Contemporary industrial relations reform in Korea

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ABSTRACT

In late 1997 Korea was hit by a foreign exchange crisis. Kim, Dae Jung government pursued reforms in the financial, corporate, labor and public sectors. The Tripartite Commission, established in early 1998, played a key role to implement reforms of industrial relations and labor market. In the field of industrial relations the government focused its efforts on creating jobs and reducing the number of unemployed with industrial relations reforms such as a more flexible labor market (eg. redundancy), more cooperative labor-management relations, introduction of dispatch worker system, etc. Thanks to the reform mentioned above, Korea economy made a rapid recovery and was able to repay its outstanding loans to the IMF in August 2001.

Labor movements in Korea have played an important role in democratisation, economic development and protection of socially vulnerable groups. But industrial conflicts between monopolistic managements and powerful trade unions are dragging down the nation's economy. Thus, the Participatory Government is going to reform industrial relations system again to minimise social cost caused by industrial conflicts, increase flexibility and stability in the labor market and reduce the income and social gabs between workers. To minimise social cost, the government will improve workers' basic rights and grant counter-rights to employers to build labor-management autonomy. The government will put efforts into improving function of dispute mediation, putting in place laws and principles in the field of industrial relations and increasing flexibility of the labor standards such as wage, working hour, employment, etc.

During 2003-2004, the 40-hour work week, the employment permit system for foreign workers and the retirement pension system were introduced. At the moment government is working to establish systems such as protecting irregular workers and allowing public servants the formation of unions.