President Park Chung-Hee’s rule and other progressive governments in South Korea recognizes the need for developing new ideas based on high technology innovation and export led industrialization. Thus, South Korean economy fuelled to high growth rate. In addition

had become the World's thirteenth largest economy in 2014 as according to report published by the World Bank.

South Korean economy has traversed the path from agricultural society to the urbanized, high technological sector economy with highly skilled labour force since the advent of Park Chung Hee administration. South Korean economy has maintained the scores globally for manufacturing value-added as well as tertiary efficient sector growth. It also measured the enrollment of South Korean youngsters into the higher education and the concentration of science and technology.

Innovation in high technology sectors and competitive labour market were the significant achievements South Korea had made to face the stiff competition in global markets. Large multinational investments in heavy Research and Development (R&D) and technological innovations were the essential requirements globally. Companies like Samsung, LG and Daewoo Hyundai Motor Corporations have become global leaders in Consumer electronics and automobile industries respectively worldwide.

South Korea had to discuss its own path in the region where it competes with the China's low labour costs and Japan's high technology or capital-intensive industries. South Korean spending has more on R&D's than any other economies. This reflects a domestic consumer base with a high demand for new technology development, but also with the government's objective to build a global economy. South Korea's economic success after the Korean War initially reflected the government's strategy to catalyze the development of low cost manufacturing exports. This is due to the suppression of labour welfare measures and massive lay-offs during the financial breakdown. This led to the hiring of non-regular positions to mould according to the state-business self-motives.

The emergence of the South Korean conglomerates which were known in Korean as 'Chaebol' were the strong multinational corporations which has become essential to the economic transformations of the country. The commitment of the large companies such as Samsung and Hyundai Industries, were able to do massive pooling of resources and figure labour markets. This has resulted in a new phase of growth driven by technological leadership and progress with massive job cuts and lay-offs to repute for high quality and cost effective edge of products.

Instead of technological edge and innovation in infrastructure and economic growth, South Korea faced the problem of growing inequality and labour issues that risked the stagnation of growth and vehicle of development. The various report of World Bank and The Economist in 2011 presented the South Korean economy as a vulnerable and to the risk from the rapid buildup in debts. While, the large portion of the potential labour could not able to meet the sustainable employment. South Korea's economic growth has outpaced the domestic labour market regime and this leads to growing inequality. This has suitable been coined as "Jobless Growth" by the Chang Kyun-Sup, department of sociology, Seoul National University, South Korea. Education has been highly praised by the South Koreans. The Social and economic status in South Korean Society has been determined to large extent by the academic achievement. Then South Korean economy has faced by the wide gap of skill between those taught and those who needed in labour market. This has been the main trend of unemployment problems that has reported by the World Bank in 2013.

South Korea has a great dilemma in the post financial crisis, as it falls short of Japan in innovation technological development and quality while can't match up with China on price and quantity. South Korea's comparative advantage lies in technology and design, and not in the resources. Intensive heavy manufacturing and the labour intensive tactics inevitably loose market share to the global competitors. While, South Korea's reliance on manufacturing and export led industrialization commitment in technology led to capital intensive inherit the labour savings. These tactics of economic restructuring in South Korea do not create jobs and push the South Korean politics towards the leeward side of 'jobless growth'.

## Chapter Five: Politics of Regular, Non-Regular Labour and Civil Society in Korea

This chapter focuses on the politics of state and corporate to achieve the demand of high growth in the economy, thereby they require hassle free hire and fire system mechanism. To need their demands they want to weaken the bargaining capabilities of labour union. Thus by differentiating the labour force into the regular and non-regular, they want their ends at with profit and marginalize the workforce of their well-being. South Korea with the new theories on economic, social and political development had witnessed what is called the South Korean “development miracle”.<sup>94</sup>

“The methods of ‘laissez-Fair’ and free trade, state-autocracy, human capital formation, Confucian<sup>95</sup> work ethics, state-business collaborations, international product cycle, international political structure, colonial legacy, and abundant labour were employed in the South Korean progression in the era of 1960’s, 1970’s and 1980’s. The existence of utility and scientific tools, the ability of new models invention, ideas and ideologies of achieving development has stunned the completely contemporary progressive nations like America, Japan, and European enterprises among the race of the industrial advanced sectors. Since the 1960’s, the South Korean economy went to the process of utilization of almost unlimited supply of labour.<sup>96</sup> The South Korean economy went to fast due to the primitive labour-intensive employment patterns developed. Later in 1960’s the economy fuelled with the transition from labour driven progress to technology and capital drive. The proponents were the chaebol leaders who with the support of the preferred governments have had built the industrial empire” (Choi 2002).

<sup>94</sup>Tremendous growth rates seen in newly industrialised nations such as Hong Kong, Singapore, South Korea, and Taiwan since the 1980s has marked by Krugman, Paul. (1994). See this “The Myth of Asia’s Miracle”, *Kukmin Daily*, Foreign Affairs,73, (6).

<sup>95</sup>Confucianism has been also termed as the Ruism. It was define as a tradition, a philosophy, a religion, a humanistic or rationalistic religion, a way of governing, or simply a way of life. Confucianism has called as the Hundred Schools of Thought from the teachings of the Chinese philosopher Confucius (551–479 BC).

<sup>96</sup> The study of East Asian Nations like on South Korea, Hong Kong, Malaysia, and Singapore etc was studies by Lewis, W. Arthur. (1964). See this “Economic Development with Unlimited Supply of Labour”, *Manchester School of Economics and Social Studies*, 22 (1).



In the process of industrial transformation, South Korea maintained himself or herself too efficiently on the job trainee in the mode of capitalist industrialization. Even in the writings<sup>97</sup> of Alice Amesden, Peter Evans, and John Mathews posed that it is the will of the South Korean bureaucrats and entrepreneurs to achieve technically advanced industrial system. The sustained economic growth in the new century buttressed by phenomenal increases in the exports of a handful of major 'chaebols' has not been accompanied by meaningful improvements in grassroots employment and livelihood. Instead, temporary and underpaid jobs have become normal, and on-the-job poverty has increased sharply. Income inequality has been increasing continuously, and even those under the conservatively set official poverty line have drastically increased in numbers and proportions. Such social polarisation may worry major South Korean firms far less than before because they are not as dependent upon domestic labour supplies now and because their ownership, if not their management, has been internationalized at appalling speeds. Foreign corporate shareholders cannot but be happy with a situation where South Korea's economic growth is accounted for mostly by rapidly rising corporate income which was opposed to labour income.

The two arguably progressive governments under Kim Dae-Jung and Roh Moo-Hyun respectively have tried to come to the rescue of grass roots South Koreans by implementing and strengthening various elements of the so-called social safety net. However, even after increasing social expenditure over many years, South Korea's public budget for social security, not to mention social services, is far behind those of other advanced industrial societies. Income transfers through public welfare programmes seem to have only marginal effects on reducing inequality and poverty.

“South Korea's organised labour, despite its international reputation for militant activism, has been surprisingly unable to resist and redress this proletarian crisis. Their expressed willingness to cooperate with the government and business on the eve of the impending national economic crisis was only abuse by the latter as a convenient pretext for unrestrained liberalization or neo-liberalization of labour markets, permitting massive layoffs and for proliferation of underpaid transitory employment across the economy. By contrast, pledges made by the government and business to provide workers with stable employment and reasonable livelihood and to undertake

<sup>97</sup> These scholars has been exclusively taken a position on the progressive industrial progress of East Asian Countries like South Korea and had have often been too critical on the path of development.

fundamental structural reforms in ownership and management have turned out permanent rain-checks. Paradoxically, the rapid segmentation of labour markets between surviving regular employees in large chaebols and public corporations (who constitute the core of union membership) and underpaid temporary workers (who constitute an overwhelming majority of the newly employed) now threatens the social sustainability of organised labour” (Cho 2007).

**Table:5.1: Economic Growth in South Korea between 1953 to 2014**

Year	GDP	Per Capita GNP
Amount in US dollar	(in billion dollar)	(\$)
1953	1.3	67
1955	1.4	65
1960	2.0	79
1965	3.0	105
1970	8.1	253
1975	21.3	594
1980	62.8	1597
1985	94.3	2242
1990	253.6	5883
1995	456.5	10037
2000	1122.6	20421.3
2005	1002.5	20848.5
2010	1094.5	22151.2
2011	1202.4	22796.4
2012	1222.8	23214.1
2013	1305.6	23784.1
2014	1411.3	24479.4

Source: Office of the National Statistics of South Korea, 2014.

South Korean President called it “Singyeongje meaning New Economy with the chaebol conglomerates achieved on the basis of debt for growth. The economy rises more than on the technological and organizational innovation to IMF (International Monetary Fund) sanctions directed by the USA diplomacy in aid for trade. Unlike any Western Countries South Korea succeeded in maximization of social and economic resources in the industrialization was not of any magical supremacy. It was due to material sacrifice, political and economic suppression, and self-consoling optimism on the basic grounds. The grass-root efforts was made in South economy was on the concentration of material and human resources that too were chosen by state-selected industrial enterprise. The successive authoritarian government tied with the notion

of business supremacy suppressed the labour demands. This has created a highly exploitative industrial class that was reluctant to prepare material and social conditions for conciliatory labour relations. All this has resulted into the corporate structural adjustment programs. These programmes have been more difficult to implement. It was due to the reason that the employers have difficulty in securing cooperative responses from extremely suspicious and angry workers” (Kang Myung Hun 2011).

**Table: 5.2: Changes in the official Unemployment Rate in the year 1997-98:**

The official unemployment in South Korea is calculated by assuming one hour of work per week constitute the employed status, and thus excludes severely underemployed workers (who are usually considered “unemployed” in advanced industrial economies).

Month	Unemployment Rate	Number of Unemployed people
Nov, 1997	2.6	574
Dec, 1997	3.1	658
Jan, 1998	4.5	934
Feb, 1998	5.9	1235
Mar, 1998	6.5	1378
Apr, 1998	6.7	1434
May, 1998	6.9	1492
Jun, 1998	7.0	1529
Jul, 1998	7.6	1651
Aug, 1998	7.4	1578
Sep, 1998	7.3	1572
Oct, 1998	7.1	1536
Nov, 1998	7.3	1557
Dec, 1998	7.9	1665
Jan, 1998	8.5	1762
Feb, 1998	8.7	1785

Source: Compiled from the Data Base of the National Statistical Office, 1998.

Another feature of the progressive regimes that have refused to invest in social and economic protection measures for workers and many other needy groups. It is in order to create a benefit to the allocation of the national resources in economic cementation and other corporate subsidies. The cost of missing the effective social safety net against the economic fluctuations in South Korean economy that has become evident as the massive unemployment rapidly borne to complete helpless population of lay off workers and their families.

**Table: 5.3: Misery Index in the year 1997-98:**

Misery Index has computed as unemployment rate in that addition to inflation rate which is minus GDP growth rate, 1998 figures cover January to October.

Country	1997	1998
Asian Countries		
South Korea	1.5	20.9
Indonesia	6.8	96.5
Thailand	10.6	25.1
Malaysia	-2.4	10.8
China	-1.0	-0.1
Hong Kong	2.6	9.6
Taiwan	-3.2	0.7
Advanced Countries		
United States	3.4	2.8
Japan	4.3	6.7
France	11.4	10.0
Germany	10.7	10.0
England	5.4	5.8
Sweden	7.1	4.8
Italy	12.5	11.8
Spain	19.4	18.1
Canada	7.1	6.7
Australia	5.6	6.7

Source: Abridged from the data in Daewoo Economic Research Institute, 1998: The data below signifies the phenomenon if the pain transfer from the Advanced Countries and its Implication for the South Korean Economy.

The umbrella of the hostile government and corporate policies aiming at the labour rights and welfare, the downtrodden population of most have had experienced war and extreme poverty in the immediate past. They were largely satisfied with the material excess, remained optimistic about their economic futures, and contributed to mobilize individual and the familial resources into education, job training and entrepreneurship.

The situation of immediate loss of job at such high-speed rate and massive scale indicate the dark economic dip. This down economic forecast demolishes the psychological triggering of basic amalgamation of capitalist industrial development. This led to an inevitable result of the balance-of-payment crisis of 1997, which was perceive by the South Korean economic terms as US-led International Monetary Fund coercion. International intelligentsia criticized the aggravation of social pains and economic situations in South Korea.

**Table: 5.4: Total Growth Rate of South Korea between 1953 to 1995:**

Year	GDP (in billion dollars)	Per Capita GNP (\$)
95/53	351.2	149.8
95/60	228.2	127.1
95/70	56.4	39.7
95/80	7.3	6.3
95/90	1.8	1.7
95/00	0.45	0.49
95/05	0.45	0.48
95/10	0.42	0.45
95/11	0.38	0.44
95/12	0.37	0.43
95/13	0.35	0.42
95/14	0.32	0.41

(Source: Abridged from the data in Daewoo Economic Research Institute, 1998: The data below signifies the phenomenon if the pain transfer from the Advanced Countries and its Implication for the South Korean Economy)

### **5.1 The State, Business-Conglomerates politics and the Labour Market Flexibility**

In the post liberation period, the born political economic entrepreneurial class was evolve with the state oligarchy called ‘chaebol’ when the first President Rhee Syng-Man distributed the left over industrial assets from Japanese occupation. The colonial capitalism together with the military leadership contributed to the formation of South Korean bourgeoisie, which in the succession had created the political economic structure.

The military chaebol alliance lasted until late 1980’s, and was politically invincible. The labour was more or less disorganize. During the regime of Kim Dae Jung, the heads of the chaebol and various bureaucrats were annoyed with the state administration for accepting labour as an equal political partner. The political partner in the serious decision making process for economic and social restructuring. Then there was the milestone, the tripartite agreement among the labour, business and the government. This has initially failed to have any impact on the business and the labour when state has to take concrete steps in just administration between the business and factory set-up.

The labour-business-government committee formed with the initiation of tripartite agreement did encourage government not to deal the matter of labour separately with government. But this has to be taken in consideration with the labour, by the committee. The committee existence has been

only formal, as there were only lies, suspicion, and anger instead of repentance and concession. This ideology has dominated the politics of ongoing process by the South Korean state administration. The South Korean workers and employers and the foreign lenders as well want the surety by the government to be decisive and determined. They do not want authoritarian state leadership to coerce their reasonable demands.

“It was the IMF authorities at the end of 1990 have made the South Korean government to expand on public spending on the social security programmes. This has indicated the suffering that the South Korean population has gone through. The South Korean administration on the lines of liberal outlook or the financial liberalism reflected the notion of contemporary politics. The financial liberalism has based on the contradictory state-interventionist appendage for the austerity. This ideology by which Americans dominated the global era with the economics of laissez faire as prepared for the Third World State” (Chang 2007).

Thereby, South Korean market has made to rescue the economy from bankruptcy and then assurance of repayment of South Korean debts to foreign lenders. There was the economic dismal concentrating on the material betterment, the welfare suppression accumulative strategy. This has further aggravated to the authoritarian treatment of labour that were existed in South Korean economy prior to the IMF intervention. With the IMF intervention, the economic restructuring programme would propagate into effects and the side effects as well.

The programmes for austerity and structural adjustment through high interest rates, increased taxation, decreased public spending, comprehensive corporate reforms, and unconstrained layoffs had been the picture of South Korean state administration. This has been highly critical based on social conditions, which are required for sustainable economic and social progress. The potential hazardous social and political plight resulted in the South Korean population, which had accumulated under the umbrella of development plans. This has led to generate a condition to promulgate the suffering of the grassroots population with the IMF strategy for South Korea as a potential catalyst.

**Table: 5.5: Annual Income Changes among Urban Worker Households in the year 1997-98**

Income Group	Quarter			1998/1997
	I	Ii	Iii	
All	-2.8	-5.3	-14.4	-6.7
Highest 20%	0.9	2.3	-8.0	-0.3
2 <sup>nd</sup> high 20%	-3.1	-5.6	-15.2	-8.0
3 <sup>rd</sup> high 20%	-4.4	-6.9	-18.3	-9.9
2 <sup>nd</sup> low 20%	-5.5	-8.8	-19.6	-11.8
Lowest 20%	-12.0	-14.9	-24.4	-17.2

Source: Compiled from the Data Base of the National Statistical Office, 1998.

While South Korea tried to recover from the IMF Crisis, the then extreme economic and social crisis produced the material and psychological distress of grassroots. The South Korean economy again went on to financial crisis of 1998, which was unavoidable and fundamental controversy.

However, the South Korean administration impressively tried to recover and swiftly clean up the financial mess to satisfy the IMF regulators. This has done with the support of western political leaders, potential investors and the policy of quick reforms. The unemployment reduction and alleviation of poverty receive not much attention but regular labours in the enterprises has filled with non-regular rapidly. This was the major economic restructuring of the South Korean Chaebol collaboration in the market reforms.

## **5.2 The Role of Civil Society, Labour Movements and the Employment**

The national economic crisis of 1997–1998 and the neo-liberal measures in the South Korean Economy to its rescue have helped the South Korean economy to resume quickly its usual growth path. However, this macroeconomic recovery has accompanied by a new industrial structure from which South Korean population in growing numbers were alienated. These unfortunate South Koreans struggle between casual, short contractual jobs and informal self-employment without a systematic structural linkage to the chaebol-dominated, globally competitive export industries. Most of them are also deprived of essential social security arrangements for stabilizing their everyday livelihood against economic fluctuations and personal mishaps.

Under the umbrella of the repercussions of the inexperience, inefficiency and the corruption of the bureaucracy in the provision of social relief has been widely stepped into the various civil

social relief efforts. This has been into the effect of social policy action after the formation of macro level tripartite compromise in the labour welfare and employment provision in the market. The civil efforts in the South Korea state have provided by all types of voluntary and private organizations such as neighborhood groups, labour unions, religious institutions, welfare movement organizations, professional associations, unemployed self-help-groups, intellectual associations, hometown associations, media as well as individual families.<sup>98</sup>

With the coming of the government based relief programmes, many of these civilian relief programmes have successfully assisted the unemployed and destitute population in South Korea<sup>99</sup>. Civilian Social Movement organization have also been taken to lead in making the pressure to the government and the state administration for the preparation of better social relief programmes as well as to implement stern measures for the Chaebol Reforms. At many instances, these organizations have filed many public interest suits called as ‘gongiksosong’ against chaebol and the government in order to protect the legal rights of the grassroots citizens to the basic economic justice.

“The civil social movement organizations, labour unions and the other grassroots interest groups held the “People Defending the Survival Rights and Dismantling Chaebol, and Opposing the IMF”. These groups demanded ten important reforms by the Kim Dae Jung administration in the tripartite struggle, which are as follows:

1. The inquiry into the real reforms of the economic crisis and the punishment of the responsible persons.
2. The dismantling of the Chaebol and the resignation of the dishonest and the corrupt Chaebol top leaderships.
3. The revisions of the IMF agreements and the writing offs the external heads.
4. The strengthening of the policies of the women, job-creation and the unemployment.
5. The establishment of the social safety net and the measures adopted.
6. The fixing of the laws and the institutions of the media reforms.
7. The improvement in fair taxation and realization of the tax justice
8. The setting up of the comprehensive anti-corruption measures.
9. A consideration of the large state public projects.
10. The execution of the full-scale political reforms.

98 Hankyoreh. (1998). Office of the National Movement for the Overcoming Unemployment, South Korea.

99 Yoo, H. J. (1998). *SISA Journal Government of South Korea*, South Korea.



11. The up-gradation of national competitiveness through governmental organizational reforms called as 'Hankoyoreh, 1998'.

In the end, these civilian movements, along with labour unions, and will compromise the core force of the sustainable democracy and progressive politics<sup>100</sup>. The subsequent regimes had tried after the tripartite sentence to incorporate the changes of the new political doctrine for 'Jeigeonguk' meaning the second foundation of the nation<sup>101</sup>. Nevertheless, all "these regimes were juggling on the coherent ideologies and theoretical tenet. The promises of democracy, free market economy, a responsible and efficient state, welfare measures, industrial society, civil society, human rights and globalization was shaping the structure of South Korean into neo-liberal and state mercantilism. It went on to the lines of nationalist fervor, globalist architecture and social democratic based institution" (Chang, 2010).

### **5.3 The Financial Crises and the Labour Market Reforms**

The national economy of "South Korea rapidly and structurally turning jobless since the so-called IMF crisis, South Koreans' poverty is increasingly manifested through financial entrapment ensuing from heavy personal indebtedness to banks, kin members and friends, and, the worst of all, private usurers. The world is once most aggressively saving population turned into the world's most indebted one merely in a decade. Having lost its once-proud capacity of a developmental state, the South Korean government has instead been busy devising various public schemes for offering grassroots consumer loans in supposedly preferential terms. Consumer credit, instead of social wage, has offered rather generously by this increasingly neo-liberalized state. This is another crucial component of finance in the contemporary world political economy. South Korea's emergency measures for escaping the national financial crisis have paradoxically ended up proletarian going of the financial crisis" (op.cit 2010) that is, transplanting the financial trouble from banks and industrial enterprises to ordinary, yet increasingly precarious, households and individuals.

100 Rueschemeyer and Stephens (1992). *Capitalist Development and Democracy*, University of Chicago Press, Chicago.

101 Choi Jang Jip (1998). "D J Gaeyeogui Bonjireul Malhanda " ( speak of the fundamental nature of the D J refor in Korea), *Shin Dong-A*, Chosen Ilbo.

South Korean development strategy began with the spreading of public budgets by their administrations on economic development projects. The benefits from this has rapidly monopolized by the private enterprises. These private enterprises have to minimize the state developed programme for protecting and improving the everyday living of the common person. There was no provision of social security measures as a component of national politics of the government or administration.

Another feature of the South Korean State administration, that the military-turned political leaders had fully supported the private industrial enterprises. This has hailed by brutal physical violence, with the demand of decent wages and better working conditions. The ideology was that the labour had to suppress supposedly for the sake of international price competitiveness, and South Korean political leaders' deep confrontation and hatred against the proletariat by the bourgeoisie. As per se Karl Marx's 'Historical Materialism', the heavily spoiled capitalist class arouse in South Korea which continued with the issues of labour mainly on the basis of state-led emotional and physical coercion respectively.

South Korean population had always supported the national industrialization project, when they has made alienated or adversely affected by it. Under these hostile conditions, many workers did experience increasing income, although such increases were usually far behind the profit growth of their employers. As unexpected, the people on the ground were fully motivated and ontologically turned to become the loyal supporters for the national industrialized political economy.

Initially, the South Korean population felt their current situation much better than yesterday. This gives the notion that their tomorrow would be far better than now on the same line of growth and development. Their past has filled with sorrow and without any confusion; it has grasped into poverty, hunger, without opportunities, and war. With this ideology made them to accept the severity of the manner of the ongoing life, and voluntarily participated in South Korean state administration led sun projects. The population was in utter chances to find the financial resources for education, savings, and the other optimistic factors of social and economic investment.

The social and economic conditions in South Korea were obtrusive to the state autocratic administration and widespread in speedily industrialization capitalistic economy. It has followed by poverty, suppression, and illusions. These are the main symptoms of unjust and unclear domination that the South Korean state administration has enjoyed unprecedentedly to the humane capitalist economy.

The South Korean state administration, politician, bureaucrats, and business leaders felt that the abusive social condition has maintained prolong in the unrealistic circumstances. Thus, the mistake of South Korean forecasters flattened on to the financial crisis. The social pain that the South Korean population felt was termed by the intelligentsia as the IMF regulations programme and more accurately as global financial crisis. The hasty performance of the financial markets of the South Korea, which was less run on the implications more being brutal by IMF and Western Political leaders, had made chaebol to finance their crucial projects liberally with the direct global borrowings. The neo-liberal reforms had turned on to the organizational restructuring and the conforming principle of chaebol. Then the workers and the unions would have accepted them with the open arms. Workers wanted their employers to remain economically upgraded.

“The IMF and neo-liberal players in hurry found that the chaebol had restructured on the lines of the core neo-liberal reforms. This has made to push the South Korean government to make an effective action to negotiate on the above principles even has ignored on the market principles. Labour reform in the South Korean state administration has been very different impositions. The successive authoritarian administration in South Korea had never get with respectful subject orientation for the national development politics. There has been a paradox, as once there was a political weakening of the authoritarian regimes in the early 1990’s. On the other side there was immediate revolt by the respective workers against the political and business connected efforts” (Chang 2007).

In the early 1990’s, the organized labour was able to peruse the employers to make concessions with the relieved political to focus. Thus, the slogan of the neo-liberal “labour market reforms” seems to have signaled in quite appealing to South Korean employers. Business leaders have maintained to make successful steps to persuade the authoritarian regimes for the legal changes necessary for the reforms in the labour market. Like for example, the Kim Young-Sam administration tried to maintain not only a lenient labour market but also a politically ranged

working class. Workers and labour union fought with the regime of Kim Young-Sam on the matter to legalize the labour market flexibility and political detainment of the unions. Thereafter, workers and the labour unions considered labour reforms and agreed on the proposal of Kim Dae Jung's administration.

The liberal reform was indispensable for workers and their union, but for chaebol reform for the kind of national economic crisis. In the realms of the proposal of labour reforms, it was sure that the macro based tripartite compromise alone would not make its roots but it persuaded the workers to accept the layoffs, pay cuts and other degraded welfare measures. These kinds of concessions would predict the ideological rebirth of notorious South Korean bureaucrats to prefer the urgent need to crave a wide range and working for the social relief system as a prerequisite for sustainable economic adjustment. The neo-liberal motive and propagators from the IMF and the World Bank had boosted the South Korean government to prepare better relief programmes and spread them in the public spending.

“Business proponents, and not then for speaking in the favour for social security, with the same reasons and with the advance relief programmes which did not require rapid increase in corporate taxes. While the direct beneficiaries for the advance relief programmes were the workers and the grassroots people, have not well versed with the thought. Due to the inexperience, inefficiency, and with the corrupt practices of government interventions made to prevent the new relief programs form the evolution of meaningful effects. The social security measures under the umbrella of social-safety-net, has been formed the very central administrative issue has a sure and sort political constituency for the grassroots workers. They cannot be ignored and a step has been forwarded to the social democratic shift in South Korea” (Kim 2007).

#### **5.4 The Labour to Business with Government supremacy and the rise of Intolerance**

South Korean workers could take high appeal in the political efficacy that has maintained with the decades of the stiff struggles with stringent employers and authoritarian spectacles. South Korean labour market had have been highly privileged in the provocation of achieved performances through the undefeated struggles with untrained and informal employers and the authoritarian regime. The developed class of competent class of political and economical in such

a short period has been a miracle. This has been possible only by the complex active participation between labour-capital class struggle and state driven society political struggle.<sup>102</sup> This ideology has adopted and learned by the South Korean scholars and players with the western philosophy like Karl Marx's "Historical Materialism". The structural adjustment in the terms of economic has been a serious political economy played out by the diplomatic state, aggressive monopoly oriented capital, and depressed organized labour.

Kim Dae Jung's political move was a historic undoubtedly, which has called the "nosajeong" meaning labour-business-government collaboration in the year 1998. The democratic indication of the state administration was to formulate the many basic groups in the country's politics. This has done under a process called as a "participatory democracy". The significance of the potent tripartite agreement system was charred the values of it a year before. It was on the terms of the labour unions, which efficiently defeated the action of Kim Young Sam administration to implement the labour reforms in the support of the worker's economic and political interest.

Labour had made its own way with the South Korean state administration under the regime of the Kim Dae Jung's inclusionary state corporatist arrangement<sup>103</sup>. The Chaebol Bourgeoisie in South Korea the Chaebol heads or the conglomerate top leaders were never in the practice to treat the labour equally by the state authorities. The bureaucrats and the officials had a "great difficulty in treating the labour reforms with the high expected approach. This kind of political economic order has been termed as the exclusionary developmentalism in the terminology of Chang Kyung-Sup of high inertia. The more competent chaebol and the relation developed with the labour in the South Korean economy and the bureaucracy created had been regarded for the financial crisis.

"The tripartite agreement in the South Korean way had been stated as "Nosajeongwiweonhoe" or the Labour to Business then to Government committee. This co declaration of 20 January 1998, include the following points:

102 Koo, Hagen (1993). "The State, Minjung and the Working Class in South Korea", in Koo, Hagen, (eds), *State and Society in Contemporary Korea*, Cornell University Press, USA.

103 Lim, Young II (1997), "Hanguui Nodangundonggwa Gyegeupjeongchi, (Labour Movement and Class Politics in South Korea, 1987-1995)", *Kyungnam University Press*, Masan.

1. The government has been able to grasp the factors for the economic crisis and has been able to follow the serious measures focus on the unemployment and the living condition. The reform showed as the position of the government to organize efficiently, and proceed for the strategic corporate restructuring.
2. The projection of the government on the structural adjustment process, reform management evolution and reject the indiscreet layoffs and obsolete labour situations.
3. The obligation of the labour union to cooperate with the multinational cooperation's in improving productivity and the urgent managerial situations, adjusting wages and the working hours
4. The labourers and the employers' assumptions to create the industrial with maintained dialogue and negotiations in the process.
5. The cooperation has tied with the labour unions, to the domestic corporations, and the state government in the devolution of an attractive environment for the global capital.

However the tripartite agreement was the historical negotiation among the time-build that had craved the boost in the minds of the global creditors with those of the South Korean populations and the speculation of the respective set economic recovery” (Kim 2009).

Particularly there were the provisions made to the virtual possibility of labour unions to accept the lay-offs under the urgent managerial practices. This was due to praise for the global investors and observation has been the major step to an economic approach for regaining in South Korea. Thereafter the South Korean employers has blessed.

The Chaebol companies have continued to show their reluctance to the national and international appeal for the structural reforms in the steps for the management, ownership module, and the financial structure. The reasons behind the tripartite agreement system have come under the serious delimita. The employers and the workers started to return to their offices and the factories and no concrete step has taken for reforms. There was a manipulation between labour and business, when the agreements were made to the height to the tripartite as has being said not be legally imposed. There was the case of Hyundai Motor Company and Mando Machinery Company. Chaebols heads were never been sincere in the making of the tripartite agreements to sustain. They were making the different organization affirmation and compromise the meetings has done. The practice of secret transformation and lobbying has been the much-accepted norms

they realized for their business goals. The increasing populations of the South Korean of the mind set believed that the attempts of Chaebol have been largely successful.

There was “the feeling among labour leaders about the social democratic political arrangements had been abused and doubted by the grassroots to justify the massive layoffs. This has done based on the speculation in place of corporate structural adjustment. Minjunochong the Korean Confederation of Trade Unions, to the progressive umbrella of the organization of labour unions, notified the removal from the tripartite committee on 24 February 1999. This has followed by stage street demonstration and strikes (Hankyoreh) with the withdrawal of liberal trade union Hanguuknochong, the called Federation of Korean Trade Unions as well. Their demand was that the government has to nod in affirmation for the change its unrealistic reform political and social support from the grassroots population” (Chang and Kang 2010).

### **5.5 The rising contest of Regular and Non-Regular Labour**

The South Korean State was economically dislocated and psychology dejected after the financial crises of 1997-98 and outperformed democratic regimes after the formation of tripartite council in 1997-98.

“Statuses of Workers in the South Korean Labour Market were classified into the following six categories, depending on the employee's actual term of work contract or functional status.

1) Regular worker: A worker with an open-ended employment contract or whose contract term is at least 1 year; or a worker who is without a specific employment contract nor on a fixed term, but whose service term is at least 1 year and who receives employee benefits such as bonuses or severance pay.

2) Temporary worker: A worker whose employment contract term is longer than 1 month and shorter than one year, or a worker who has no specified contract terms and does not receive bonuses or severance pay.

3) Daily worker: A worker who has employed for wages or salaries, but whose contract term is shorter than one month, or a worker who has not tied to any workplace.

4) Self-employed: A worker who runs his/her own business or farm without paid employees; or a worker who runs a shop and/or works as an independent freelancer.

5) Employer: A worker who runs a business or farm with at least one paid employee.

6) Unpaid family worker: A worker who works at least eighteen hours a week at a farm or business run by his/her own household to help increase its revenue even though he/she may not directly receive personal income” (Chang 2010).

“South Korean official data published in 2015 shows from all wage earners carries 6.2 million of the total South Korean population, projected to 32.5 percent from the major workforces are non-regular labour. There the projects of the high elevation of 0.01 percent steep rise from 2014 projection but has been in the reality to 5.1 percent slow rise from 2002 respectively” (Ministry of Employment and Labour 2015).

The financial crisis in South Korea has triggered the need for a more flexible labour market. In response to the crisis, a reform to expand corporations' ability to employ new workers without giving them the full benefits package required under labour laws resulted in the creation of the non-regular working sector. Since irregular hires are easier to employ, their number has grown exponentially since 1997. Presently, they amount to one-third of South Korea's workforce. With weakening job security and worsening job inequality, many of South Korea's workers are left in the dark and uncertain of their futures. The artificially paid labour force in the South Korea has made into two definite categories of permanent and temporary labour force. Regular labour, are the one who enjoys the fullest benefits afforded by South Korea's labour laws and the non-regular who does not.

Non-regular labours are precarious employed population. These are in the legal precise definition were not guaranteed and covered with four special insurance schemes provided by the South Korean state administration of the concerned labour and employment department. These has regulated by the principle employers or the corporations and are legally bind to provide to regular labour. These schemes are health insurance, unemployment insurance, hazardous insurance and national pension. The scheme related to the insurances were under the legislation projection of labour union's after the 1997 democratic shift and legislation led victory of South Korea's citizenry. Non-regular workers has not given guaranteed employment unlike regular



labour. They even has be put on the subject to define the end of employment, the retirement age or the termination without notice or justified cause.

Thus, union's legal successful campaigns were effectively degraded by the structural modifications were made in the results to 1997 financial crisis. This has made the labour market much lenient and led to South Korea's large conglomerate much strenous. The reform for non-regular labour employment in legal definitions makes them more vulnerable. There showed the shift of the new period of business, concentrating on the chaebol concentration in nexus with the state administration.

The exploitation of South Korean non-regular labour is the consequence from the old institutions of autocratic framework and the recent innovation in high technology and manufacturing industrial growth. South Korea has a long history of pro-business and anti labour orientation. This has made South Korea into the disorganized union system and its effectiveness available to non-regular labour employment. South Korea has changed itself after the financial crisis of 1998 and 2008. It has recreated a neo-liberal economy leading to flexible non-regular labour market

### **5.6 Political Economy of the Korea state and the Non-Regular Employment Ethics**

The South Korean experience of economic development and political democratization is unique. These two ends of modernity are themselves extremely difficult to achieve, but the way they has enmeshed with each other is still another critical determinant of national progress and public satisfaction. In fact, economic development and political democratization can generate popular disenchantment if they fail to deliver sufficient everyday resources for dignified individual existence.

The South Korean economy went on sham with the economic crises of 1998 and 2008. The economic figure perceived by the scholars that the economy grew in 1999 by five to six percent. With the economic formulations, the South Korean wanted to pull the commercial centers, business regions, and industrial sites with recovery and to create employment for the grassroots population. The official statistics of South Korean government after tripartite agreement accepted the consumption and investment pattern on realistic basis. South Korean state administration were unable to resolve the social and economic predicaments of the past pattern of conservative progress rush and the financial crisis. The robust strategy of welfare suppression, labour control,

and grassroots conservatism led to the new situation of speculative demand to the economic crisis of 2008 and further.

The socio-economic condition of the grassroots population had been aggravated into the massive unemployment, wage reduction, poverty and low yield manufacturing etc. There was sustainable method employed by the state administration that has exhausted available funds by the foreign lenders to rescue financial institutions and Chaebol Conglomerates and corporations. With all due efforts made by the South Korean State administration in the steady correctness in the macro based economic signals, and the grassroots aggressiveness to the pathetic living conditions seriously in continues. The South Korean government in the practical condition has made a prêt thought and heating of the stock market with the real estate market in combination.

“The inevitability of the worse situation and the serious economic inequality would not have pacify the concentration of chaebol’s imply to the immediate economic and social exacerbation. The inability of the Chaebol has been the strong public effect on the effectiveness of the economic reforms formulated by the South Korean State administration unemployment or use of non-regular labour for the self-generation profit” (OECD Employment Outlook, 2014).

The “inevitable failure of the post-crisis economic policy with regard to grassroots mass livelihoods obviously necessitated a much more active social policy stance on the part of the South Korean state. In fact, even neo-liberal financial predators led by the IMF concurred on the need to urgently establish the so-called social safety net in this crisis-hit society. For a citizenry whose social citizenship remained hollow except for near full employment, the layoff-centered around economic and structural adjustment. This could mean nothing but a total collapse of living conditions and economic deteriorations. Hence, the social safety net, as a buffer against potential insurrections of stressed workers and the jobless, was as much a neo-liberal as a social democratic prescription” (Chang 2009).

Without a serious ideological conversion to social democracy, the developmental-cum-liberalism state in post crisis South Korea embarked upon various schemes for providing emergency relief for unemployed or underemployed workers and their families. The two has in comparison for have conservative but definitely not progressive governments led by the President Kim Dae-Jung and President Roh Moo-Hyun have respectively made a clear-cut theme on unemployment

security and social maintained with economic alignment. However, without creditable result the South Korean economy plight were deep under rooted. Although after making the heights in social expenditure over many years, South Korea procured the public budget in connection with social security, has the social services in record, is nowhere been close to those of the western governments adopting serious social policy measures.

There has been the shit of income from public welfare programmes, which has to produce to have only minimal effects on slowing the inequality and poverty together. “All social security programmes involving income transfers reduced the household poverty rate by less than two percentage points that is from ranging to 10.6 per cent to 8.8 per cent in 2001. At the individual level, the successive government and civil society in combined effect was just 1.5 percentage points. Only pensions and poverty assistance had slightly noticeable effects. Unemployment payments and industrial accident payments, which had been ambitiously prepared as measures to counter the effects of the economic crisis, had almost no effect. These programme-specific effects did not significantly differ between households and individuals. In an international comparison relating to 2004, South Korea’s relative poverty rate (below 50 per cent of the median income) decreased by only 2.7 percentage points which could range from 16 per cent to 13.3 per cent made after all public transfers of income. Western countries as a whole were able to reduce the same rate by 16.7 percentage points, which could be from 27 per cent to 10.3 per cent marked. Even UK, the home country of neo liberalism, reduced it by 18.7 percentage points, which could be in renege from 31.1 per cent to 12.4 per cent. All European continental welfare states managed to keep the after-transfer-rate of relative poverty under 10 per cent” (Palat Ravi, 1998)

However, the economic recovery plan failed to protect the gigantic business units like Daweoo, which has been the second largest chaebol conglomerate in South Korea in the era of the financial breakup and not have been the factual breakup on one end. While on the other side, the welfare suppression, poverty, hunger, labour exploitation and public delusion had critically undermined the social conditions.

## Conclusion

The various hazardous and threatened economic and political conditions under which the South Korean development plans has been erected have had produced the grave consequences for the South Korean grassroots population. The implication of IMF programmes has worked as a significant catalyst to the South Korean economic affluence. The practices and habits with which the South Korean industrialization model has elongated were trade-off with the social cost of misery and debris. The enormous political ills and social pains in the South Korean model of development have countered the South Korean economic growth.

The perceived threat in the South Korean development model has been the social problems craved from the psychological grip of local population concerning material betterment. This would be aggravated more to the welfare led suppressive accumulative strategies and the aristocratic behavior put on the labour effectively. The South Korean state administration has elevated their political and economic ambitions to dreadful suicidal investment in heavy high technology industries concerning manufacturing and information technology.

The high technological industries and information technology led industries requires short-term high foreign loans, which caused a major balance of payment crisis. These heavy foreign heavy loans has directed and regulated by IMF. Thus, in these conditions in South Korea, IMF overlooked the social context and ignored the welfare altruism of grassroots population. The IMF led political and economic structuring of the South Korea had not been careful about the effect and its side effects. With the initial and rapid flow in political debt reaffirmation and economic equilibrium, the South Korean state has been down to make a rise in the perceived threat and speculative danger of social conditions effectively.

The social indicator of the South Korean crisis has been in the psychological conditions of the valued hard working populations of the South Koreans to stumbling plight. The South Korean population speculated he better income and the illusion of the future material effective living in turn of unemployment and bankruptcy. They even had to worry for the food and shelter in the future and many of the South Korean population has to live below the poverty line.

While, the South Korean officials mark them as the middle class, and even they themselves in notion of catching to their affluent neighbor. Much of the population had been not been able to

accept the competitive and unequal economic system. In the alleviating programme of the South Korean officials, government has not been able to maintain the consequent action for the material orient security and hollow activities of some impressive future. Thus, the South Korean population in the early 1990 has had the impression of the shallow economic success and politically they fell into ever deepening desperation and anger.

The another factor of the South Korean desperation was that they could not able to realize the cost and benefits of negligence of social and welfare measures for their workers and employees. The state administration and corporate world too was set aloof and had conservative notion on the matter of welfare concept for their labour. The officials and bureaucrats maintained their ideology of unproductiveness on the agenda of social welfare. There were no adequate steps taken from the civil society or politically motivated uprising by the workers on the social citizenship, which could tackle the welfare altruism. The state administration remained under the orientation of anti-welfare propaganda.

The Korean Confederation of Trade Unions has been the nation's second largest and aggressive labour group. It has made a decisive role in the transformation of South Korean labour in the potential labour force. It also made to organize workers in automotive and many other significant industries, even to police breakdowns, which have been many times much brutal. South Korean state administration has been compassionate about the decrease in the economy, which has become in doubts to the aggressive labour movement.

“Business and its allies have made the allegation to the confederation of taking the side mainly for the large and strong unions representing workers in the larger corporations. It has been strong recommendation to fight for the cause of “temporary and contract irregular” workers. Their ranks have inflated even as South Korean companies have increased the side to such workers. The neo-liberal ethics by the South Korean state followed to become interventionist in the welfare propaganda. The business and labour has been the part of the ideology of authoritarian state. The politicians and bureaucrats has made successful in creation of a just state not seriously persuaded by the business leaders to build harmonious relations with labour. The South Korean state only oriented its population and resources and energies too kept for the steep industrialization and economic development” (Ibid.).

The authoritarian states under the influence of foreign lenders were decisive and determined to dominate the ongoing false economic growth on the sentiments of lies, suspicion and anger with the labour. The IMF direction to the South Korean government for making the public spending on social security programmes has been myth.

This ideology has contrast with the financial liberal attitude of developed nations' theory of 'laissez faire' to the underdeveloped nations. This was done by the South Korean state to get rescued from bankruptcy; this is to ensure the release of South Korean debts to the global lenders. IMF programmes in South Korea has been a crucial catalyst to make the actual danger and threat of psychological distress and economic controversial issues. While South Korea were made busy in swift sweep up the financial mess and appeasing the IMF administration, West Political players and the major investors with the channels of reforms in economy. The potential hazardous political and social conditions has made under the grip of rapid industrialization and financial supremacy led South Korean progress far away from sustainable development and stabilized economy.

## **Chapter Six**

### **The Conclusion**

This section brings the major finding of the study, the solution to the problems of regular and non-regular labour with the state and the corporate, the stand on the civil society and on the economic factor of the worker's right. In the context of South Korea, the nature of the challenge was that a liberated people who were bent on the individual pursuits of new opportunities and who experienced a devastating war immediately after independence developed an acute sense of self consciousness and demand a better life, its main components being political freedom and economic development with the self developed Confucianism. The challenge was at once sweeping and pressing. Too often administrative responses to the challenge lagged, they were mostly inadequate in conception and slow in execution. The inevitable consequence of such retarded and inadequate responses has been the frequent change of administration since the Korean war especially after Park Chunghee's rule.

The programmes responses of the changing administration varied depending on the variations in time orientations of the changing political-administrative elites. The political and administrative elite of the Liberal administration possessed a dominantly hedonistic-exploitation time orientation, which was translated into a programme orientation with emphasis on short run control and high consumption. The situation resulted in a breakdown of momentum of political development and economic growth that had been labour intensive built up after the end of the Korean War , and culminated in the demise of the Syghman Rhee administration's twelve year long rule in the 1960.

The study revolving around the core quest of South Korea's initializing high growth in the beginning of 1960's and the rise of regular labour paving the way for modernization and becoming manufacturing hub by following export-led industrialization. There was a break in the capital market with the financial crises of 1997 and 2008 affecting the economy gives rise to tripartite council formation and corporate negotiations with labour which then cleared the way for rise of non-regular labour in the market economy. The compressed hi-technology growth and increasing GDP growth leads to economy without job creation and cut on the job already had

focused on the marginalized labour and their bargaining abilities with development politics of between regular and non-regular labour.

Loosely preferred labour-management relations, job insecurity and income difference had been the character of South Korean labour market since tripartite council has formed in 1997. With the coming of more and more non-regular labour force in South Korean economy, the employment is very unstable and average working tenure is shorter now. “According to the Korea’s Statistical Office’s report, workers of less than year tenure constitute 32 percent, while those of long as 10 years or more are only 20 percent. From 11.57 million workers with employment insurance, 5.62 million workers (48.50 percent) left work in 2013 alone, while 1.14 million workers (35.4 percent) of whom are from chebols with employees of 300 or more than that”.

The rise of non-regular labour problem and the social policy demand for it has been arisen due to economic development and political liberalism in the state made business management council melted and direct state regulations with the labour issues. The unique nature and character of state oriented business mannerism and the establishment of state led business cooperation units has suited for the industrial growth and trade prosperity which has been practiced in South Korea since latter half of the 20<sup>th</sup> century. The private-public enterprise has been the great instrument for the national economic progress by the state led corporate interest in South Korea. In the political economy, the labour policies for the progressive state hence, were opposite to labour welfare practice.

In the second half of 20<sup>th</sup> century, in the wake international competition, the practice of export-led industrialization, wage suppression, and pathetic working condition were in vogue. Alterations of any kind to this were quell directly by the state led action like with tumult oriented police groups. Legislation for the procurement of the health, security and general human rights of workers were arbitrarily purge by the state. Such practices of labour politics for the progressive state leading economic initiatives were sustain by the successive in South Korea. South Korean progressive state developed a balanced political blend of Confucian familial society and an appeal of development for time to come. The socially developed state in South Korea was on the lines of the modern capitalistic and liberal oriented west states in the articulation of various social problems and welfare measures.



The progressive structure of a developed state in South Korea has incorporated in economic-centered politics as well as social policy regulations for stable social production. The administrative practice is defined by political objective of achieving industrial capitalism and formulating the social citizenship by shaping families and individual to set out the human beliefs and attitude development to work in the industry and set the life practices as accordingly.

The organizational and ideological welfare mobilization in South Korea is contradictory to notion to Civil Society engagement in political-economic reproduction. The pseudo-familial ideological and organizational frameworks made South Korean society a class of paternalism, sectarian interested group formation, and industrial entrepreneurial social diversity of welfare providers. The non-state players like welfare NPO's nonprofit organization, corporate welfare culture, religious social work and other welfare mechanisms targets to behave entrepreneurial and should administer the state-management led advocacy of progressive political tactics.

The South Korea's political economy witnessed the transition of democracy and a miraculous economic performances. The political economic theory puts the South Korea into different power transition, one is the onset of authoritarian regime after the division of the peninsula and the other is the formation of a front-line state with the presence of a military base in support of America at the thirty eight parallel line. The installation of the Presidential system leading to the deepening of the democracy and the strong of industrial market at the economic scale in the short span.

The theoretical factor on the side of political science and the economic regime describe the role of the government of South Korea's push model. This machinery of political and economic push led to revisit at one end the government led development paradigm and on the other hand the market-oriented factor. The democratization of a poor nation with the important policy implications emphasized the wealth re-distribution to support poor class and also to yield more economic struggles. It has been the lessons to be learned for the newly developing countries which has been the case of South Korea.

South Korea has been the best developed model in the context of political economic theoretical expression which involves the democratic consolidation as well as the institutionalization of the political economic system. In this research paper the focus would be on the devolution of the

South Korea's economic performances with the democracy of the leading mature institution which comes to play a critical role in the policy making and implementation.

Thinker Samuel Huntington has implicated democratic Ideologies and progressive liberal attitude of South Korean authoritarianism of state character. The development of autocratic state by South Korea has been the emancipation of progressive intellectuals and civilian professional politician like Syngman Rhee and Park Chunghee. After the decade of 1980 is the numerous political and social movement for democracy and just society has changes little for new political and administrative procedures. The new liberal approach to social measures however tackled the ethical political challenges. The enthusiast democratically elected ex-General Roh Tae has mounted the idea of welfare state-Woo in the post-authoritarian regimes just after financial crisis of 1990's. His ideas got severe blow when he tried to act more for securing owns political safety in traverse of political-social net transition to social and political democratic institutions.

The advocacy of politically motivated social welfare measures after the tripartite council in 1997 made to rethinking of progressive citizenship in South Korea. The amalgamation of labour class and civil movements to establish democracy in the post authoritarian regime demands of political liaising with legislations and grievance redressed. The demand of enhanced wages, social welfare benefits at work, better working conditions, fixed working hours and decent livelihood etc. The change is seeking to middle class citizen who were the main human capital behind the industrial capital growth in South Korea.

The political-economic bonding of autocratic regime and chaebol is corporate and management control of industrial capital. This made to triangulate the social policies under their chains of legal structural reforms as well as economic balance. To expand the business web, the heads of the chaebol called 'chongsu' with the support of autocratic regimes put corrupt practices to purge the social and democratic actions. The political and social uprisings by the radical groups were sentence to prison, hands to criminal charges, legal punishments and supports the reforms with military originated politicians.

The instances of political bribing, corporate embezzlements, reforms led chaebol's governance, corrupt financial set-up, and market monopoly had been the clear and in total weapons of the national politics by the state-business progressive alliance. The balanced approach of the state

business alliance is to strengthen the mould of social policy for the and only economic development. Industrial and labour policies, concessions in the wage levels, employment conditions or the interference of state administration in the labour relations has been the only motive of the business groups to satisfy the needs of business and markets demands and challenges from the competitive International order. Familial position and the labour struggle face a hardship in comparison to development orientation of the state, which was only on the patriarchal family relations and false social welfare provisions.

The demand for social rights of the citizens, civil initiatives and struggle for democratic institutions were mainly to promote the political economy of the South Korean business-management occupations. The democratic and political structure and the functioning is there only to support the state-society relationship of national economic goals. The proactive engagement of civil societies like community initiatives, NGO's, and intellectual movements are define by the state to the terms of corporate roles or the proletarian duties. The different aspects of human values, communist ideologies and the ecological motives are the private reconfiguration and political provisions of the public oriented mechanisms and state led liabilities.

The philanthropy mechanism, religion based and emotional political orientation sowed the welfare, relief measures have been like any egalitarian civil and social organizations, and institutions were on the edge. As these crucial counterparts are like the watchdogs on the hands of social and political bureaucracy of the state tactics. The political and social actors of civil and social mechanisms imprints into the ethical pledges and legal to transform into constitutional stipulations for the demands and rights. They actually materialize into actual actions of any enhancement in people's livelihood or security were prorogating the false line of state bureaucracy.

In the international order on the comparative democracy, the East Asian democracies has shown the progressive authoritarian states which were structured on the lines of the interest of the industrial entrepreneurs, economic technocrats, and various state motivated functions to collaborate media and intellectuals on their side. The lopsided way to grass root citizenship, committed democracy and socially inclined society had to confront the elite groups, business family lines or the state led autocratic government. The ambiguous and scattered social and

welfare policies had to foregone on the way to buttress the political and economic motivation of the developmental political economy to compete with the technically advanced-intellectual resources worldwide.

The state led administration and the power of the business groups in the tussle with the social and welfare movement of the citizenship and the labour employment were the real vested quest of the hour. The rise of more and more labour movement to confiscate in the employment and new job-creation while global spread of neo-liberal thoughts has led to great delimma on the political led economic ideology of South Korean emotional economy and political emotions.

In South Korea the “new debate has taken the line for irregular workers, the dispatched labours and contractual workers by the state led business legislation on the political compromise of social and welfare interest. It is a new kind of neo-development liberalism on the wake of balancing the vested interest of social and political ideologies together without the hindrances South Korea a progressive state with aligned market centered “neo-liberal paradigm”. The coming of non-regular force in such a large number accepted by the chaebols’ ideology enhanced the political lifespan of the development liberalism and the economic structural conservative administration with respect to the state function never going to end.

The epistemological assumption of neo-liberalism has been in the realistic governance in the South Korean political economy. The attempt to capitalize the new wave of spreading neoliberal rebirth in the hands of social and political actors has slip. This has moved again on the side of chaebol by clinging on the neoliberal rebirth of non-regular labour force in the fueling of new trends of the economy. The entry of non-regular labour force in the market economy has influenced majorly on the international free trade and investment, financial market, institutional deregulations, and social policy liberalization. The first two factors were subject for the economic formulations concerns while the other two are for the social rationalization. Thus, to tackle the latter two South Korean intellectuals needs fundamental social policy formulations.

On the trends of western lines South Korean economy heads to different contradictory directions, in order to economic pitfalls, there would be ore employment of non-regular labour force. While to satisfy the needs of the social actors, South Korean administrators would go for sound public policy. In terms of “the productive welfare (saengsanjeok bokji), the policy would contain the

voices of the social and welfare actions for the wide spread of welfare. The major social and political policy of liberalization was on the labour-market liberalization. The South Korean State. The basic subjects of the labour legislations has modified to suit radical proposal of liberalizations has changed the trends of the employment since the financial crises of 1997. This includes easy lay-offs, labour dispatching and out-sourcing, transitory employment and varied wages according to work and hours of work”.

The Kim-Young Sam administration attempted to enact new labour legislations filled with aggressive neo-liberal ideologies without making any political support or compromises from all other political groups and labour unions. The societal upheaval waited to Kim Young Sam, but this required a lengthy and hard process of social and political compromises.

In the wake of economic competitiveness, the fundamentalist ideology of institutional deregulation called ‘gyuje gaeheyuk’ maintained a political initiative. This has transformed into labour-market flexibility in the social policy deregulation projects. The umbrella cover on social policy deregulation covers a wide range such as the health and safety nets, social security benefits, environmental controlled measures, agricultural preservation, geographic model of control, industrial model of licensing, corporate financing, and the foreign currency transaction”.

The “social policy regulation uncontrolled to brings the tight cap on the government, corporate and social coherence to social protection of the workers, peasants, small business people, disabled, dependent and deprived sections, environmental and social ghettos. The social policy deregulation purges the different social and political rights of the citizens. In order to pursue the global free trade, South Korean economy forged into the national and corporate interest in expansion. On the other hand the promises of the economic restructuring and social sacrifices considered to be the mark of weak indicators which includes labour intensive production, farmer-orientation, and unskilled workers. South Korean economy on these lines faced tough competitions with the other global players in the economic and political contours” (Chang 2013).

Under the leadership of Kim Young-Sam on the lines of liberal democracy tries to supersede Park Chughee’s aggressive industrial order. South Korean economy in mid-1980 is and in the beginning of 1990’s has shifted from labour intensive to capital-intensive industrial order. South Korean firms initiated outsourcing the labour and exploited the domestic regular labour

employment to tap cheap production houses and secure bigger markets. The big competition from its neighbor China to shift into new international economic order and Korean labour has to offer their labour with the conditions imposed by the Chinese authorities' modulators.

According to W. Arthur Lewis, "South Korean industrial units were forced to open the labour market related to the domestic employees for the unlimited supplies for the degraded Asian workers. Thus, as a huge labour market in Asia dealt to cultural and social identity and global ethnicity. This all has resulted into chaotic political and social state with unstable employment condition. South Korean state has developed into high technology driven market with low esteemed job opportunities. Financial and economic troubles had deepens the South Korean progressive state with the coming of 1990's with widespread unemployment conditions. Reliance on old as well new industrial and financial institutions and the cumulative effects produced by the individual bankruptcies led to financial crises of 1990's".

Outset performance of the financial industries and insolvency of credit card companies led further expansion of poor monitoring and regulations. This has led to more reliance of poor people of South Korea on illegal private corporate management. In addition, there was coercion of state led private players to physical abuse of labour, mental disorder, suicide and other illegal activities. Inadequate corporate borrowings, portfolio investments against financial investments from global financial institutions like IMF, World Bank, and regional cooperation etc speculated extreme inflationary pressure and aggravated financial downpour. Completely South Korean national economy including major enterprises skewed into financial insolvency, which was termed as Asian Financial Crises of 1990's.

In the beginning, neo-liberalism has adopted as the countermeasure tactics to figure out the progressive liberal state order. Democratic political and social challenged to neo-liberal policies and practices to initiate the conditions and components of progressive state fundamentals. Labour market flexibility and outsourcing globally were the cause for the demolishing of full and stable employment. While, neo-liberal attitude of acceptance for social and political concerns more than economic activities and industrial restructuring of outdoing the global competitions was the much greater cause for the financial insolvency.

Export firms and technology driven industrial base, capital-intensive structures, and trade policies of securing more markets. This was done instead of domestic labour oriented and has made the powerful nexus between state led business relationship off the mark of progressive calculation. The other factor for challenge to progressive state and unstable employment in South Korean economy was inability of family head employees in the urban focused employment and there the decrease of family owned poor regulators in agriculture. Also, another reason was the declining of urban tertiary sectors which has developed the significant non spiritual basis of the family as the main providers to the welfare and security net.

The progressive regime of the South Korean economy purged due to the combined effect of disturbing effect of engagement of foreign capital and global commanded forces. Individual employment careers, more or less citizenship echelon, and a cumulative effect of globalised corporate affairs and communitarian nationalism as the base for pluralist welfare provision plunged the labour conditions worse.

The cause for the financial crisis of 1997 is still unclear, the South Korea economy has again marred by the USA led global crisis of 2008-09. The South Korean economy went into turmoil with an economic fundamentals as well as national financial calamities, which has been the result of ideological unsound nature of global financial capitalism. Its deleterious impact has been worldwide but South Korea was most sought hit. The structural incapability of South Korean economy was due to combination of progressive liberalism of state maladministration and neo-liberal attitude towards social policies.

State led progressive political economy and chaebol oriented economic bureaucracy led to globalizing economic environment effect at domestic and international slogan of new economy called 'Singyeongje'. The debt to financed corporate spreading, aggressive but tardy management and trust on political oriented administrative operations created propaganda of neo-liberalist state with converging interest of potential actors like state machinery, corporate management council and labour unions.

The financial crisis of 1997-98 led to the defeat of capitalist led progressive state machinery. The national democratic wing governed South Korea until now, but after the financial crisis, the socialist democrats or the socialist order governed the economic and social policies. With the

intervention of USA led International Monetary Fund (IMF)-Wall Street mission to international financial regulations in South Korea, the modern South Korean administration has been pushed by Kim Dae-Jung.

The new administration has agreed on the neo-liberal lines that to reform the state led business collusive economy. The structural reformation policies in the South Korean economy modified the deep alteration of state to business leading to the economic relationship, chaebol's corporative skeleton, management council and the country's industrial structure.

The structural reformation of the country's economy with the newly formed neo-liberal policy measures requires with the individual industries and firms. These demands met by the intensification of neo-liberal social policies like the relief in the labour market and provisions related to economic self-reliance. Kim Dae-Jung governance inclined towards the neo-liberal economic reforms was ambiguous parameters to sustain neo-liberal social policy. His tactics was the responsible for historic labour-business-government tripartite agreement to save the national economy by organizing the labour. The labour reshuffling on the lines of neo-liberal paradigms to restructure the economy made Kim Dae-Jung administration to persuade aggressive social policies for the labour welfare and employment.

Millions of labour and its family dependent of the breadwinners were delve into chronic poverty and low esteem. Thereby, instant nationwide relief measure adopted by the Kim Dae-Jung government on neo-liberal lines provided temporary employment, skill development and job enrichment program, like job well placed need requirments and enterprise employment benefits. All this has encouraged through the circles of IMF, World Bank and many global predatory forces under the umbrella on "Social Safety-net".

South Korean Export led Industrial units followed the lines of neo-liberal paradigms and helped instantly in speedy recovery of the national economy. Kim Dae-Jung administration has been concentrated on the maintenance of a corporate competitiveness and the widespread of the export-oriented industries after the formation of tripartite Council in 1997-98. Thereby this government has neglected the formation of the effective welfare state to the pattern of ne-liberal paradigm. The economic recovery motion by the governance nature has excluded the social nature of the welfare led state development tactics. All this initiative has shown the recovery of



export led industrial units and sustained on the technology oriented capital-intensive sectors, and their contribution to regain the national income.

State policies and the processes of social interaction through which they come about, are, contrary to market transactions, direct forms of organising the process of social metabolism. They resolve the allocation of individual labour capacities, and thus their participation in social labour, before they are performed; they are the product of conscious and voluntary direct relations among individuals. Yet, in capitalism, these are themselves representatives and personifications of the commodities they own. State policies, then, are forms of realisation of the general indirect way of organising social production through capital accumulation. Effectively, the historical specificity of the capitalist state develops in the process of production of surplus value. In this process, the renewal of the conditions for capital's self-valorisation takes form in the sale and purchase of labour power at its value (the cost of reproducing it with the physical and mental capabilities normally required by capital). Competition among sellers of labour power, however, tends to be stronger than among buyers, thus potentially undermining the normal valorisation of the total social capital.

The process of capital accumulation, then, gives these relationships of competition the concrete form of relationships of solidarity between those who personify their labour power, on the one hand, and between those who personify their capital, on the other. The transformations in the labour process, and the associated revolution in communication and transport methods, capital has been increasingly able to spatially disperse the different parts of the labour process according to the most profitable combinations of costs and productive attributes of the different national fragments of the global labour force, thus giving birth to the so-called new international division of labour (NIDL). Irrespective of individual capitals' national origin and of the forms of inter-firm relations, this process, directly or indirectly, minimises the costs of reproducing the global labour force, and thus increases the rate of valorisation of the total capital of world society, the subject of the process of accumulation MNCs, the so called "national champions," the recently emerging "global suppliers" and the "production networks" established amongst them have constituted "institutional" mediations of the NIDL.

While, this has been in constraint of grass root South Koreans strategy pertaining to the middle class populations in the urban and rural sectors as well. The problem of job-search for the middle

age populations for stable employment has been more severe than the youths. The unemployment has been reduced by the efforts of the progressive governance but major reappeared jobs were under the flexibility of labour market regime umbrella. These were termed as 'bijeonggyujik' or the non-regular positions in the industrial units. After the financial crisis of 1997-98, the South Korean economy has become the one of the newly advanced nations not with the regular employment but steep rise of non-regular labour.

The non-regular employment, which was not much mature and uncertain time period with the decrease wages has fully ignored the benefits under programmes of social welfare. The significant social security benefits umbrella has regulated with the regular employment to the pattern of the welfare state mechanism in terms harsh and rude. While the jobless industrialization and the non-regular employment have pushed the national social security, system outlawed. The successor and close associate of the Kim Dae-jung, Roh Moo-Hyun was projected himself as the democratic fighter much concerned on the political issues than on the economic and social policies. Nevertheless, under his regime, the structural problems like industrial relations, employment, and social security has worsen.

Unlike the predecessors' concentration on improving the national economy, his governance concentrated more on social and political uplift. His governance was shift from policy changes to political propaganda. He got more valued on the conservative technocrats and legacies from the past. His policies included the ironical South Korea proposed with the United States and staged to the Free Trade Agreement.

Roh Moo's sudden step in dilemma showed the impression projected his administration a chaotic and ideological error. The population of South Korea had already altered from the lines of stable employment and social security. They are now being harassed by the pretentious Roh Moo's capitalist onward march without any fundamental shift and alternatives. Roh Moo's social and political administration was emotionally remained low esteemed. His maladministration does political and social injuries to the idea of democracy and progressive policies a severe blow. He undermines the labour rights and social democracy by losing devastated in 2007 presidential and parliamentary elections.

Mechanically and ideologically ruined South Korean progressive politics and administrations as in the history and could be termed on the ontological Park-Chung Hee intertwined. The party in the objection called as the conservative has been impregnated the capitalist speculation and Lee Myank-Bak promised to be one of the most successful commanders of Park's period.

Since, this new government formed lacked the past experienced lessons as well as serious commitment towards development statist governance in theory and applications. The implementation and execution on the social and security welfare measures has completely ignored, though occasionally delivered on the neo-liberal allegations. This delivery of welfare economics produced a negative dip in the broad paradigm.

The new move of bungling progressive economic boosted the high exchange rates on the contours of global financial crisis, which was the big blow to the near collapse of Korean currency in the bullion market. Lee's administration afterwards had become the empty handed in epistemological sense under the entrenched economic and political efficacy under the neo-liberal policies and administrations. The lee's administration in the end has unsustainable and the neo-liberal mood of the long speculative goals thrashed and shed its wings under the Neo-Keynesian mechanics.

The political and intellectual class of the South Korean population however fully persuaded to the regime's life and has being order placated with the process to be as 'seomin' or has been called grassroots people. This would restrict of being a famous widespread leader who has been able to follow on the lines of social and economic helped to the people categorized as less privileged. The dramatic twist and runs in the South Korean principle framework under the umbrella of social and political in the subsequent regimes reflects the composite historically driven situation and shift in the administration with functions.

The entrance of the South Korean progressive state in the implementation and execution of the global neo-liberal era of democracy and social order interacted in the very complex manner. Hence, the progressive liberalism and neo-liberalism degeneration have in the vogue on the lines of historical references to the South Korean experiences. The national social and economic policies with the effective governance led by the capable and incapable progressive state had tussled with each other. The social, political and economic, predicaments of neoliberal transitions

in the unique society of different phases of neo-liberal transitions have to appraised in the so called by the social scientist Chang Kyung-Sup as the post-developmental state.

However, the social programmes of the state projected with their conscience, it failed to alleviate in any meaningful sense the material difficulties of ordinary South Koreans caused by the sudden and massive unemployment amid widespread corporate bankruptcies. What came as a very alien experience to most South Koreans was their sudden and irreparable exclusion from work. For almost three decades, almost all willing adults not only had employed but also used to work more hours each week than most workers do elsewhere in the world do. All of a sudden, their willingness to work was no more respect by the economy or the state.

South Koreans' entitlement to work had been a core element of the development rule of Park Chung-Hee and his political successors, but it has not legally codified as a political responsibility of the state. This reflected a fundamental difference of the capitalist developmental state from the socialist state, whose political constituency (i e, the proletarian population) had a citizenship right to work. Nevertheless, the constant provision of abundant jobs and business opportunities through sustained economic growth was an undeclared responsibility of the South Korean developmental state that had only limited legitimacy from historical origin and had to periodic turn to authoritarian measures for political control.

The authoritarian development state may well have taken pride in guaranteeing its political constituencies with a de facto entitlement to work ever since the onset of industrialization, which was a sort of "developmental citizenship" as opposed to what T H Marshall (1964) dubs as "social citizenship in the European welfare states. The unemployment rate fell drastically from 8.1 per cent to 2.6 per cent during the 1963-1997 periods, whereas the total number of those employed nearly tripled simultaneously. Most of the new jobs were of course created in the manufacturing and service industries, so that the proportion of rural population precipitously declined".

At least on the economic front, one of the most rapid urbanisations in human history coupled with an explosive population growth ensuing from the post-Korean war baby boom was successful, on the wholehearted fully managed by a political regime driven by single-minded developmental fundamentalism. Although South Koreans population, especially the middle class

citizens could not able to put a break political competition, the illegitimacy since time immemorial and the authoritative governance led by the military owned state functioning, this nonetheless positively responded to the developmental initiative of the same political regime.

They did not bother to criticize the developmental bias (i.e., the social policy conservatism) of the state. They even allocated most of their own private material resources to “individually developmental” causes, including savings, education, etc. The undisputed dependence of the South Korean economic success on rich human capital and abundant savings, among various other factors, was crucially condition upon ordinary citizens’ active response to the developmental initiative of the state.

In almost every opinion poll on politics, South Koreans in their successive government administration have the economic delivery has been the utmost liability. This kind of belief led that the government could determine the state of their economic life. As a result, the persisting negligence on the part of the government of social welfare objectives did not worry South Korean citizens.

The Political Economy of India and South Korea in the realms of Non-Regular Employment has been diverse. The Country India with such a huge geographical area and vast natural resources, labour intensive capital market, long history of mankind, vivid culture, and rich art and social political structure lags much behind to South Korea which is so small in geographical area, scanty natural resources, unkind weather and unexpected flora and fauna.

If we compare GDPs by nominal South Korea stands 11<sup>th</sup> in rank around World and by Purchasing Power Parity it comes 13<sup>th</sup> globally. In addition, South Korea stands in the OECD (Organization for Economic Cooperation and Development) list of High Income Group and Highly Advanced Industrialized Nation. While India stands nowhere around South Korea in terms of Technology, Development and High Standard of Livings.

The geographical area of South Korea is too small in comparison with India, its physical features and baskets of natural resources are scanty. On the other hand, India has huge geographical area spread from Kashmir in Himalayan range to Kerala on the shore of Indian Ocean, from desert of Kutch in Gujarat to lofty, hilly areas of northeastern states. In between there is fertile Gangetic

plains, agricultural focused state and Malabar and Coromondal coasts in west and east respectively.

India is full of natural resources, flora, and fauna to tussle with the any kind of natural, social or financial crises domestic or globally. Different weather conditions, mineral resources, art and culture and its labour intensive human capital, which is unique, then also we are too far behind South Korea in development, technology, economy and better standard of living.

The puzzle is very clear now to seek answers for, how South Korea had been able to maintain a high pace of development, progress and growth in such a short period after the Korean War (1945-1953), when after this Korean became half of its size with 38<sup>th</sup> parallel line divide within Korean peninsula. As if India was under British Colonial rule, South Korea was under Japanese occupation until 1945. The measure of their development depends on their trust of their nation's leadership, their patriotism, their hard work and honesty. Their aim is not to claim for wages but on to completion of their work, thereby building a great nation. They believe in their culture, history and nation's attitude, which push and provide strength to their leaders. Their main aim is not to ask for remuneration first but to provide their labour power to complete a job. They give more importance to their nation's development and leaders' motive then asking for welfare mechanism.

Their welfare mechanism is limited to get a job and complete a job within the given time framework. They give respect to their national leaders, teachers, and elders. They love their nation there food, arts and culture that is noticeable in their songs, TV Programmes, videos going viral on internet and social media sites i.e. the Gangam style, Korean Pop culture and their cuisines on sea food becoming high on demand globally. They take any criticism about their nation or national leaders, or to any national pride is an offence and severe punishment has offered.

On the contrary, in India population of the new generation take nation as an emblem of pride, criticizing nation and its leadership has now become the fashion statement of new generation whether a student, teacher, media personalities or a layman. We can seek many examples like a series of incidents happened in Jawaharlal Nehru University from last few years. Slogans of breaking the nation, independence from India by Kashmir and some northeastern states has

made. Strike in the University, students and teachers got attack, Vice- chancellors' house arrests were some sour and bitter events has written in the history of JNU curriculum.

To the shoulders on which there is utmost pressure to make a stride for the India are the culprits who are in opportunity of making India's pride down. These are the main factors responsible why India lags behind nations like South Korea, Japan and China. China, Japan and South Korea do not have tolerance level to bear these entire nuisances, which are an obstacle in the developmental politics of any nation. Prof. Kaname Akamatsu, while analyzing the Asian Modernization of Political-Economy states that "these people look same, think same and act same", unlike in India where every individual resembles self to a unique cast, class, region and status.

While having discourses with Chang Kyung-Sup who teaches at the Sociology center at Seoul National University in Seoul, I have to know that there is no as such concept of civil society, welfare state and social action or movements in South Korea. The influence of western philosophy in South Korea is limited to technology progress, industrial development and management council voice, which are "Chaebol" in Korean terminology. Prof. Chang adds that the meaning of political economy or say development politics is state administration, business management and technology driven labour market.

There is no place in South Korea for welfare concept, union demand, strike or protest etc that has consideration against the state. The demand for just or right from western philosophy has no place in South Korea; the offer for job is itself a welfare defence mechanism for a state and management administration. Nobody here talks about ideas on Karl Marx, V I Lenin or Mao Zedong. These beliefs propounded by above, lead to fanatic and fundamentalist attitude of separatism, commotion and bewilderment.

At the crossroads, when South Korea after Korean War learnt a lesson of democracy and goodwill from India when India tried to pacify all sides by mediating the matter between all parties. Apparently, The New York Times declared that the struggle for Asia "could be won or lost in the mind of one man called Jawaharlal Nehru". India instead of sending its armed forces on the request of UN had sent a medical unit to Korea as a humanitarian gesture. India's medical services are still fondly remember in Korea by both sides. India was heading of the Neutral

Nations Repatriation Commission, which would handle the prisoners of war (PoWs) of both sides and interview them to determine which of them wanted to go back.

Prof. Chang writes in his article titled “Asianization of Asia: Asia’s Integrative Ascendance through a European Aperture” that how Korean society, cultural influence, community development, economic progress and social integration has been adopted from western ideology of United States and Europe but after the amalgamation the Koreans have never forgotten their own identity, art and cultural heritage and uniqueness”.

On the contrary, India whenever gets the opportunity to be flourished and developed, never wasted its energy in criticism and disapproval of its own identity, historical legacy and cultural belongingness. The methodology of separatism, intrusion, unworthiness and attitude of mistrust has no place since time immemorial in the history of India. The credit goes to early writers of history, great leaders and the meaningful state administration. This goes further to the renowned scholars, academicians and political and social leaders who process the information with the reliability and deep analysis of their source to maintain their legacy and credibility.

It is a great honour for Indians that they learn and feel pride on their history, culture, art and sociological transformation of South Korea. Separatism, Terrorism, Naxalism or any kind of Ideology, which creates hindrances in the progress and development of India as nation, and any act, which do not respect its national leadership, is not justifiable. “We have to adopt modern technology, western ideology and cultural assimilation but like South Korea, China and Japan does and become trans- national societies through Diasporas of international economy and other recognized global phenomenon put the planned stages. For example, Koreans adopted American pop culture with their assimilation as “Korean Wave” or wide famous Chinese cultural frustum being categorized as “Chua Beng Huat” pop culture presents within China.

The step Ahead for the South Korean Political Economy for craving the paradigm shift in terms of Non-Regular Employment. The exploitation of South Korean non-regular workers was the outcome from the old institutions of the authoritarian regime and the new innovative high technology manufacturing industry. South Korea in the long run followed pro-business and anti-orientation labour. This has made South Korea into the disorganized union system and its effectiveness unable to non-regular labour. South Korea has changed itself after both the



financial crisis of 1998 and 2008 with bitterness. The post financial phase of South Korean economy has transformed to neo-liberal ideology leading to flexible non-regular labour market. The nineteenth President Moon Jae-In, who had the different frame of the nation's economic and political structure. It would center on virtuous circle of growth, jobs and distribution. It will start with jobs and finish with job and the government system had focus and full commitment on the creation of jobs.

President Moo Jae-In has full determination to set off the non-regular jobs from South Korean labour markets in the long term. It is easy to regulate the conglomerate first, as small and medium sized firms who employ non-regular labour are exclude from the system. While, large companies have the capacity not to hire them as more efficiently. The new government would like to build the pressure on the public sector and will seek the social consensus. In addition, the government will be able to push to pass and frame the necessary legislation to take the effective measure on the non-regular labour issues.

The new government would be then able to form a committee or a council on the non-regular employment forum. It will chart a plan to remove all non-regular positions and create as many as jobs in public sector to tackle the issue. It will then clear the way in private sector as well. The South Korean government will tempted to focus on the tax incentives for the business and its allies to turn the non-regular positions into regular one. While, the creation of the quality job and improving labour conditions is the President Moon's social and political obligation and necessity.

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