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ABSTRACT

In the literature in English, the prevailing view on Korean unions during the economic developmental period of the 1970s judged unions' lack of representative capacities as well as their exceptionally slow growth patterns as constrained chiefly by the state-led macro-political environment. However, this paper finds that enterprise unions as the primary form in Korea not only pursued weak to moderate economic unionism but also recorded a gradual pattern of growth while exhibiting significant diversity across sectors, industries, and firms during that period. That diverse pattern of union growth was repeated and intensified by the explosive growth of vigorous economic enterprise unionism during the political democratization period between 1987 and 1994. In particular, Korean union growth was not always solely, decisively, and negatively influenced by the state, as presumed in the literature. Instead, like their counterparts in several advanced nations, some Korean unions had relatively stable organizations and bargaining power in strategically growing industries, in state-regulated sectors and industries, in large enterprises (LEs), and among advantageous groups of workers enjoying stable wages and employment security in labor markets.

Key words: enterprise unionism, union growth patterns in Korea, meso- and micro-socioeconomic theory, pluralistic perspectives on union formation, comparative industrial relations

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I. Introduction

According to the literature on unions in Asian NICs (newly industrialized countries) (Bean, 1994; Choi, 1989; Deyo, 1989; Koo, 2001; Martin, 1989; Poole, 1986), Korean workers were not typically allowed to organize unions freely or to bargain issues of interest with their employers as they wished during the nation's economic developmental period of the 1970s. This retarded growth pattern of unions, which contrasts with the normal pattern in advanced nations during similar periods, was interpreted as being embedded in repressive state-led political and economic environments at national levels -- what is termed the macro-political economic model in this paper. Thus unions in Korea and those in advanced nations were treated as "oranges and apples" that enabled "political scientists [to] have an advantage in undertaking such studies ---- on relationships among the state, companies, and unions in developing countries" (Strauss, 1998: 183).

This paper is based on a critical perspective that the macro-political economic model of Korean unions is inappropriate for understanding their distinct growth pattern. In Korea, enterprise unionism dominated as the prevailing union organization and bargaining structure (Frenkel, 1993; Jeong, 2007; Kwon and O'Donnell, 2001). This study defines enterprise unionism as a highly decentralized union and bargaining structure in which initiatives of union organization and subsequent decisions related to collective bargaining and dispute are made by workers at enterprise levels; these workers interact closely with employers who have a variety of attitudes toward them and diverse policies for admitting them. Given the decentralized structure, both workers and employers possessed considerable discretion for respectively building and allowing enterprise unions; hence the state could not have a sole, decisive, and negative effect on union growth. Another defect of the political economic model lies in its failure to recognize the generally pluralistic origins of Korean union formation that resulted from the presence of conflicting interests of workers and employers, a characteristic also

observed in advanced nations.

This paper proposes an alternative meso- and micro- socioeconomic union model as the proper analytical framework for understanding Korean enterprise union activities. This model, while acknowledging the significance of macro-political and economic environments for shaping the long-term pattern of union growth, stresses that another crucial facet of union growth is also observed at meso- and micro-levels. In other words, the phenomenon of union growth can be properly understood as uneven across sectors, industries, and firms that depend critically on the desires and choices of workers for building and retaining unions in interaction with the economic capacities and social perseverance of their employers for admitting unions. This meso- and micro- view of union growth is especially relevant due to the decentralized structure of enterprise unions.

The following section presents a critical review of the literature. Next is a section on data description and analysis. The fourth section illuminates the historical evolution of union organization and its structural and functional features in distinct periods. The fifth section provides an analysis of several distinct enterprise unionism models and their evolution in three periods from a comparative theoretical perspective. The argument's conclusion, as well as its theoretical and empirical implications, is provided in the final section.

II. In Search of an Alternative Analytical Framework for Korean Unions

According to a few studies utilizing first-hand data on Korean unions, it was the powerful role played by the state that deprived Korean unions of representative roles for unionized workers. Choi (1989) in particular argued that the state damaged democratic union politics through (1) interventions in the election process in major industrial union federations, (2) the strict legal process of recognizing new unions, and (3) the encouragement of alternative consultative communication channels rather than conflictual negotiations. That authoritarian

posture of the state enabled employers to boldly adopt anti-union tactics like (1) fierce opposition to new democratic unions through various unfair labor practices against workers who supported unions and (2) the cultivation of docile company unions in place of militant democratic ones. According to Deyo (1989), the Korean state succeeded in building an effective labor regime led by elite groups within the state and enterprises, both of which shaped union weakness in the form of inconsequential challenges on the part of workers to the policies of employers and governments, a trend of ineffective strikes from 1955 to 1986, defensive bargaining issues (e.g., declining real wages), worker dismissal rather than offensive issues (e.g., improved wages and benefits), lack of a pro-labor political party, and low and stagnating union density. Kuruvilla (1996) also argued that the shift in the Korean state's industrial relations policy from cost containment in the 1970s to workplace flexibility and skills enhancement in the late 1980s and 1990s shaped various industrial relations practices in Korean firms.

On the basis of these studies utilizing first-hand data, recent comparative industrial relations books focusing on unions in Asian NICs hastily accepted this macro-political interpretation of Korean unions. Two popular textbooks in the field emphasize either "a much more active and interventionist role in industrial relations than was traditionally the case in North America and some Western European countries" (Bean, 1994: 218) or a state corporatistic role in Asian NICs rather than the pluralistic and societal roles in many advanced nations (Poole, 1986: 105~112). As a result, these writers argue that Korean unions suffered from a "restricted scope for collective bargaining" along with "restrictions on strike activity" (Bean, 1994: 219 & 226). Similarly, according to Martin (1989: 14, 51, 70, 145 & 186), the purposes and forms of unions in Korea can be classified respectively as "authoritarians treating unions as state instruments" and "state-ancillary movements," which are different from the "pluralists and organicists" and "autonomous movements" characteristic of many advanced nations. Finally, in some Asian developing nations, "the state-sponsored unionism ---- operates towards objectives defined at

the state level ----, which exclude proper bargaining and conflictual action” (Cella and Treu, 2001: 469).

I cannot completely deny the argument that some Korean enterprise unions had little union security (i.e., only minimal, unstable support on the part of employers for union efforts to recruit employees and retain them in the union), weak bargaining capacity (i.e., both limited bargaining agendas and limited union ability to bargain and regulate those agendas), and limited dispute leverage (i.e., little capability to lead employers to reach agreement in bargaining through either the threat of disputes or their realization) as well as low union density (i.e., a low relative proportion of union members within the total relevant workforce). Studies of enterprise unionism in Japan (Benson, 1998; Galenson, 1976) and Korea (Jeong, 2003) reveal its weak structural and functional independence from management. The literature in Japan emphasized focuses of enterprise unionism on myopic material issues of interest in bargaining rather than on issues of strategic and broad labor concerns in forms of inherent limitations in internal union democracy (Seifert, 1988), little bargaining regulation over strategic decision making for enterprise restructuring (Deutschmann, 1987; Marsh, 1992), and low priority on checking and reversing union decline in the industry and the nation as a whole (Tsuru and Rebitzer, 1995). Similar limitations were also found in Korean enterprise unionism (Jeong, 2003 & 2005).

However, this paper is based on a critical perspective that the ways Korean enterprise unions are organized and perform for worker representation are not fundamentally different from those in advanced nations. Therefore, this study will revisit Korean unions using the research focus and theoretical framework that have been popular in advanced nations. Above all, this paper aims to view union formation in Korea from a pluralistic industrial relations perspective. In other words, according to the experience common in advanced nations (Gordon, 1985; Katz and Kochan, 2004; Reid, 2004; Webb and Webb, 1920), workers in capitalistic employment relations are usually prompted to form unions to defend and improve their interests, which

frequently conflict with those of their employers. Likewise, this paper aims to examine whether Korean workers did spontaneously form unions due to those pluralistic origins of unions.

This paper also illuminates and analyzes dissimilar union and bargaining outcomes at sector, industry, and firm levels. Given their highly decentralized structure in Korea, I have developed a theoretical framework emphasizing the various degrees of worker and employer discretion with regard to unions in interaction with several socioeconomic environments at meso- and micro-levels, shown in Table 1. This framework assumes that the strong desires and capacities of workers are the necessary conditions for showing stable union security and strong bargaining capacity, while a positive attitude on the part of employers is the sufficient condition for shaping such outcomes. Above all, the greater the skills and the higher the education level male workers have, the stronger their desire and capacity for building and maintaining unions, because these demographic features decrease workers' replaceability while increasing their social esteem and economic status in labor markets and firms. However, workers are more likely to face greater economic capability and social perseverance of their employers for

Table 1. A theoretical framework regarding factors shaping union security in Korean enterprise unions

Workers		Employers	Their product markets, ownership, management styles	
			Favorable	Unfavorable
Their labor markets	Advantageous		Stable union security	Unstable union security
	Disadvantageous		Precarious union security	

admitting unions as their employers are large firms in product markets, have a management structure regulated by the state, and have developed a generous management style that tolerates unions. Even among advanced nations, such meso- and micro-socioeconomic environments are crucial for the presence of relatively stable union strongholds comprised of highly educated and skilled workers among LEs, in growing industries with strategic significance in national

economies, and in industries regulated by the state (Bain and Price, 1983; Kersley *et al.*, 2006; Reid, 2004; Schnabel, 2003; Webb and Webb, 1920).

Table 1 suggests that stable union security is observed in a mix of advantageous-favorable conditions when workers' strong desires and capacities for building unions meet employers' favorable economic capabilities and social perseverance. In contrast, precarious union security can be observed in that Table when workers face disadvantageous labor market conditions, regardless of favorable or unfavorable product markets, type of ownership, or employer management style. In other words, if workers facing disadvantageous labor market conditions succeed in temporarily and opportunistically building unions due to competent union leadership in favorable national political and economic environments, their survival turn out to be precarious in the long run as they are frequently exposed to persistent managerial opposition and employer resistance. Finally, if groups of workers in advantageous labor markets have a strong desire to organize a union but encounter employers with unfavorable product markets, ownership, and management styles, the result could nonetheless be unstable union security -- in other words, vigorous union activity occurs only when workers win over employers opposing unions, and weak activity occurs in the opposite case.

III. Data

In order to analyze the pattern of union growth in Korea, this paper takes into account the entire union membership of all industrial federations affiliated with one of two national union federations, FKTU (Federation of Korean Trade Unions) and KCTU (Korean Confederation of Trade Unions). The KCTU was established in 1995 through the organization of enterprise unions that formed after 1987. Membership data are shown in Table 2 -- which depicts union growth during the economic developmental period, roughly 1962 to 1986 -- and Table 3 -- which depicts union growth during the political democratization period, roughly 1989 to 1994.

Some reservations should be made regarding the grouping of all industrial union federations into the four sectors shown in Tables 2 and 3. For instance, one might question the classifying of several service industries like hospital, college, financial, and communication into one private service sector, as some firms in these industries were wholly or partially owned by the government. Furthermore, these industries were subject to strong governmental intervention due to their provision of public services. However, the majority of firms in those industries are now privately owned as less governmental regulation in those four industries prevailed beginning in the early 1990s. Hence, three newly organized (hospital, college, and communication) industries after 1986 are roughly classified in Tables 2 and 3 as private service sector while the financial industrial union federation, which mainly organized enterprise unions in banks, belonged to the public corporations and industries sector until 1986 (Table 2) but to the private service sector after organizing many banks after 1989 (Table 3).

In order to examine in detail the patterns of union security and density, bargaining capacity, and dispute leverages at industry and firm levels, this paper considers representative cases of union activity in terms of their significance and distinctiveness *vis-à-vis* all union activity throughout the nation. During the economic developmental period, union activity in the manufacturing sector can be represented by the activities of enterprise unions in the chemical industry that were affiliated with the FKCU (Federation of Korean Chemical Unions), the

Table 2. Union growth across industries during the economic developmental period (1962~1986) (unit: 000s)

Sector	Industrial union federation	1962	1972	1986
Manufacturing and mining	Textile	25	54 ²	115
	Chemical	11	43 ²	129
	Metal	5	27 ²	119
	Printing		4 ²	5
	Mining	16	33 ²	54
	Subtotal		58 (33.1%) ¹	163 ² (32.4%)
Public corporations and industries	Financial	6	20	92
	Rail	21	33	30
	Electricity	8	10	18

	Post office	7	24	
	Ginseng and tobacco	8	14	11
	Subtotal	52 (29.6%)	106 (21.0%)	196 (18.9%)
Transport	Land transport ³	22	17	
	Dock transport	14	47	36
	Seafaring	10	19	79
	Auto transport		89	145
	Subtotal	48 (27.4%)	168 (33.4%)	256 (24.7%)
Private service	Foreign	5	23	22
	Tour		2	8
	Allied	12	39	59
	Communication			65
	Subtotal	17 (10.2%)	66 (13.2%)	156 (15.1%)
Total		176	504	1,035

Source: Ministry of Labor (1987), p. 39; FKTU (2002), pp. 355, 524, 527, and 623.

- Notes: 1. Percentages in parentheses represent the proportion of rank-and-file members in all industrial union federations in the manufacturing and mining sector among the total rank-and-file members in Korea in 1962. This applies to all remaining percentages in parentheses in this table and the next.
2. All numbers are approximations of real numbers by deleting the last three digits. For example, the real number of 54 is 54,165 by considering unit: 000s in the Table. By adding those real numbers, 163, the subtotal number, is slightly greater than 161, the real number total of 54, 43, 27, 4, and 33. Such slight differences are also found in most subtotal numbers in this table and the next.
3. Land transport was divided into dock transport and seafaring in 1980.

largest industrial union federation in the manufacturing and mining sector in 1986 (Table 2). Its publications -- FKCU (1987 & 2004) -- contain detailed data on union activities in its affiliated enterprise unions in chemical industries. Similarly, another distinct pattern of union activity

Table 3. Union growth and decline across industries during the political democratization period (1989~1994) (unit: 000s)

Sector	Industrial union federation	1989	1994
Manufacturing and mining	Textile	155	85
	Chemical	214	141
	Rubber ¹	32	26
	Metal	356	273
	Printing	26	9
	Mining	44	14
	Subtotal	914 (48.2%)	552 (33.2%)
Public corporations and industries	Railway	31	31
	Electricity	26	25

	Post office	21	26
	Ginseng and tobacco	10	11
	Subtotal	89 (4.7%)	95 (5.7%)
Transport	Dock transport	46	39
	Seafaring	83	61
	Auto transport	97	89
	Taxi ²	117	116
	Subtotal	368 (19.4%)	318 (19.2%)
Private service	Foreign	38	26
	Newspaper and broadcasting		15
	Hospital		30
	College		10
	Financial	120	146
	Clerical and Finance ⁴	53	41
	Insurance ⁴		17
	Tour	24	21
	Allied	237	132
	Communication	50	4
	Specialized Technologies		25
	Construction		16
	Subtotal	524 (27.7%)	490 (29.5%)
	Nonaffiliated		202
	Total	1,897	1,659

Source: Ministry of Labor (1990), p. 30; KLI (1996), p. 201.

- Notes: 1. Rubber was disaffiliated from the chemical union and built a separate industrial union federation in 1988.
2. The taxi branch was disaffiliated from the auto transport union and formed a separate federation in 1987.
3. The clerical union and the finance and insurance union were established in 1987 and 1988 respectively; the latter then merged into the former in 1995.

during that period can be represented by the activities of enterprise unions in the financial industry, comprised primarily of private banks, as documented in the FKFU (2000). During the political democratization period, union activity in metal LEs (large-sized enterprises) and SMEs (small- and medium-sized enterprises) had several contrasting features, depending on firm size, while highly paid white-collar service industries offered yet another example of a distinct type of union activity in Korea.

IV. Diversities of Union Organization and Bargaining and Their Evolution

1. Different representative capacities of unions in the economic developmental period

During the period from 1962 to 2005, union membership in Korea grew about six-fold, from 176,000 to 1,506,000 (Tables 2 & KLI (2007): 187). It reached its maximum -- 1,897,000 -- in 1989 but fell thereafter (see Table 3). This paper divides the entire 43-year era into three distinct periods but focuses on the first two recording union growth. During the first period (1962~1986), the economic developmental period, state-led industrialization shaped economic growth as well as political stability and thus also influenced union organization.¹ During this period, the growth of Korean union membership was led mainly by the manufacturing and mining sector, which increased from 33.1% in 1962 to 41.3% in 1986 (see Table 2). However, both public corporations and industries and transport sectors, another union stronghold in 1986, owned about one in five (18.9%) and one in four (24.7%) rank-and-file members in Korea respectively (Table 2).

Why then were some workers in chemical industries interested in spontaneous union formation? They usually suffered from low wages and poor working conditions. The average wage among unionized chemical employees was 224,180 won in 1983, which was lower than the annual minimum wage (343,507 won) calculated by the FKTU for a small family of 3.05 members (FKCU, 2004: 273). In addition, chemical workers generally suffered from both long working hours -- 249.1 average monthly hours in 15 chemical industries in comparison with 233.4 hours in the entire manufacturing sector in 1979 (FKCU, 1987: 407) -- and high levels of industrial accidents that caused physical damage ranging from minor injuries to deaths, in particular, in food and rubber industries (FKCU, 1987: 412). Thus low wages, long working hours and poor working conditions seemed to enable chemical workers to be involved in union formation.

The approximate union density among chemical firms was about 16% in the latter half of the 1970s (FKCU, 1987: 428), which was much lower than that among workers in private banks as

mentioned below. Among a total of 137 disputes in chemical industries between 1972 and 1979, 49 (35%) resulted from workers' demands for wage increases while 71 (51%) arose from unfair managerial interference in free union formation (FKCU, 1987: 450). Here, the unfair managerial interference meant that managers frequently attempted to successfully block free union formation of workers. Thus chemical workers suffered from formidable employer opposition to unionization as well as precarious union security.

In contrast to the goals of chemical workers for building unions, the goal of workers and their interest in union activity in private banks was primarily to retain their high economic status and stable social status as highly educated white-collar employees. For example, their average wage level was quite high (450,000 won in 1983). This wage was also accompanied by relatively short working hours -- 203.8 per month in 1985 (FKFU, 2000: 233). In addition, unions in private banks also tried to maintain and improve generous perquisites, including fringe benefits such as apartments and recreational facilities for employees. In the 1980s, bank employees enjoyed greater job security, usually much longer than ten years, in contrast to 4.7 years, which was the average tenure of employees in chemical firms (FKCU, 2004: 278).

Union density in the private bank industry was very high, about 88.2% in 1980 (Jeong, 2007: 32). Another indicator of union security in that industry is revealed in the fact that their new unions in their initial formation periods of the early 1960s encountered weak managerial opposition (FKFU, 2000: 89-105). Such tolerant attitudes of managers for unions are contrasted with the fierce and successful managerial oppositions against new unions in chemical firms during the 1970s as depicted in Jeong (2007: 44~63).

Did Korean unions in chemical and private bank industries thus have a strong bargaining voice? Annual wage growth rates bargained in unionized chemical firms in 16 chemical industries were 22.1% in 1977, 22.6% in 1978, and 20.5% in 1979 (FKCU, 1987: 430 & 431); the rates were 29.0% in 1980, 18.2% in 1981, 9.3% in 1982, 7.8% in 1983, 5.7% in 1984, and

6.7% in 1985 (FKCU, 2004: 278 & 279). In unionized private banks, annual wage growth rates bargained were 22.6% in 1977, 22.2% in 1978, 15.9% in 1980, 10% in 1981, 9.0% in 1982, 6.0% in 1983, 0% in 1984, and 3.0% in 1985 (FKFU, 2000: 404, 408, 484). Even though these wage growth rates did not substantially improve real standards of living for unionized workers due to the high inflation rates during that period, Korean unions did demonstrate moderate bargaining power by exercising economic regulation for annual wage growth.

Enterprise unions in the private bank industry also seem to have had some voice with regard to bargaining welfare benefits like subsidized housing and generous pensions for bank employees (FKFU, 2000: 419 & 449). Those unions also owned strong consultative voices over personnel issues like promotions, extension of the mandatory retirement age, and elimination of discrimination against female employees (FKFU, 2000: 412~414 & 488~489). In contrast, the voices of chemical unions with regard to membership services and job regulation seem to have been notably weak. For example, among 150 sample enterprise bargaining agreements regarding managers' decisions of dismissal for ordinary unionized employees of chemical enterprise unions in 1986, 29 (19.3%) did not specify any union input, and 87 (58.0%) specified unilateral managerial decisions, while only 18 (12.0%) specified consultation with unions (FKCU, 2004: 279).

However, unions in the two industries commonly had weak (i.e., legal and passive) dispute leverages. In the case of the chemical industry, of 137 union-employer disputes that occurred between 1972 and 1979, most involved passive forms of union behavior, such as submitting petitions or complaints to national or regional labor courts (94 or 68%) and demonstrating and holding sit-down strikes (33 or 24%). Only 10 disputes (6%) involved powerful strikes (cessation of production activities) (FKCU, 1987: 449). Unions in private banks had weaker dispute leverage than chemical unions, as strike activities in banks were strictly prohibited because of banks' provision of public financial services. Hence, Korean unions in these two

industries were not equipped with powerful dispute leverages, which could force their employers to yield to their bargaining pressure.

2. Diverse patterns of union growth during the democratization period

During the second relatively short period (1987~1994), Korean unions experienced dramatic growth as a result of significant progress in political and social democratization along with unprecedented high economic growth (Table 3). In 1989, the proportion of union members in the manufacturing and mining sector reached about half the size (48.2%) of national membership, but it fell significantly (to 33.2%) in 1994 (Table 3). The rapid growth in that sector was due primarily to the metal industry having 448,000 rank-and-file members in 1989 as numerous *chaebol* -- a South Korean form of business conglomerate usually led by a family -- LEs in that industry were unionized (Table 3). That vigorous pattern of union growth in manufacturing sector in the late 1980s resulted in part from active, illegal, and violent forms of strikes -- 94.1% of the 3,749 disputes in 1987; 79.6% of the 1,873 disputes in 1988; 68.5% of the 1,616 disputes in 1989, and 56.8% of the 322 disputes in 1990 (KLI, 2004: 201~202; NATU, 1997: 164). They were more violent than previous legal and passive forms of disputes and thus generated greater threats to employers, who were forced to recognize enterprise unions as legal representatives for employees.

Because of their greater organizational capacity and dispute leverage, Korean unions won increased wages for their members. Annual wage growth rates increased overall by 17.2% in 1987, 13.5% in 1988, 17.5% in 1989, 9.0% in 1990, and 10.5% in 1991, in contrast to the low rates of 6.4% in 1986 and 5.2% in 1993 (KLI, 1988: 49; 1999: 205). In the chemical industries specifically, annual wage growth rates bargained were 23.6% in 1987, 15.3% in 1988, 20.5% in 1989, and 30.9% in 1990, in contrast to 5.7% in 1984, 6.7% in 1985, and 7.3% in 1986 (FKCU, 2004: 279). After 1987, newly formed enterprise unions in the *chaebol* metal LEs also had

greater ability to bargain several non-wage issues, such as allowing for the presence of a full-time union, granting paid maternity leave to female employees, providing employee welfare facilities, and intervening in personnel decisions for rank-and-file members and union leaders (Jeong, 2007: 105~109).

Moreover, the militant activities of the metal *chaebol* LEs served as examples for workers in other industries who were struggling for union organization. Encouraged by the successes of union formation in the *chaebol* metal LEs, workers in some SMEs in the metal, chemical, and textile industries likewise succeeded in organizing their enterprise unions. In many cases, SMEs were subcontractors to *chaebol* firms and were located in the same regional industrial districts. These SMEs were influenced by the successful outcomes in the *chaebol* LEs, whose unions were relatively stable. However, workers in many organized SMEs could not usually maintain their union organizations, chiefly because of ongoing employer resistance to them. As a result, many new enterprise unions in SMEs ceased their activities or disappeared from the early 1990s.

Enterprise unions in *chaebol* LEs and SMEs exhibited different growth patterns. Most significant, estimated union density in the auto assembly and shipbuilding industries, which were comprised mainly of several major *chaebol* LEs, continued to remain at 74% and 54% respectively, in contrast to 19% in the auto supply industry, which was comprised chiefly of about 1,000 SMEs in 2001 (Jeong, 2007: 29). Even though data on those union densities in those industries in 1994 during the political and social democratization period are not available, such gaps across industries were estimated to persist from that period. In addition, there were notable variations in regulatory power between those two groups of unions. Unions in the *chaebol* LEs had a greater say in hiring and layoff decisions, even in the hiring of irregular and temporary workers, as well as in the determination of wages than did unions in the SMEs. Finally, unions in LEs, which could generate both real threats to their employers and damage to

the national economy, also possessed far greater dispute leverage than those in SMEs.

The rapid, dramatic growth of enterprise unions in metal *chaebol* LEs also prompted union organization in previously unorganized service industries comprised primarily of highly-educated, white-collar workers. In Table 3, union memberships in clerical and finance and insurance industrial union federations in the secondary financial industry grew from almost negligibly small numbers before 1989 to respectively 41,000 and 17,000 in 1994. Similarly, industrial union federations with more than 10,000 members -- newspapers and broadcasting, hospital, college, specialized technologies, and construction -- were created in 1994 (Table 3). Both union density and bargaining capacity ranged from a low level in the hospital industry to an intermediate level in the secondary financial and newspaper and broadcasting industries.² However, union power diminished rapidly in some segments of those industries -- for instance, in the secondary financial industry -- after the early 1990s.

V. A Meso- and Micro-Socioeconomic Analysis

As demonstrated in the previous section, distinct political and economic environments at national levels during economic developmental and democratization periods played a crucial role in union and bargaining outcomes, but fail to explain satisfactorily the remarkable diversity in union organization and bargaining outcomes within each period. We could consider three distinct union and bargaining models, including a stable monopolistic model of enterprise unionism in public corporations and industries, a stable enterprise unionism model in *chaebol* LEs, and a precarious enterprise unionism model in SMEs. The monopolistic model, which showed, high union density, moderate bargaining voices, and initial managerial recognition of unions with minimal resistance as examined above, was characteristic of unions in several public -- rail, electricity, and post office -- and semi-public -- city bus and private bank -- industries.³ The state played a predominant role during the early industrialization period because the stable provision of those public and semi-public services was a necessary

precondition for uninterrupted growth in manufacturing and private service firms. Even though the state did not officially acknowledge unions as the bargaining representative in those industries, it could not deny them entirely and thus tolerated them reluctantly, for reasons examined below.

Top managers in public and semi-public industries had considerable latitude with regard to admitting unions, due to the distinct governance structures in those industries. Unlike their counterparts in private manufacturing firms, those managers were not pressed to maximize production efficiency or to minimize labor costs, given the usually generous and stable budgets set for them by the government as well as their monopolistic status in relevant service markets. As a result, these managers, who were appointed by the Korean government every two or three years, had neither to deny union presence nor to confront union demands for annual wage increases and improvements in working conditions, as long as their budgets allowed such expenditures.

In addition, workers hired in these public and semi-public industries usually had advantageous demographic characteristics: they were typically male, highly educated, and graduates of academically excellent Korean high schools and universities. As a result, they were more likely to get jobs in the primary labor markets prevailing in those industries that ranked high in terms of wages, working conditions, employment security, and opportunities for economic and social promotion within firms. Accordingly, in their relations with employers, these self-confident workers usually developed stronger economic and social voices by building unions that exercised substantial leverage in the employment relationship. Hence, according to Table 1, the monopolistic model of enterprise unionism has stable union security when advantageous labor market conditions of workers meet favorable conditions in monopolistic service markets, public ownership, and generous management style.

During the democratization period, stable monopolistic union models reemerged after

vigorous struggles for managerial recognition of unions in the newspaper and broadcasting, hospital, college, and public research institute industries. Even though some firms in these industries were privately owned, types of state intervention in their services and management styles could generally be classified as semi-public⁴. Accordingly, these firms had top managers with a tolerant attitude toward unions and workers with a strong interest in union formation. However, some enterprise unions in those industries from the mid-1990s either disappeared or lost their substantial union memberships as they faced formidable managerial challenges due to the declining state regulatory intervention in combination with growing competition in their service markets, merges among many secondary financial firms, and privatization. In other words, as advantageous conditions in labor markets, in terms of high levels of worker education and salary, temporarily won over employers but ultimately faced unfavorable conditions in competitive service markets, less-regulated or private ownership, and aggressive management styles in pursuit of business efficiency, it is the example of the unstable union security described in Table 1.

Like the public and semi-public industries, the *chaebol* LEs possessed a distinct but favorable economic and social environment for union growth. In 1980, during the economic developmental period, unions in the petroleum refining and cement industries, which had been comprised of limited numbers of *chaebol* and non-*chaebol* LEs, showed much higher union density -- 65.1% and 44.6%, respectively -- than that in the pharmaceutical and cosmetics industry -- 8.7% -- which had been dominated by large numbers of SMEs (Jeong, 2007: 28). This difference is explained by the fact that employers in these LEs had greater financial and economic capability to meet union demands for higher wages and better working conditions by maintaining a stable market share in their product markets. In addition, managers in LEs could exhibit greater social perseverance for admitting unions as their unions were responsible for maintaining industrial order and managerial prerogatives in their large workplaces in return for

their union recognition.

Such generous attitudes of LE employers for unions dovetailed with worker demographic features that favored union formation. As in the case of workers hired in the public and semi-public industries discussed above, workers in LEs possessed advantageous personal traits – male, highly educated, and graduates of academically excellent high schools and universities. As a result, both these workers and their managers took it for granted that the workers had a right to call for greater autonomy and independence in union creation and representation activities. Hence, the enterprise unionism model in LEs is another case of stable union security resulting from a combination of advantageous labor market conditions of workers and favorable conditions in stable positions in product markets, ownership, and firm management style, as shown in Table 1.

Enterprise unions in LEs prospered during the democratization period, as demonstrated by the rapid growth of militant, independent enterprise unions in metal LEs and other white-collar service industries. This period represented a heyday for the stable enterprise union model in Korean LEs. Given the dramatic growth of political and social democratization coincided with unprecedented economic growth, spontaneous union formation met much less managerial resistance while bargaining capacity and dispute leverage of new unions have dramatically improved (Jeong, 2007; Kwon and O'Donnell, 2001).

The third and final Korean union model is the relatively precarious enterprise unionism of SMEs, whose legitimacy was usually vulnerable to managerial resistance. In contrast to the substantial economic capabilities of the LEs examined above, the SMEs suffered from unstable, weak market status in highly competitive product markets; thus their owners and managers were extremely reluctant to admit unions. The prevalence of an authoritarian and paternalistic management style on the part of builders in SMEs also contributed to employer reluctance to view unions as legitimate representatives of workers. In addition, workers in SMEs had

demographic features unfavorable to unionization: they were typically female, had low levels of schooling, and included high proportions of irregular workers. These characteristics made it difficult for them to demand managerial acceptance of unions. For those reasons, most chemical industries, except for petroleum refining and cement industries, had low union density and suffered from consistent managerial threats to their survival (Jeong, 2007:chapter 3); thus they fit the precarious enterprise unionism model as depicted in Table 1. During the democratization period, the temporary growth but noticeable decline of union membership in SMEs from the early 1990s as examined in the previous section also reflected their vulnerable status.

VI. Conclusions

This paper demonstrates that the structural and functional features of Korean unions are distinguished from those in western advanced nations in several criteria. These include fragile union security, low union density, weak bargaining capacity, and limited dispute leverage among several chemical firms and limited dispute leverage among private banks during the economic developmental period. However, at the same time, this paper is chiefly interested in exploring the similarity of structural and functional features of Korean unions and their determinants in comparison with their counterparts in advanced nations. Above all, this paper shows that Korean enterprise unions still served as “continuous association(s) of wage earners for the purpose of maintaining or improving the conditions of their working lives,” as classically defined in the field of industrial relations by the Webbs (1920: 1) and popularly accepted among advanced nations.

Furthermore, stable union security in public and semi-public industries denied the universally negative impact of the state on union growth, as presumed in the macro-political economic model. Instead, the distinct union and bargaining outcomes among LEs, public and semi-

public industries, and SMEs could be interpreted as demonstrating the varying representative capacities of unions as they interacted with both workers' economic and social statuses in labor markets and employers' conditions in products markets, ownership, and firm management styles. In a similar vein, the relatively longer histories of stable union growth were observed either among workers in public industries and LEs, highly educated workers than among the opposite groups of workers in Britain and other advanced nations (Bain and Price, 2003; Kersley *et al.* 2006; Schnabel, 2003), or among skilled assembly workers rather than among semi- and unskilled process and general workers in Britain (Reid, 2004, Webb and Webb, 1920).

The empirical findings on union growth in Korea show that unions could grow in limited ways even in undemocratic political and social environments. In particular, the existence of such repressive environments led by the state and employers could not basically block spontaneous union formation demanded by workers. However, the structurally and functionally limited forms of unions were allowed to exist in certain sectors, industries, firms, and workers depending on numerous economic and social factors similar to those in advanced nations, as mentioned in the previous paragraph. Such elaborate analytical framework of Korean unions at meso- and micro-levels enabled us to view Korean union activities as economic and social phenomena, in the sense that they resulted from the behavioral attitudes and choices of workers and employers in economic and social spheres at those levels.

This paper also fundamentally questions the prevailing practice of treating unions in Asian developing nations like Korea and unions in advanced nations as distinct species. Instead, capitalistic employment relations, which Korea and advanced nations generally share, enabled employers and workers to pursue different interests, conflicting with each other and generating distinct union and bargaining outcomes across sectors, industries, and firms. Finally, the Korean case analyzed here illustrates that several theories of unions in advanced capitalistic nations -- including their pluralistic origins, their different levels of representative capacity, and the

varying meso- and micro-factors that determine their growth and stability -- should be used to understand unions in Asian NICs like Korea.

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Notes

¹ During the economic developmental period, national industrialization was led mainly by light industries (e.g., textiles and electronics) from 1962 to 1972 and by heavy industries (e.g., auto assembly, machinery, and shipbuilding) from 1973 to 1986. In both periods, the state utilized strong financial support and encouragement and market protection to cultivate growth in these industries.

² Popular union formation in many large-sized and monopolistic financial, newspaper, and broadcasting firms resulted in their intermediate union densities (KCFU, 1989). It was contrasted with the low union density among hospitals due to union organization confining to the limited numbers of large hospitals rather than numerous small- and medium-sized hospitals (KHTU, 2010). In addition, bargaining in the first three industries focused on several personnel and welfare issues as well as issues of material interest in combination with extensive consultation mechanisms (KCFU, 1989).

³ With regard to state-led economic development, the Korean government seemed to control and intervene in private banks due to its significance of the stable provision of the public financial services in order to guarantee uninterrupted industrialization. As a result, both the Ministry of Finance and the Economic Planning Board are responsible for determining national monetary policies affecting private banks as well as for the appointment of CEOs in major banks (FKFU, 2000). Similarly, the government also retained its regulatory voices in other public and semi-public industries.

⁴ Several ministries in the Korean government regularly intervened in management of newspaper, broadcasting, hospital, college, and public research institute industries. As a result, their prevalent managerial priority was the stable provision of their semi-public services rather than the labor cost minimization through confrontations with unions.