

Social Framework of Contemporary Labour in South Korea

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Abstract

The politics of labour in Korea began from the time of high-growth phase 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' demanded "flexible labour regime" with the rules of entry and exit simplified for workforce as according to Song Jong in 2013. 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 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. The policy in Korea after the Tripartite Commission formed in 1997 allowed employers to legally use the dispatched workers. At the same time, trade unions whose strategic relations was constrained under the pressure of the economic crisis, even they could not help but accepted the government's reform drive to legislate the dispatched workers protection law. It was 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. Non-regular employment had a substantial part of the working population after the financial crisis of 1997-98. Korean firms moved by the economic crisis, to downsize the regular employment and refilled the positions with the non-regular workforce. This has led to an increase in contingent workforce of daily, non-regular workforce in economically active population. IMF led reform and restructuring gave rise to the non-regular employment in Korea. The sudden rise in non-regular labour has been highly contrasted by politics in Korea. This has given a rift between regular and non-regular labour force at the time when legislation protection and social concern were much talked in Korean Confederation of Trade Union and many Civil Society organizations. This has encouraged the scholars and researchers to focus on this new phenomenon in South Korean Labour Economy which has been evident globally in recent times.

Key Words: Social Framework, issue of Labour, South Korea

Introduction

The politics of labour in Korea began from the time of high-growth phase 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' demanded "flexible labour regime" with the rules of entry and exit simplified for workforce (Song Jong, 2013). 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 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.

In Korea, the recurrent renewal and demand for non-regular labour creates inferior non-regular jobs among the economically active population played an active politics. It was considered as a 'stepping-stone' but in reality it was a big trap. The non-regular workers were entrapped in rather being able to move upward to regular positions as was expected by the social concern. In reality regular employment was reduced to lowest level (Korean Labour Institute, 2009). 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 (Byuong-hee Lee and Sangheon Lee, 2007)

Korean firms launched a massive downsizing of regular employees at the time of economic crisis, and expanded the use of non-regular along with the rapid economic recovery from the financial instability of

1997 and 2008. As a result, non-regular employment sharply proliferated, and their discriminated working conditions created the growing concern among unions and NGO's (Kyung-Sup Chang, 2010). This gives a rift between regular and non-regular force and provides a space for state and corporate management to undermine the right of civil society. Civil Society with the trade unions launched timely social reform movement with the 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.

Also, there is a discrepancy in the treatment of regular and non-regular workers in South Korea. The President Kim Dae Jung, administration enacted the dispatched workers protection law to focus on the issue of industrial relations in 1998. The law has failed to be implemented by the former civil-government (1993-1997) due to unions' strong resistance, was made a part of the social pact made in February (S. Hong, 2013). 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 failed to reach a tripartite agreement due to

the uncompromising interest and discrepancy between union and business representatives.

President Lee, Myung-Bak, announced an extensive de-regulation plan, at the beginning of his administration. The advent of the conservative government signaled the formation of business-led power relations by giving a big advantage to employers and business groups. The new government, made clear its pro-business administrative direction, collected business association's demand on deregulation of policy, including the non-regular employment laws, and made a public pledge to undertake aggressive policy-making for promoting market flexibility (CCEJ Policy Research Department, 2014).

The policy allowed employers to legally use the dispatched workers. At the same time, trade unions whose strategic relations was constrained under the pressure of the economic crisis, even they could not help but accepted the government's reform drive to legislate the dispatched workers protection law. It was 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.

Non-regular employment had a substantial part of the working population after the financial crisis of 1997-98. Korean firms moved by the economic crisis, to downsize the regular employment and refilled the positions with the non-regular workforce. This has led to an increase in contingent workforce of daily, non-regular workforce in

economically active population. IMF led reform and restructuring gave rise to the non-regular employment in Korea. The sudden rise in non-regular labour has been highly contrasted by politics in Korea. This has given a rift between regular and non-regular labour force at the time when legislation protection and social concern were much talked in Korean Confederation of Trade Union and many Civil Society organizations.

After the financial crises and the formation of Tripartite Commission in 1998, Kim Dae Jung the eighth President reformed the labour laws, while Roh Moo-Hyun again saw the financial breakdown in 2007-08. In this period many laws were amended and made like, Non-Regular Workers Protection Act, was introduced in July, 2007. Under the new law, non-regular workers were eligible to become regular workers in case they have been employed at one workplace for two years. In response to this law, businesses have begun to dismiss contract workers before the reach of the two year tenure requirement and employ new regular workers. If a regular worker's wage in nominal value is 100, then a non-regular worker's is 51 (Lee Byuong-Hoon and Eun Isou-Mi, 2011). More than 50 percent of non-regular workers were living on slightly more than minimum wage and suffer from lack of education, health care, and housing.

While Lee Myung-Bak the tenth President, in order to reform the economy turned harder on non-regular employment with the pro-business approach. There was a state-corporate versus labour-union civil society contest which gave a new set of political

formulation and it was due to sudden rise of non-regular labour in South Korea.

Significance and Scope of Subject

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 (People's Solidarity for Participatory Democracy) and CCEJ (Citizen's Coalition for Economic Justice). Korea's developmental neo-liberalism (Cho Youghan, 2012) has a contest with the neo-liberal ideas of flexible labour market.

In brief, the puzzle that this research proposes to explore is the whether and how the politics is played by the state and corporate sector with the labour union, 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 be attributed to the labour market flexibility. However, there are strong reasons to believe that the introduction of labour market flexibility would possibly improve the employment growth.

The introduction of labour market flexibility under the neo-liberalism is premised upon the presumption that workers are 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 is chaotic and painful for the civil society to understand and to develop a social market place.

Questions to be answered

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

- a. Has the concept of jobs been established in labour contracts and wage setting?
- b. Have the rules of equal remuneration and equal pay for jobs of comparable worth been

established? Are they applied to non-regular workers?

c. Is there a wage-decision mechanism that transcends company frameworks?

d. Has the minimum wage been established? Is it at the level of a living wage?

e. Are opportunities for capacity development, along with a certain income level, guaranteed to non regular workers?

f. Are opportunities for non-regular workers to become regular workers guaranteed?

g. Are measures for employment stability and for guaranteeing all workers the chance to perform decent work in place?

h. Are there rules concerning fixed-period employment contracts?

i. Are there rules concerning dispatched work?

j. Do safety nets such as employment insurance and social insurance apply to non-regular workers? Are they comprehensive?

k. Are rules in place to regulate ambiguous employment contracts?

There is an interest convergence of capitalist model of labour market to social model of labour welfare. According to Wade and Veneroso (1998), the East Asian developmental state growth model is anchored on five major elements, namely: high household savings (mostly in bank deposits), high corporate debt-to-equity ratio (compares total liabilities with shareholders equity), bank-firm-state collaboration, national industrial strategy, and investment incentives to enhance international competitiveness. The last three elements are the stabilizing conditions of this growth

model. A high debt-to-equity ratio (D/E) means that firms have been aggressive in financing their growth through debt. The economies of South Korea and Japan have high corporate D/E. Firms wanting to become players in the world market can do so only through borrowing. This growth model is also known as the Asian high debt model because it is characterized by high D/E. Wade and Veneroso emphasize that in these East Asian countries, the state assumed an active role in jump-starting industrialization. In the case of South Korea prior to the 1997 Asian financial crisis, it did not accept the prescriptions of the Washington Consensus. Investments were poured into priority industries and away from speculative real estate and consumer durables. Investments were also allocated to the advancement of technology and technical know-how. There was massive administrative support for businesses and entrepreneurs in the form of detailed business information.

To build production capacity, capital formation and technology acquisition were likewise promoted by the state. The banking system was nationalized to target credit for priority sectors. Foreign investments were strictly 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 adopted by the government. Tariffs were imposed to protect the domestic market. Also, a ban on foreign technology in sectors producing the same was also put in place. To check on inflation, wage and price controls were imposed. To provide needed human resources for South Korea's

industrial policy, the state invested massively in education. Industrialization was pushed along these policies. Distributional equity was gradually promoted by the state through farm subsidies. Tariff barriers and productivity gains, on the other hand, were translated into real wage increases. Based on South Korea's state-led industrialization experience, the hallmarks of the East Asian growth model can be summed up in the following (Wade and Veneroso 1998; Jomo 2001):

□ Making society function better through macroeconomic and political stability, equitable distribution of income, and cooperative behavior within the private sector;

□ Adaptability of government policies with lesser government as economies become complex; □ Creating 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;

□ Promoting accumulation of physical and human capital: higher domestic savings through postal savings institutions and provident funds; promoting education and training.

□ Altering the allocation of resources: identifying industries where R&D 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;

□ Adopting government policies supporting investment: 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.

Theoretical Framework

Capitalism also introduces a new stage in the division of labour. In addition to the earlier social division of labour, the production process is itself fractionalized. The extensive use of machinery routinizes the different segments of manufacturing to which a worker is tied, in effect transforming the worker into an appendage of the machine he or she tends. These changes are brilliantly examined in Harry Braverman's classic, *Labour and Monopoly Capital*, New York: Monthly Review Press, 1974.

Bringing Marx's analysis of the labour process in Volume I of *Capital* up to date, Braverman explains: Labour power in a capitalist society has become a commodity. Its uses are no longer organized according to the needs and desires of those who sell it, but rather according to the needs of its purchasers, who are, primarily, employers seeking to expand the value of their capital. And it is the special and permanent interest of these purchasers to cheapen this commodity. The most common mode of cheapening labour power is exemplified by the Babbage principle: break it up into its simplest elements. . And as the capitalist mode of production creates a working population suitable to its needs, the Babbage principle is, by the very shape of this "labour market," enforced upon the

capitalists themselves. Every step in the labour process is divorced, so far as possible, from special knowledge and training and reduced to simple labour.

Marx appears to have adopted labor-values as the units of an accounting system designed to reveal certain essential aspects of capitalist reality, presumably aspects that could not have been uncovered by other means. The labor-value analysis was not necessary to demonstrate that capitalist production relations generate profits through exploitation. Exploitation occurs when capitalists appropriate part of the net output that workers produce. That this is a feature of capitalism is evident, and there is no need for a special analytical device to establish the presence of the phenomenon. No one need to express one's accounts in units of labor-time in order to show that capitalist exploitation is sociologically complex or that it inflicts upon workers a historically specific form of alienation.

Interest of Convergence of the State merges its efficiency as discussed by Bello (2009b, par 7) outlines 11 pillars of his paradigm:

1. Production for the domestic market must again become the centre of gravity of the economy rather than production for export markets.
2. The principle of subsidiarity should be enshrined in economic life by encouraging production of goods at the level of the community and at the national level if this can be done at reasonable cost in order to preserve community.
3. Trade policy — that is, quotas and tariffs — should be used to protect the local economy from destruction by corporate-subsidized commodities with artificially low prices.
4. Industrial policy — including subsidies, tariffs, and trade — should be used to revitalize and strengthen the manufacturing sector.
5. Long-postponed measures of equitable income redistribution and land redistribution (including urban land reform) 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 cannot be 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 government budget to devote to agriculture, etc. — become subject to democratic discussion and choice.
9. Civil society must constantly monitor and supervise the private sector and the state, a process that should be 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. 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 in describing the Bolivarian Alternative for the Americas (ALBA), "transcend the logic of capitalism."

The ongoing process of economic and political struggle by people to move beyond the capitalist logic which could be it at the macro, meso or micro level, and simultaneously to transform themselves in the process. 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. Of course, an alternative 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.

Neo-liberal view on labour in a State mechanism puts labour as an important in the area of political philosophies, economic imperatives, and in the role of the State in determining the direction of economic and social development, the influence of unions and the business community. Globalization and Competitiveness brought the management of labour to fulfill the functions of a welfare State of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association,

collective bargaining and the right to strike. Similar results were achieved in the South Korea where political democracy, and sometimes socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions with relatively few members.

Labour relations were often viewed by South Korean government as a means of minimizing conflict, preventing union agitation, or of controlling employers and winning votes. Conflict resolution was achieved through dispute prevention and settlement mechanisms external to the enterprise, such as conciliation, arbitration and labour courts. In South Korea, the objective was also achieved through restrictions and prohibitions on the freedom of action of employers in matters such as termination of employment, closures and even transfers of employees. On the other hand, the successive governments resorted to measures to restrict trade union action and to control unions, as well as to avoid union multiplicity. In South Korea, while the focus of Labour Welfare was on equity from the point of view of workers and unions, but management council made the emphasis on economic efficiency and less on worker protection laws. Low unionization, strong successive governments in the Republic of Korea, and perceptions that unions can be potential obstacles to a particular direction of economic development has led to a relative neglect of growth of regular employment in the enterprises.

Globalization has led employers to push for less regulation of welfare mechanism, less standardization of the employment relationship, and a greater focus on the

workplace as the centre of gravity. Employers as well as Management Council are viewing non-regular employment from a more strategic perspective, i.e., how non-regular labour can contribute to and promote workplace cooperation, flexibility, productivity and competitiveness. It is increasingly recognized that how people are managed impacts on an enterprise's productivity and on the quality of goods and services, labour costs, the quality of the workforce and its motivation.

Political Sociology of Labour

The diminishing role of the State as employer (while the growth of the economy is the crucial factor) may correspondingly reduce the State's interest in intervening in labour relations. The direction in which economies in transition is heading is uncertain, but indications are sufficient to raise the question whether over-regulation of the labour market through legislative activity is a possibility, in which event it will stifle the flexibility employers will need in time to come to compete in the global marketplace in more value-added industries than the ones they are engaged in at present. Employers and employers' organizations need to influence the industrial relations system (including the labour law) in the context of competitiveness. Not all employers' organizations in South Korea are adequately equipped to do so, so that they have to acquire the requisite knowledge base needed to influence the policy environment. This also implies that employers' organizations will have to develop a strategic perspective of non-regular employment, in the same way that employers are seeking to develop market

policies and practices which foster competitiveness.

In this task it is inadequate to merely espouse the familiar claim that labour markets should be deregulated. It is sometimes not clear whether this claim means that we should dispense with labour laws, or whether it means that there should be a careful identification of the legitimate areas of legal prescription. If it is the former, it is difficult to see how there can be social stability if one group is to be granted unrestricted freedom of action. If it is the latter, it means being able to identify the interventions which obstruct the efficient functioning of the market. Efficiency (on behalf of which deregulation is espoused) and equity are not antithetic concepts. Rather, it is efficiency and inequities which are antithetic as inequity leads to inefficiency. What we need to do is to develop a perspective of labour law and its implications to non-regular employment which is based on the premise that it is not economies which compete, but enterprises and clusters of competitive industries.

Tat Yan-Yang (2005) states that there is a transition of economic policies in the realm of neo-liberalism hastened by 1997-98, the Asian Financial Crisis. There is a creation of flexible labour forces, which had reform the institutional relationship between employers and employees. It governs the flexibility, namely the regulations specified in employment legislations and the wider state-business-labour-management arrangements or social settlements underpinning the rules of social development and the labour standards.

The labour reforms after the tripartite commission questions de-homogenizations of labour into regular and non-regular labour. It was classified in the South Korean development model. It also 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 pattern gives another form of the capitalism, which is varied from elsewhere. Labour has its significance to neo-liberal transition, where factions of labour were neglected in the comparative political economy. This economy has only focused on the state-business relationship. It has reflected the subordination of labour at the hands of the development 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 democratization. The upsurge of strikes following democratization brought labour issues to scholarly attention in South Korea.

In a global economy capital can move anywhere in pursuit of cheap labour and less regulation. Thus, globalization reduces employers' need to negotiate with unions when they demand higher wages and better protection. Globalization has become so universal in capitalist countries that business takes full advantage of it to avoid challenges from unions and state regulation, while unions have to lower their voice to maintain job security in the face of flexible production. Just as unions in advanced

capitalist countries are all in trouble under a global economy, so the worldwide change may inflict a fatal blow on the Korean unions which have only just settled after from the turmoil of 1987. First of all, the introduction of flexible production is a menace to unions. Flexibility has three distinct aspects: employment, wages and skills. Employment flexibility means job instability for workers and a fundamental change in their perception of firms. Workers are no longer paid by contribution and seniority but according to merit and ability once wage flexibility is introduced.

Finally, 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. Management attempts to introduce flexibility thus provoked very severe conflict between capital and labour. The situation caused tension during the Kim Young Sam regime from 1993 to 1996, but unions had to accept these changes when the government decided to join OECD in 1996. The changes brought about by flexible production and union response can be summarized as follows.

First, numerous workers lost their jobs because of the closure of many labour-intensive firms, notably in the clothing industry and textiles. Rising labour costs were the main reason for bankruptcy, and many employers decided to move to less developed countries in Central America and South-East Asia in search of cheaper labour.

Capital flight and overseas investment affected the industrial parks and export-processing zones where light manufacturing was concentrated. This caused a sudden drop in the membership of FKTU and KCTU during these years.

Second, the conglomerates began to downsize and lay off workers in order to reduce their debts and increase profitability. This was the first time that the employees of conglomerates experienced job instability and the collapse of life-long employment. FKTU and KCTU expressed strong opposition to the managerial strategy but could not stop it.

Third, the privatization of state-owned enterprises and public services was a controversial topic because of their accumulated deficits and negative effect on economic growth. Globalization legitimized and strengthened the argument that public enterprise cannot compete with the private sector in terms of efficiency and productivity. It is commonly accepted that a bureaucratic hierarchy, lack of incentives and guaranteed job security are the main factors undermining efficiency and productivity in the public sector. When government started to discuss the possibility of selling and privatizing state-owned enterprises in 1994, public-sector unions expressed strong and persistent opposition, and called a general strike when it was carried out. As the public utilities had long held a monopoly position, the unions in that sector were well-organized with a high commitment to leadership.

Thus, the government inevitably collided with strong unions such as the Korea

Electronic Power Corporation and Korea Telecommunications. Public-sector unions set up a joint committee to oppose privatization and waged serious and violent struggles in 1994 and 1995. KCTU supported the struggle and public-sector unions became the main agent of so-called democratic unionism. The confrontation continued until 1998 when the Kim Dae Jung government announced an official schedule of privatization to overcome the economic crisis. At this time, no opposition was heard because it was channeled through tripartite negotiations that included FKTU and KCTU.

Fourth, the conglomerates took huge foreign loans in order to move into new areas such as information and financial services as a means of industrial restructuring. Unfortunately, the new industries in which they invested had little effect on job creation and the reduction of unemployment. Instead, financial deficits accumulated and eventually exploded into the foreign debt crisis of December 1997.

FKTU and KCTU began to cooperate in the struggle to gain managerial initiative. From 1993 to 1995 there were large-scale strikes against the government's privatization policy and downsizing in the conglomerates.

The national centers, FKTU and KCTU, cooperated closely at this time to achieve their common goals of maintaining job security and protecting the rank-and-file from massive lay-offs. They also drew up 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. The conflict surrounding job security and pay schemes significantly affected labour orientation. First of all, political unionism began to lose its attraction for the working class. The “democratic unionism”, which was associated with politically active and radical factions of the working class, dwindled and shrank. Attention was focused instead on union democracy. This does not mean that political unionism died out completely or disappeared from the scene. There was a disparity between the national centre and local unions.

The nexus of State with the Corporate Management made the labor 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 labor unity. The media is universally anti-labor, the middle class fears that labor activism will destabilize the fragile recovery, and the once-powerful progressive student movement no longer exists.

The neoliberal 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 – the replacement of potentially democratic political control over the economy with market processes dominated by rich individuals and powerful companies. With a “flexible” labor market and weak unions, free cross-border capital flows, unregulated stock and bond markets, corporations independent of government influence, banks guided only by short-term profits, and foreign domination of finance and industry.

Conclusion

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:

1. The State System
2. The Corporate System
3. The Social System
4. 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 pressurize the government to increase spending for stable development, while state-system and corporate system of Korea advocates for flexible labour laws and easy hiring and firing rules to enhance the role of the private sector in the economy.

There was 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 hindrance at work and employment which the past literature works could not attend effectively.

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