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Lee, Jeong Taik, Ph.D.

University of Hawaii, 1987
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UMI
Economic Development and Industrial Order in South Korea: Interactions between the State and Labor in the Process of Export-Oriented Industrialization.

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE UNIVERSITY OF HAWAII IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE DOCTOR OF PHILOSOPHY IN SOCIOLOGY August 1987

By

Jeong Taik Lee

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Hagen Koo
James A. Palmore
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ABSTRACT

This case study of the political economy of labor is an examination of the interplay between the state and labor in South Korea during the 1970s and 1980s. It employs a model which integrates two bodies of theoretical literature: 1) the "dependency" and "world system" literature; and 2) Anthony Giddens' concept of the "dialectic of control" and Erik Olin Wright's concept of "class capacities." This integrative model is used to study the relationship between the state and labor, and to explore how the class capacity of the working class is strengthened as an unintended consequence of state policies and strategies of labor control.

The study explains the basis for the thesis of political determination of labor control and the causes of intensification of labor control with the deepening of export-oriented industrialization. The direct causal linkage between economic development sequences and regime dynamics is argued to be the basis for the political determination of labor control by the state in alliance with capital. Intensification of labor control by the state is viewed as a response to the broader coalition-based societal resistance which itself was a response to the power and domination of the state-capital alliance in the pursuit of export-oriented industrialization initiated in the sixties.

The findings suggest that the mode of interplay between the state
and labor has followed mutually reinforcing and dialectic patterns. As labor repression has become stronger and more penetrating, labor has become more militant in response. The sheer existence of a strong and dominant state-capital alliance has aggregated diverse political opposition elements into an anti-government coalition. This coalition-based societal resistance in turn has generated intensified labor repression. The form and content of labor control in the 1980s is a response to the way and extent that working class capacity was strengthened in the 1970s, resulting in the 1980s in an anti-government coalition that includes activists outside of production as well as the rank and file of production workers. As labor militancy and protests have become more synchronized, concentrated and associated, labor issues have been turned into political resources for more generalized political protests.

By focusing on the dialectic interplay between state action and labor action, this study has paid less attention to the structure of class relations at the macroeconomic level; the lived experience of class in the workplace and in the residence community; and groups of people disposed to act in class ways. This study focused instead on class at the collective action level. For a thorough and complete examination of working-class formation in South Korea, additional analyses should be carried out that simultaneously integrate all four levels.
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ABBREVIATIONS

B-A: Bureaucratic Authoritarianism.
CDC: Control Data Corporation.
CDK: Control Data Korea.
CGWU: Cheonggye Garment Workers' Union.
CISJD: Christian Institute for the Study of Justice and Development.
EOI: Export-Oriented Industrialization.
FKI: The Federation of Korean Industries.
FKTU: The Federation of Korean Trade Unions.
FOEU: The Foreign Organizations Employees' Union.
FSM: The Factory Saemaul Movement.
GDP: Gross Domestic Product.
HCI: The Heavy Chemical Industries.
JCC: Jeunesse Ouvriere Chretienne (Young Catholic Workers).
KCCI: Korea Chamber of Commerce and Industry.
KCIA: Korean Central Intelligence Agency.
LMC: The Labour-Management Councils.
LP1: Labor Protests in the 1970s.
LP2: Labor Protests in the 1980s.
Labor Regime: The South Korean State's Control over Labor.
LSL: Labor Standards Law.

MFEZ: The Masan Free Export Zone.

MCI: The Minister of Commerce and Industry.

NICs: Newly Industrializing Countries.

NIWU: The National Textile Workers' Union.

Organizational Capacity: Actual Linkages among Members of the Working Class.

OC1 : Organizational Capacity in the 1970s.

OC2 : Organizational Capacity in the 1980s.

PELFIF: The Provisional Exceptional Law Concerning Labor Unions and Settlement of Labor Disputes in Foreign Invested Firms.

SC1 : The South Korean State's Labor Control in the 1970s.

SC2 : The South Korean State's Labor Control in the 1980s.


UWU: The United Workers' Union.
Chapter 1

Introduction

1.1 PURPOSE OF THE STUDY AND SUBJECT MATTER

During the past quarter century, South Korea has achieved remarkable economic growth. Per capita GNP has increased from $87 in 1962 to $2,270 in 1986. Over the period 1962-1986, the average annual growth rate in GNP reached eight percent. As a development strategy for this "economic miracle," South Korea has undertaken a 'big push' and 'discretionary' approach to development. In pursuing export-oriented industrialization (EOI), the South Korean economy has undergone a drastic shift from one based on light industry to one based on heavy industry. Neglecting the rural sector, the country has adopted highly selected sectoral industrial policies. Cheap credit for capital investment has been allocated to strategically selected industries, firms, and regions. This 'big push' and 'discretionary' approach to development consolidated the formation of an alliance between the military and leading businesses at the expense of the interests of factory workers and farmers.

Cheap labor has been continuously demanded for international market
competitiveness. Most workers coming from non-farming households were given no alternative but total dependence on subsistence wages. Since entry or re-entry into the farming sector was extremely difficult due to lack of access to land, low-paid workers became increasingly dissatisfied and volatile. Labor unrest was fomented and inflamed by outside influences which intensified and made public the political exclusion of labor from the state-capital alliance. In response, the state cracked down on successive segments of the middle class, first, church groups and then, student groups. Labor activism in South Korea cannot be understood without examination of this state-labor dialectic interplay.

Economic growth and labor militancy have gone hand in hand. Among the "gang of four" (South Korea, Singapore, Taiwan and Hong Kong), this phenomenon is unique to South Korea. The stronger and more penetrating labor repression has become, the more militant labor has been. This unique phenomenon has taken place as the state, on the one hand, has shaped and reshaped its policies and strategies of labor control, while labor, on the other, has responded with new forms of resistance. Here we have some interesting questions. What are the conditions and mechanisms under which the dialectic between the state and labor has been generated and operated? What is the nature of the state-labor interrelationship? What are the patterns of the state-labor interactions and how have they changed over time? What impacts have the changing strategies had on state-labor relationships as well as on class formation in South Korea?
By answering these questions we can understand why new social class structures have become important political forces in South Korea, how class dynamics are reflected in state-labor interrelationships, and how polarization of the social classes because of FDI strategies have been manifested in the state-labor conflicts. Hence, this study is undertaken under the justification that examination of the state-labor interplay is essential for the study and understanding of class dynamics in South Korea.

Despite the significance of these questions for theory and policy, no systematic analyses have been conducted in this area. In my view, understanding the dialectic between the state and labor is crucial to understanding Korean development. The complex processes of labor resistance to political and economic domination in the context of rapid economic development in South Korea have resulted in social conflicts which involve the totality of South Korean social and political alignments.

In recent years, as an approach to the study of development, the dependency perspective has influenced many scholarly studies. One critical thesis persuasively pressed by dependency theorists is this:

the global interests of metropolitan capitalist classes have always determined development processes and power relationships in periphery countries to the detriment of these countries (Becker 1983).

This perspective argues that the dynamic forces of metropolitan capitalism emanating from the core have continued to condition the
direction and nature of Third World development. The penetration of Third World countries by transnational corporations (TNCs) has subjugated local economies to metropolitan requirements with significant effects on the social structures of the countries affected.

In understanding the nature and significance for national development of the interaction between external economic forces (world markets and the TNCs) and an industrializing Third World polity, there is no question that this perspective is insightful. Neglect of the dialectics of working class resistance to domination, however, appears to be one of the greatest weaknesses in the application of dependency approaches to South Korean development.

Economic dependency theorists (Amin 1973, 1980, and Frank 1978, 1980) emphasize the necessity for capital accumulation on a global scale as determinants of development processes and power relationships in the periphery. Political dependency theorists (Cardoso and Faletto 1979, and O'Donnell 1979) place much more emphasis on local struggles. The former (e.g., Amin and Frank), in general, argue that:

the dependent state tends toward authoritarian forms: the dominance of the world system has historically kept local bourgeoisies weak; the weak local bourgeoisie cannot establish its hegemony, hence cannot maintain power through democratic forms of the state. The form of the dependent state is therefore a function primarily of external capital and its need to extract surplus from the periphery (Carnoy 1984: 204).

The latter (e.g., Cardoso and Faletto) tend to see the bureaucratic
authoritarian state as subject to popular pressures and internal contradictions. In general, they attribute the subjugation to three types of tensions appearing when economic domination and political coercion are combined to incorporate interests of the people. The first type of tension, as Cardoso (1979) emphasizes, is between the military state and its bourgeois social base. This tension is a result of conflicts between the military state's interests in concentrating production on military supplies as much as possible, and those of local entrepreneurs and transnational corporations whose economic interests lie in importing or depending on, strategic production by the TNCs.

The second tension appears between the state and the "silent void" of civil society as the state attempts to expand its social base by an expansionary economic policy. O'Donnell (1979) claims that the state is incapable of such expansion because of fundamental conflicts between the state's expansionary policy and the interests of the upper bourgeoisie and the TNCs. Warren (1980), however, points to the existence of a relationship of "mutual indispensibility" between the state and the TNCs since both sides have a stake in domestic capital accumulation and the growth of internal markets as consumption goods outlets. The current debt crisis in Latin America, however, seems to support O'Donnell's claims that the state is fragile because of its limited options for expanding its social base.

The third tension is the relationship of class conflict and the existence of democracy in the metropoles and the expansion of democratic ideas in the periphery. Democracy in the metropoles is crucial to the
degeneration of bureaucratic authoritarianism in the periphery because of the close linkages between available options for periphery states in relation to foreign capital and military power coming from the metropole states. In other words, public opinion in core states, and the impact of this on internal social conflicts in the periphery state, for or against the support of authoritarian governments is a factor affecting the stability of dependent states, although this aspect of core-periphery relationships has been largely ignored by dependency theorists. The dependency literature emphasizes either external linkages to the metropole's capital and state, or internal contradictions due to limited options for expansion of the periphery state's social base as primary causal factors in the rise of tensions in the periphery.

The phenomenon of class domination and class-based resistance is largely neglected in preference for the pursuit of unilinear causal series involved in the "triple alliance" among TNCs, the local state and the local bourgeoisie. Consequently, dependency theory has failed to account for four developments: 1) how and why TNCs have pressured host-states to comply with the desires and preferences of foreign capital; 2) how local class dominance and class-state relations in periphery countries have developed under the sway of transnational capitalism; 3) how popular classes in periphery states have confronted the dominant class; 4) how the dynamic of class conflict has affected the social, economic and political development. Empirical investigation of these class-based actions is necessary to comprehending the social
strategy in Third World countries where class structure and relationships are in a state of flux.

The second problem with the application of dependency theory to South Korean development has to do with basic differences in the origin, nature and functions of the dependent state of South Korea as compared to those of countries of Latin America which have been the focus of most dependency theorists. In South Korea, the original emergence of the bureaucratic authoritarian state was a response to the political disorder provoked by political movements in the late 1950s. The shift from ISI (import-substitution industrialization) toward EOI in the early 1960s was led by market forces to which local entrepreneurs responded. The unanticipated success at the initial stage precipitated the state to formulate policies designed to sustain an EOI economy. In 1972, as a response to the political challenge from inside and the security crisis from outside, a political coup by the military (the Yushin system) was declared. To justify this political move, expansion of the heavy-chemical industries (HCI) sector began to be actively pursued. Thus, EOI expansion in South Korea was politically motivated, and justified for economic reasons. The state effectively utilized security concerns (e.g., threats from North Korea and the planned retrenchment of U.S. forces in South Korea) to mobilize political support and to achieve institutional stability and political control and order.

A brief look at the dependent state in South Korea is needed to understand its non-democratic nature and the state's increasing intervention in the national economy. The dependent state in South
Korea approximates the state capitalist model as depicted by Fitzgerald (1979), Evans (1977), and Offe (1973), as well as the bureaucratic authoritarian model (O'Donnell 1979), but for different reasons than do Latin American countries. The most important argument made by the state capitalist school centers on "the role that state intervention plays in creating a state bourgeoisie—a new class whose interests are connected with power over resources rather than their direct ownership" (Carnoy 1983: 200). In this sense, the South Korean dependent state is akin to this model.

Historically, Korea has had an 'overdeveloped' state machinery, built by colonial regimes under Japanese colonial rule to extract, coerce and penetrate the society. The existing power of the landlord class was neutralized during land reform in the period of de-colonization from 1945 to 1949. Destruction of national resources and military focused production during the Korean War weakened

---

1 My assertion that the South Korean state and development are dependent, is based on Becker's (1983: 12) argument that "the real test of dependency can only be the existence of a "dominant" class which exercises proximate control over the society and profits from the political and economic decisions adopted by the local state, but which has minimal real influence over the externally imposed choice of development strategies and cannot control more than details of their implementation." Adoption of EOI and its expansion in South Korea was externally imposed rather than voluntarily chosen by the state. It is a state-big business alliance that has made political and economic decisions on the implementation of EOI and benefits from those decisions. The existence of a dominant class is one indication of the presence of dependency in South Korea. A second indication is the lack of real control over the externally imposed choice of EOI strategies. For instance, in Japan, more than 60% of its economy is dependent upon exports. Nevertheless, a shift from export-oriented to domestic-oriented economy would face no serious external barriers

(Footnote continued)
structural conditions necessary for the consolidation of the new emerging capitalist class in the phase of import-substitution industrialization for consumer goods. The first phase of export-oriented industrialization was based on unskilled labor; the EDI expansion phase, which started in 1973, has been based on more use of foreign capital under state direction. In effect, existence of a weak bourgeoisie has created propitious conditions for state expansion into production.

The state has been actively involved in the distribution and production of goods as economic planner (since 1962, it has carried out five, five-year economic plans), distributor (setting wage levels of the working class, tariff levels, and monetary policy), investor (borrowing abroad and investing at home), and consumer (6% of GNP goes for military defense). How the South Korean state differs from those of Latin America, though, is in the absence of what Peter Evans calls the 'triple alliance' for industrial expansion. The South Korean state has secured loans and foreign technology rather than foreign capital. Compared to other Third World countries, penetration of TNCs has been relatively weak. To that extent, South Korea has been independent from direct influences by TNCs.

1(continued)
because Japan controls its economic strategies. Lack of internal control over development strategies in South Korea is caused by South Korea's huge foreign debt and its foreign technology-based EDI. More importantly, it is caused by the contradiction inherent in the basis of political legitimacy on economic growth, which means that for the survival of the bureaucratic authoritarian state, there is no alternative but reliance on expansionary growth based on EDI expansion.
The state, as planner (carrying out state-led BOI and inflationary rapid economic growth), debtor (pursuing huge debt-led growth), and extractor (the exploitation of labor), has had to rely on economic growth based on BOI expansion for capital accumulation. To cope with increasing export competitiveness, maintaining cheap labor has been indispensable. On the other hand, it has had to interact with its supporting metropole state (the U.S) who is now facing serious economic problems which are resulting in increased demands for protectionism and pressure for South Korea to open its domestic market to imports.

Bureaucratic Authoritarianism (B-A) in Latin America is, 'guarantor and organizer of the domination exercised through a class structure subordinated to the upper factions of a highly oligopolized and transnationalized bourgeoisie' (O'Donnell 1979: 292). B-A in South Korea is guarantor and organizer of domination exercised through a hierarchical organizational structure subordinated to the state-big business alliance comprising a highly monopolized and bureaucratized bourgeoisie.2

---

2 Both Cardoso (1979) and Stepan (1978) argue that bureaucratic authoritarianism is not a type of state but a type of corporatism, specifically an antipopulist corporatism. Corporatism may be a useful analytic framework for research on labor control in South Korea, but it is not used in this study for these reasons: 1) A fundamental problem in applying the model relates to the extent to which labor unions represented the interests of the workers during the past quarter century. Total union membership rarely exceeded 20 percent of the labor force. 2) A popular object of analysis for those who apply corporatism is labor laws. South Korean governments revised labor laws frequently. Researchers might therefore analyze changes in the laws as a means of (Footnote continued)
It politically excludes the popular sectors while economically mobilizing them as cheap labor and expanding the public and state sector including the military. Foreign investment was not promoted initially, but in the EDI expansion phase, it has been actively pursued. Capital accumulation is skewed to benefit big business, foreign units of private capital, and state corporations. Labor unions are tightly controlled. The formation of interest groups is discouraged. Thus, B-A in South Korea was installed preemptively and has intensified as a response to the threat of popular movements.3

The absence of a 'triple alliance' of TNCs, the state and the local bourgeoisie in South Korea results in a quite different type of class domination from that of Latin America. In Latin America, the strength of foreign capital and its need to extract surplus from the periphery, the alliance between the local bourgeoisie and foreign capital, and conflictual relations among the state, TNCs and the local bourgeoisie

2(continued)
examining the varying degree to which state authorities have mixed "inducements" and "constraints" in the operation of corporatist control over the relationship between the state and labor unions. Finding discrepancies between what state authorities have said in the laws and what they have actually done, though, they would then focus on the actual operation of labor controls by state and management. But here the South Korean state's roles have been complex and contradictory. It was the state that created labor unions, but at the same time, it was the state that blocked workers' participation in unions. This blockage brought in outside group influences in the conflicts at the shop-floor level. The linkages between workers and segments of the middle class prompted the establishment of the Factory Saemaul Movement (FSM) and the Labor Management Council (LMC) as institutions parallel to the labor unions. Strictly speaking, the FSM and the LMC are not a system of interest representation but an ideological apparatus for inculcating ideas about harmonious relationships and high work performance in the

(Footnote continued)
are important variables in determining the character of class domination and practices. Class domination in South Korea has been mainly exercised by the state-big business alliance with foreign capital marginal in this domination. The existence of the state-capital alliance has aggravated societal challenges coming from a coalition into which elements such as students, factory workers, church groups and opposition parties have aggregated. With the spurt of BOI, labor has been the core element vitalizing the synchronized radicalization of these challenges. Thus, class practices in South Korea have formed around these two polarized groups. The dialectic of working class resistance to domination, an area the dependency literature has largely neglected, can be drawn from an empirical investigation of the vortexes created by the polarized classes in South Korea.

The second body of literature relevant for theoretical debates on Third World development comes out of studies on the economic success of the "gang of four" (South Korea, Taiwan, Hong Kong, and Singapore).

2 (continued)

minds of workers. These two institutions are evidence of the state's direct intervention in labor affairs. Corporatism as a model of interest group intervention in politics should be seen as a series of traits that may be present or absent to varying degrees. The existence of corporatist labor control to a low or diminishing degree in South Korea may be a narrow-minded argument in view of Cardoso's and Stepan's perspective on corporatism. The South Korean phenomenon of close association between labor control and labor militancy (the key thesis of this study) suggests that adoption of corporatism as an analytic framework is highly problematic.

3 In O'Donnell's words, the implantation of B-A in Latin America is "the result of a frightened reaction to what is perceived as a grave threat to the survival of the basic capitalist parameters of society" (1979: 295).
Some (Launius, 1984) emphasize strong and effective state intervention in the successful economies of these newly-industrializing countries (hereafter NICs). Others stress either cultural factors (Djao, 1981; Salaff, 1981) or attribute economic success to export-oriented industrialization (EOI) and market-oriented policies (Kreye, 1980; Fields, 1982).

In accounting for factors of success, NIC studies have treated labor either as inertia or 'weak footing.' Various factors for Asian labor docility have been examined. Choi (1983), although his study was limited to South Korea, attributed labor docility to authoritarian state corporatism. Deyo (1984:285) emphasizes

the ways in which Third World economic linkages to core countries may shape domestic economies in ways that impinge on labor both indirectly, through their political and community consequences, and directly, through their impact on employment and occupational structures.

Their conclusions or aggregate depictions of a docile labor force, however, are premature. This is particularly true in the case of South Korea, where labor has been active with an increasing degree of militancy.

As Koo, Haggard and Deyo (1986, forthcoming) correctly conclude, "students of East Asian development have given too much attention, we believe, to state policies and business activities and have unduly neglected the vital role of ordinary workers and their experiences in rapid industrialization." The present study seeks to contribute to a
better understanding of labor in the political economy of East Asian NICs.

Among the "gang of four", South Korea has been the most turbulent country during the past two decades. As labor control became increasingly more repressive and penetrating, labor activism increased. During this period there have been more than six labor law revisions and labor unions have been restructured frequently. These are manifestations of significant labor unrest and activism.

Hitherto, dominant research has focused on specific development strategies and policies through which the state increased industrial production and control simultaneously. Questionable conclusions that South Korea has maintained a remarkably high level of industrial peace (Choi, 1983; Deyo, 1984) led researchers to unduly neglect the role of labor. Here we have to question the objectivity and validity of the conclusion that there exists a high level industrial peace in South Korea.

Choi (1983:4) states that "there were no major industrial disturbances which disrupted either the regime's political stability or the industrialization process," and then asks, "Why?" Broadly speaking, this conclusion seems to be saying that there were no revolutionary labor disputes. We cannot, however, simply equate the absence of revolutionary disputes with the existence of industrial peace. As Choi (1983) stresses, the Cheongye Garment Workers Union (CGWU) movement always reached the limit that the Yushin system could permit, and the Y.H. Protest "had great political impact in the last phase of the Park
regime (p.460)." However, he argues, "there were no cases in the last twenty-year period where protesters attempted either to translate economic demands into broader political demands or to stage political protests against any of the repressive labor policies (p.473)."

Political protests by labor, however, occurred in 1985 and 1986, although not exactly in the way he meant.

Deyo (1984) argues that labor peace existed in South Korea by referring to statistics on "union members as percentage of the labor force," "workdays lost to stoppages per thousand workers," and "workdays lost by work stoppage." He reasons that valid indicators of the vitality of a labor movement is "not how frequently protest occurs but rather how effective or consequential it is when it does occur." To him, 'workdays lost' is an example of such a valid indicator. Based on this judgment, he concludes that the existence of EDI expansion with "a clear trend toward ever smaller work stoppages" evidences "labor's very weak response to industrialization (p.269-71)." This reasoning, however, has critical drawbacks.

First, it neglects the South Korean context within which protest occurs. This context is substantially different from that which confronts Western labor protest. The state's strong interventions in labor, labor laws regulating unionization and collective bargaining or strikes, market despotism characterized by patriarchal and paternalistic methods of control, and the personal cohesiveness of company owners with the ruling power, are major factors comprising the South Korean context. Association of the size of work stoppages with its political and
economic impacts cannot be measured adequately without considerations of these factors.

Second, the way in which the state responds to labor and vice versa have changed over time, and the size of work stoppages is the product of such interaction. For instance, Deyo (1984) presents trend data on the size of work stoppages, measured by number of workdays lost per stoppage. According to his data, work stoppages accounted for 1,105, 5,018, 350, and 207 days in 1961-65, 1966-70, 1971-5, and 1976-81, respectively. Therefore, as the level of DOJ expanded, the size of work stoppages decreased and the efficacy of disputes declined. However, labor disputes before 1972 and those after 1972 differ significantly because they were under different labor regimes, owing to the imposition of the Yushin system. Early labor disputes under the Yushin system were also different from those after 1980 when emasculation of the labor movement in South Korea was more strongly intensified. Accordingly, it must also be noted that 350 workdays lost in 1971-75 might have had more political impact than 5,018 in 1966-70, since the former occurred under the strong Yushin system.

Third, the labor movement in South Korea cannot be accurately understood without consideration of its network configurations with social forces outside of production. Patterns of these network configurations not only changed over time, but also were reshaped by the way in which the state responded to labor opposition. The 350 figure for the period 1971-75 has different network configurations than the 5,018 for the period 1976-81. This difference itself significantly
indicates different political weights, since state labor control was particularly strong in isolating workers from outside influences from 1976 to 1981.

Analysis of quantitative data alone certainly does not capture the exact phenomenon of conflicts between the state and labor in South Korea. Historical events such as strikes and sit-down demonstrations, are phenomena that can not be reduced to quantitative measures. By examining the political and economic contexts in which they occur, we can also estimate the effects of a 'historically specific' labor regime on 'human agency' and vice versa. Thus, the forms and contents of labor control and those of labor resistance, and the pattern of interactions by these two social forces become crucial determinants of the degree of labor militancy.

Here we need to specify three factors impinging on South Korean state labor control and the labor movement as unique among Asian NICs. First, the national division creating South and North Korea and the consequential outbreak of the Korean War in 1950 provided the current South Korean state not only with a political foundation for the construction of a strong state, but also a mechanism through which the 'red complex' (preoccupation with anti-communism) has been utilized as an effective resource for strong labor control. During the U.S. military occupation from September 1945 through July 1948, the American interest in securing the southern part of the Korean peninsula resulted in the establishment of an anti-communist bulwark in this territory. The 1950 Korean War provided strong evidence of the need to build a strong defense.
The War nurtured ideological homogeneity among the South Korean people. Socialized rejection of communism and routinized perception of constant threats from North Korea provided the South Korean military state with unlimited resources for mobilization strategies designed to incorporate the populace into the interests of the state. The state's ideological indoctrination stressing 'national security' is one example of these strategies. It has nurtured the compliant mentality of the South Korean people. The state has utilized this resource effectively in enforcing strong labor controls. This ideological machine, however, began to break down in the 1980s.

Second, statistics on unionization and union membership are losing their explanatory power as criteria for estimation of the actual extent of labor militancy in South Korea. Three emergent phenomena might explain this. One is the increasing trend of alliance formation among industrial workers, students, intellectuals and church groups. Without an examination of this trend, we cannot explain the significance of the labor movement in the 1970s and the 1980s. Another is the frequent rise of labor protests by unorganized labor. Due to their sporadic and spontaneous nature, these uprisings have not created sustained impacts on the state, but their disruptiveness did generate strong repression. For example, in 1974 a strike by 3,000 workers at the Hyundai Shipyard in the port city of Ulsan prompted a crackdown by 1,000 riot police and left 80 workers injured. In 1980, it took the government several days to restore order in the town of Sabuk in Kangwon Province's coal mining
region, after a rampage by hundreds of angry miners. In 1984, in Pusan and Daegu, 1,000 taxi drivers staged street demonstrations and 75 drivers were subjected to court trials. Another is the accelerating trend of weakness in the power of labor unions. The top-down manner in which South Korea's labor unions are organized granted the upper-level unions (the national industrial unions) relative power and autonomy in union activities. By cutting off the existing lines of influence the industrial unions had maintained with enterprise unions, the 1980 labor law revision turned both types of labor unions into powerless entities.

Third, the pattern of labor movements in South Korea has changed. In the 1970s, workers' actual linkages were forged among female, less skilled and low-educated workers. Outside influences, such as church groups and students, increased solidarity among them. Church groups penetrated into South Korean labor, a phenomenon which we cannot observe in other NICs, inflaming labor militancy in the 1960s and the 1970s. After these church-activated movements were repressed, the student movement took over leadership roles in the 1980s. This pattern of alliance not only forced the state labor regime to continuously modify and intensify policies for effective control, but also provoked increased militancy in the labor movement. In the 1970s there existed relatively poor associational linkages among labor protests. In the 1980s, however, the linkages have increased, and labor solidarity has been forged in forms that are inter-factory, inter-sexual, and region-based. This intricate conflictual relationship between the state and labor explains why the nature and degree of labor militancy in South
Korea cannot be captured by statistical analysis based on quantitative measures such as work stoppages.

1.2 THEORETICAL FRAMEWORK

One largely independent body of literature and two independent concepts need to be integrated to construct a general conceptual framework for the principal issue of this study: how South Korea's labor regime has shaped and has been shaped by labor militancy during the past two decades. They are the "dependency" and "world systems" literature, and Anthony Giddens' (1979, 1981) concept of the "dialectic of control" and Erik Olin Wright's (1978) concept, "class capacities." The first body of literature consists of writers in the "dependency" and "world system" tradition and those who place working people at the center of analysis, but within the "world systems" perspective. The former emphasize world-system linkages as important factors conditioning class structure and consolidating state power in the Third World. The latter stress external linkages as factors shaping the class formation of 'popular sectors' in the Third World and their propensity toward working class radicalism. Giddens' concept of the "dialectic of control" is useful because it guides this study to examine mutually reinforcing

4 Class formation is "the process by which individuals 1) become aware that they share specific interests and a specific orientation toward the existing mechanisms of power and control; 2) form social bonds on the basis of that mutuality of interest and commonality of orientation; 3) organize to secure more effectively advantages for themselves; and 4) collectively employ their political assets to that end" (Becker, 1983: 15).
interactions between the state and labor. Wright's concept of "class capacities" is extremely important for two reasons: 1) class capacities are the consequence of class formation; 2) since it is class capacities that link class formation to class struggle, they become the entity against which a state's labor regime is shaped. In other words, labor regimes respond to the class capacities of labor, not to workers themselves.

Dependency and World Systems theory deals with the impact that external economic and political linkages from "core" countries have on economic changes in "semi-peripheral" or "peripheral" countries (Chase-Dunn, 1975, Snyder and Kick, 1979). This body literature examines the conditions or factors impinging on class structure (Petras et al., 1981) or dependent development (Evans, 1979). In general, it suggests that external, political and economic linkages condition class structure, and that the consolidation of state power in Third World countries, is a prerequisite of dependent development.

Two insightful considerations from traditional "dependency" and "world systems" outlooks help to build the analytic framework (see Figure 1) guiding this study: 1) the implications of external political and economic linkages for South Korea's labor movement; 2) its implications for the consolidation of state power. The Japanese colonial rule, the American military occupation after Korea's liberation, adoption of development strategies emphasizing economic growth based on FDI and its expansion, all served to bring about, directly or indirectly, the birth of a strongly repressive labor regime.
The repressive labor regime itself has become a critical determinant of labor militancy in South Korea. Labor militancy, at the same time, has been structurally limited by the economic and industrial structure which is externally articulated rather than internally integrated, largely as a result of dependent development. This is exemplified by the formation of an informal urban sector and labor market segmentation, which are largely products of external economic forces.

The crucial limitations of dependency theory, however, is its failure to provide sufficient explanations for the issue this study raises: the state-labor interplay, i.e., the dialectics of working resistance to domination. First, they largely neglect the important role of social classes in historical development (So, 1986). Second, in their conceptualization of politics, the working class tends to be viewed as an inert category comprised of the aggregate number of employees in factory production. Thus, the manifest disjuncture between the industrialization of the means of production and the increasing despotism of labor regimes has not been adequately examined (Aijaz, 1984). Third, the state, by being conceived as simply reflective of the demands or interests of the world system or as ensuring favorable conditions for expansion of world production forces, loses its significance as "actors trying to realize policy goals," possessing "state autonomy" (Skocpol, et al., 1985: 8).

Considerations of these limitations led the present study to adopt the World System literature (Bergquist, 1984) as an important component of the analytic framework. It deals with the nature of the
export-oriented industry; the composition of the working class; working condition in the factories; working-class culture, consciousness and community; and the conditions under which proletarianization facilitated or diluted working-class radicalism. By placing working people at the center of analysis, it portrays the developmental implications of the victories of popular forces, as well as organized labor, as the primary impediment to capitalist development in semiperipheral countries. Thus labor's struggles have been a primary focus of attention in its analysis.

Their studies, it is inferred, direct attention to how world-system linkages, such as EDI, have shaped the class formation of South Korea's popular forces and their propensity toward working-class radicalism. The class formation of South Korea's popular forces and their propensity toward working-class radicalism has been strengthened to the extent that "structural capacities" were transformed into "organizational capacities" (Wright, 1978: 98-102).

The structural capacity of the working class in South Korea (i.e., the objective links among workers both within and outside of production) has been strengthened as a result of capitalist development in the country during the past two decades. The actual linkages among members of the working class (organizational capacity) have been forged through the processes in which the structural capacity and the state's labor regime continuously set limits upon labor's organizational capacity. These organizational capacities, accumulated as the state's labor regime and labor protest continuously interact, become an impediment to the
state's labor regime, on the one hand, and facilitator to labor protests, on the other. Hence, complete understanding of these ongoing interactions and linkages requires integration of both concepts 'the dialectic of control and class capacities' into the framework provided by dependency literature.

The second body of literature deals with the concept of the "dialectic of control" (Giddens, 1979, 1981), and that of "class capacities" (Wright, 1978). Anthony Giddens (1979, 1981) posits a number of relevant arguments. Portraying this concept as "an inherent phenomenon of the logical involvement of human agency with power relations" (1981: 221),5 he argues (1981: 63): "however wide-ranging the control which actors may have over others, the weak nevertheless always have some capabilities of turning resources back against the strong." He further states that the dialectic of control operates "even in highly repressive forms of collectivity or organization" (1979: 149).

This concept suggests that both the state and organized labor, as human agencies, are engaged in a never-ending process of conflict in South Korea, and that the way they interact is a typical case of the dialectic of control. The labor movement in Western capitalist

5 The term "human agency" refers to a continuous flow of conduct encompassing reflexive monitoring of action, rationalization of action, and motivation of action. The reflexive monitoring of conduct refers to the intentional or purposive character of human behavior. It operates against the background of the rationalization of action, by which Giddens means the capabilities of human agents to explain why they act as they do by giving reasons for their conduct. This is part of Giddens' theory of structuration. For more details, see, Giddens (1979: 53-59).
societies was born out of such circumstances:

Acceptance of the right to the collective withdrawal of labor on the part of employers and the state was something which had to be fought for in virtually all of the now 'liberal-domestic' societies, often through bloody encounters. The sanction of collective withdrawal of labor, or its threat, on the part of the organized labor force may be regarded as beginning in the attempts of workers to achieve 'defensive control' of the conditions under which labor contracts are negotiated. (Giddens, 1981: 222)

In contrast to the strength of labor in Western industrialized countries, the labor movement in the 1970s and the 1980s in South Korea occurs in a social structure within which workers can just barely implement the threat of collective withdrawal of labor, manifested in strikes, in threats to strike, or in other modes of sanctioning management, due to the state's repressive labor regime.

Despite this difference, it appears that the dialectic of control, examined by Giddens in the Western context, also operates in the South Korean context. South Korean workers on the shop-floor level have had more than negligible impact upon their working conditions. This is true despite the little formal control they were supposed to have under terms of the labor contract and by the state's labor regime. Thus the state, as a human agency with knowledge of "how things should be run" shapes and reshapes its labor regime. In response, organized labor turns its available resources back against the labor regime.

Class capacities constitute the link between the state-labor interplay and the dialectics of working class resistance to domination.
In pursuit of EOI and its expansion in South Korea, state intervention in the national economy has created a national bourgeoisie—a new class whose interests are connected with power over resources. Effective pursuit of economic growth based on the state-led and huge debt-led expansionary EOI necessitated the formation of a strong state-big business alliance. For any EOI-based economy to be successful, cheap labor and industrial peace is necessary. This requirement precipitated the state-capital alliance into a strong repressive labor regime. At the same time, the bureaucratic authoritarian state, with its legitimacy based on economic growth, has tried to institutionalize its ruling power by resorting to the power of security apparatus rather than to politics.

This political and economic domination by the state-capital alliance has generated societal challenges. The existence of this state-capital alliance, however, did not automatically aggregate opposition elements into the 'popular sector'. The working class resistance to the domination has been strengthened, to the extent that marginalized groups have been able to forge enduring organizational capacities, on the one hand, and, on the other, neutralized to the extent that the translation of structural into organizational capacities have been blocked by state-capital domination.

The analytic framework illustrated in Figure 1 is the product of the integration of these two bodies of literature. The state's labor regime in the 1970s (SC₁) set limits upon labor protests in the same period (LP₁). Through the processes of struggle, organizational capacities were accumulated (OC₁). The state's labor regime in the 1980s (SC₂) was
reshaped and intensified, to the extent it is capable of responding to the class capacities accumulated through the struggles between $SC_1$ and $LP_1$. $SC_2$ has set limits upon labor protests in the 1980s ($LP_2$), through which $OC_2$ has accumulated. Thus, class capacities in the 1980s ($CC_2$) are the product of $CC_1$ and $OC_2$, against which the future labor regime will be shaped.

In general, two hypothetical statements govern this analytic framework:

1. Labor militancy from the early 1970s to the mid 1980s in South Korea has alternated with close association between the level of labor militancy and decreases and increases in the repressiveness of the government's labor policies. However, even in periods of low labor militancy, the labor movement increased the organizational capacity of the workers so that at each successive period of increased labor militancy there have been significant developmental changes in the nature of labor militancy.

2. Reshaping of the government's labor controls in the 1980s is a response to the way and the extent that organizational capacity of the working class had been strengthened in the 1970s.

To test these hypotheses, Chapters IV and V will specify dimensions of $SC_1$ and $SC_2$ into the scope of control, the locus of control, the agents of control, and strategic realms of control and then see the changes over time. $LP_1$ and $LP_2$ will be also specified in terms of the characteristics of organizational bridges providing resources for protests, linkages and solidarity not only among strikers but among
individual strikes, and then the changes over time will also be examined. Two factors causing these changes will be highlighted: the emergence of organizational bridges as influential groups for labor protests and the politically determined nature of labor control.
1.3 Scope and Method

In the present study, analysis will focus on five representative labor protest events. They are the Cheongye, Dong-il, Y.H., Daewoo, and Guro Protests. Labor protests in South Korea, during the past two decades, have been comprised of hundreds of large and small industrial disturbances. They took place under diverse conflictual circumstances in which the state's labor regime, managerial despotism, and labor capacities interacted, as inhibitors or facilitators of the overall labor movement. Ideally, a complete understanding of the state-labor relationship in South Korea during the past two decades would require analysis of all significant labor protests. This is, however, practically impossible. Instead, five cases were selected as representative for analysis, with the following justification.

First of all, they are the most important and representative disturbances for examination of the dynamic interplay between the state's labor regime and the labor movement in both the 1970s and the 1980s. Secondly, they are also representative since the Dong-il and Y.H. protests took place during the 1970s, and the Daewoo and Guro protests took place during the 1980s, while protests at Cheongye took place during both the 1970s and the 1980s. The state's labor regime reshaped its forms and contents in the 1970s and have done so again in the 1980s. By analyzing the two cases for each period and the one covering the entire period, we can examine how different labor regimes reacted to the different protests, and vice versa. Thirdly, these protests are significant in that they have had more social, political,
and economic impacts than any other cases. However, wherever necessary, other cases will be referred to for discussion in this study.

Data for this analysis were obtained primarily through documentary search. Several books on those selected cases were published in the form of case reports. Additional information was obtained from newspapers, journals, newsletters, petitions, lawsuit documents, public statements, and the like. From time to time during my field research in Seoul, from December 10, 1985 through June 20, 1986, I had unstructured interviews with labor union leaders, government officials in the Ministry of Labor, local officials, company managers, owners of subcontracting factories, movement activists, expelled workers, Christian activists, and professors, the results of which were used as data for this study.6

In examining how South Korea's labor regime has shaped and has been shaped by labor militancy during the past two decades, this study employs a historical and dialectic analysis. The five empirical cases are historical events occurring in the intricate conflictual processes of articulating and realizing class-based interests. They took place not only in a class structure, but had the potentiality of transforming that class structure. Also they took place through the intricate connection between human agency and structural constraints. Hence a satisfactory explanation, based on systematic, in-depth empirical investigations, requires "historical investigation," for which

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6 These data are used in this study, not as expressive data but as background data.
investigations of the dynamics of social change are essential (Wright, 1978).

Both the state's labor regime and labor protests are historical products. The labor regime can be seen as a mechanism for reproducing a dependent capitalist society and repressing the working class. The labor protests can be seen as counter-mechanisms reacting against the labor regime. The historical and dialectic analysis approaches this process, examining how structural contradictions are involved in social reproduction and change.

Conflicts between the state's labor regime and the labor protests are dialectically related, primarily in the ways in which the forms and contents of the labor regime and labor protests have shaped each other. These interactions and linkages do not operate independently of purposeful actions by the state and by organized labor, and the structural constraints these human agencies face. A complete understanding of how these processes of shaping and being shaped therefore requires us to employ historical diachronic and dialectical synchronic analysis.

The present study will be organized in the following way: it will focus on causal linkages between development sequences and regime dynamics, state-labor interplay and its pattern in the 1970s and the 1980s, respectively. Each of these areas will be covered within respective chapters. The second chapter describes the history of labor movements in Korea. The third chapter explains the basis for the thesis of political determination of labor control and the causes for
labor-control intensification with the deepening of export-oriented industrialization.

The fourth and the fifth chapters test the two hypotheses spelled out earlier. The fourth chapter analyzes the three cases during the 1970s. The fifth chapter examines the three major cases during the 1980s. Through examination of the historical events, these chapters show how the state's labor regime reacted upon the labor protests, and vice versa, what the resultant pattern was, and how the pattern changed over time. Finally, the conclusion attempts to integrate the implications of the above analysis.
Chapter II. A Historical Overview of the Labor Movement in Korea.

The purpose of this chapter is to highlight important characteristics of the Korean labor movement since the 1920s.

2.1. THE LABOR MOVEMENT IN THE 1920s.

The early history of the labor movement in Korea is largely that of the nationalist struggle against the Japanese colonial rule. While the anti-Japanese struggle was the core of all social and political movements during the period of the Japanese rule, 1910-1945, the labor movement in this early stage, however, diversified its mode of resistance. This diversification was caused in part by the dynamic history of Korea during the period, 1876-1910.

The Treaty of Kanghwa in 1876 called for the opening of three ports to international trade: the old Japanese trading settlement at Pusan; Chemulpo (Incheon), the seaport for Seoul; and the port of Wonsan on the east coast. Sequential treaties with Western nations including the United States (1882), England and Germany (1883), Italy and Russia

1 Major information came from Kim, Geum-soo, et al., eds. Hankuk Nodong Ungongron I; Park, Young-ki, Labor and Industrial Relations in Korea: System and Practice; Park, Hyun-chae, et al., eds. Hankuk Jabobjuuiwa Nodongmunje; The Federation of Korea Trade Union (FKTU), Hankuk Ndongcholahap Undongsa.

(1884), and France (1886) were the outcome of attempts by the Korean authorities to offset Japanese influence in Korea. In 1894 the Tonghak Rebellion by Korean popular forces swept throughout the country and brought both Japanese and Chinese armies into the Korean peninsula.

With the international tide of imperialism running high, foreign powers attempted to influence the monarch of the Yi dynasty to place Korea under their own control. In 1905, Korea was placed under the dominant control of Japan who won both the Sino-Japanese War of 1894–1895 and the Russo-Japanese War of 1904–1905. The annexation of Korea by Japan in 1910 ended the formal existence of the old kingdom of the Yi dynasty.

It was in 1898 that the first workers' organization was formed among workers engaged in stevedoring in Sunjin Port, North Hamkyeong province. It is known that by 1910 about 10 workers' organizations came into existence.3 These organizations were formed either for mutual relief among workers themselves or for the benefits of head artisans or foremen. It was not factory owners but head artisans that exploited workers. After 1905 'Classrooms' for workers and farmers began to come into existence with the national tide of campaigns for enlightenment of workers and farmers. They became major channels for raising the consciousness workers.

The pre-1910 labor movement took place among workers engaged in mining and stevedoring. Excessive taxation was levied on workers, Korean authorities sold mining concessions to foreign mining operators, 

3 Hankuk Nodongchohp Undongsa, pp. 15.
and workers were exploited by head artisans; these actions were the main causes for the movement. The labor movement during this period was put under the direction of the local landed proprietors who attempted to obstruct monarchical undertakings that ran counter to their economic interests. Workers in stevedoring began to launch independent labor protests but the Japanese annexation in 1910 eliminated elements of emerging political struggles in the labor movement at that time.

In 1919, Emperor Kojong died, and his funeral became the occasion for the great March First passive resistance movement. Imbued with nationalistic political motives and stimulated by the national revolutionary upsurge, Chosun In Nodongja Kong-jae-hwa (the Laborers' Mutual Relief Association), the first national-level workers' organization, set up in 1919, formed a workers' wing of the anti-Japanese resistance movement. This organization maintained a reformistic and enlightening stance. However, this was followed by the establishment of more militant socialist organizations. Chosun In Nodongja Nongmin Yongmaeng (The Korean Federation of Laborers and Farmers) was set up in 1924 and Chosun Kongsan Dang (The Korean Communist Party) was established in 1925.

The labor movement in the 1920s can be characterized as follows. First, as industries expanded, industry- and region-based workers' organizations were formed and organized labor movements emerged. Examples of organized strikes were many: About 500 workers' struck at a

spinning company in Pusan in 1923, over 150 female workers' struck at rubber shoes manufacturing companies in Seoul in 1923, about 1,000 sock manufacturing workers' struck in Pyongyang in 1923, over 5,000 stevedoring workers' struck in Pusan in 1921, and wild-cat strikes in Wonsan in 1929 involved several thousand workers.

Second, the labor movement in the 1920s was longer-lived and more violent than that of the 1910s. For example, in 1926, strikes in Mokpo, a seaport on the South-western coast, lasted for 70 days, mining workers' strikes in Youngheung, South Hamkyeong province in 1928 lasted over three months and the Wonsan wild-cat strikes went on over four months. Third, the movement was allied with farmers' movement and students' movement. The June 10 resistance movement in 1926 and the Kwangju student movement in 1929 are examples. Fourth, 'Workers' Classroom', founded in Masan in 1907, expanded into the country. From 1920 through 1925, 113 Workers' Classrooms were established.5

In sum, the labor movement in Korea burgeoned in the pre-Japanese colonial period and became organized, longer-lived, and militant in the 1920s. Inspired by nationalistic motives, it was organized to fight against colonial rule. Despite this overarching nature of Korea's labor movement, characterized by political struggles against the Japanese colonial rule, we can observe that the labor movement diversified its characteristics in different periods of time. One example is the mode of worker resistance. Thus, the labor movement in the pre-1910s either

5 Hankuk Nodongchohap Undongsa, pp. 144-163.
was under the direction of the local landed proprietors whose interests ran counter to those of the monarchy, or occurred due to head artisans' exploitation of workers. The labor movement in the 1910s focused on economic struggles by more independent workers either from the landed proprietors or the head artisans. But the Japanese annexation in 1910 eliminated all elements of emerging political struggles. The March First National Independence Movement in 1919 inflamed political struggles of the labor movement in the 1920s.

2.1. THE LABOR MOVEMENT IN THE 1930s.

Following the Japanese invasion of Manchuria in 1931, all the workers' organizations had to go underground. Strong suppression by the colonial government took place after 1931. The Japanese colonial rule, jeopardized by the March First Movement in 1919, did not crack down on labor until the labor movement became militant in 1925-1926. Strong suppression since 1931 shaped distinctive characteristics of the labor movement in the first half of the 1930s: it radicalized and became leftist. Industrial expansion and the growth of the labor force, strong suppression on labor, national zeal for independence from the Japanese colonial rule and connections between the Korean Communist party and Moscow, all influenced this shift.

In the early 1930s, all workers leading strikes were put in jail. The Korean Communist Party was instructed from Moscow about concrete strategies for the national revolutionary upsurge. Even Japanese and Chinese socialists joined the strikes during this period.\textsuperscript{6} Sabotage,
raids and fire were the popular methods through which workers expressed their discontent. Imprisonment and mass dismissal were the main methods of response.

Fascist imperialism in 1937 in Japan intensified its colonial rule in Korea and transformed the Korean industries into a supply base for military facilities during World War II. For effective supply of military installations, munition factories in Korea were enlarged and the Korean labor force was forcibly mobilized. Under these circumstances, escape from the workplaces, absenteeism and collective evasion from coerced work draft were the popular methods workers had utilized to express their discontent.

1.3. THE LABOR MOVEMENT FROM KOREA'S LIBERATION IN 1945 UNTIL THE KOREAN WAR IN 1950.

After World War II ended in 1945, numerous socio-political organizations sprang up and social-political unrest became widespread. All the factories and firms, over 80 percent of which belonged to Japan, suddenly suffered from a shortage of Korean entrepreneurs who were technically competent enough to restore the full operation of industry. In September 1945, the U.S. Military Government took over the Japanese rule in the southern part of Korea. In November 1945, Chosun Nodong Chohap Jeonkuk Pyeong-ui-hwae [The Federation of Korean Trade Unions, hereafter Jeonpyeong], the first trade union national center, was formed.

by representatives of 1,194 labor unions.

At the very beginning, Jeonpyeong and the U.S. Military Government maintained collaborative relationships with each other: the former welcomed the latter for national unification in Korea while the latter recognized the former as representative of the labor unions in Korea. This collaborative relationship, however, did not last long. The Korean workers in 1945-1946 undertook violent struggles not only to take over the Japanese-owned properties but to raise their wages. This social-political unrest predisposed the U.S. Military Government to encourage establishment of the Daehan Dokrip Nodong Choksung-hwae [the Federation of Korean Trade Unions, hereafter Daehan Nochong]. This anti-communist workers' organization was formed on March 10, 1946 by right-wing politicians, and was supported by employers.

Jeonpyeong responded immediately and fomented violent strikes. The strike in September 1946, initiated by railway workers, was joined by other workers, students and even ordinary people across the country, but was repressed by the Government. Jeonpyeong continued to undertake political struggles against the Government, with support from the Korean Communist Party, until they had to go underground in March 1947. By 1949, they were totally dismantled. The fierce competition between Jeonpyeong and Daehan Nochong ended with the latter's victory. But this victory was the outcome of the U.S. Military Government's demobilization policy and its efforts to establish an anti-communist bulwark in the southern part of the Korean peninsula. The demobilization policy resulted in continuation of the Japanese colonial economic structure by
transferring Japanese-owned properties to those who were in collusion with the Government. Those who supported the Government had collaborated with the Japanese colonial rule. The employers and right-wing politicians who supported establishment of Daehan Nochong were the part of politically dependent bourgeoisie which emerged as a result of this demobilization policy. Thus, organized labor in South Korea became subordinated to the interests of the post-colonial state as seen through the destruction of Jeongyeong and the construction of Daehan Nochong.

With the establishment of the Republic of Korea in the southern part of the Korean peninsula in August 1948, Daehan Nochong became the sole trade union national center. But it functioned mainly as an auxiliary subordinate organization to the Syngman Rhee regime, rather than representing the interests of workers and the underprivileged in the country. Internally, its staff had been riddled with factional strife over hegemony of the organization. For instance, in March 1949, Jun Jin-han, the then President of Daehan Nochong who was also Minister of Social Affairs in the Rhee regime, was ousted at a Conventional meeting. He convened another meeting in April 1949, claiming the March Convention to be illegal, and was re-elected as president. Supporters and critics of Jun continued to foment factional strife until the Korean War broke out in 1950.

In the midst of war and economic chaos, factional wrangling within Daehan Nochong became more frequent and fierce. Despite these factional fights among labor union leaders at the national level, labor protests occurred even during the war. For instance, a strike at the Chosun Textile Company in Pusan with over 6,000 workers continued for four months (December 1951 to April 1952). Unfair labor practices by a new owner who had taken over the ownership of the Japanese-owned enterprise thanks to his personal connection with the Rhee regime, were the major cause for the strike, but involvement of the Daehan Nochong's two factions exacerbated the dispute. The dispute ended in a defeat of the minority group, "the advocates of membership interests over the unfair labor practices of employers" and the outcome was "the dismissal of all employees belonging to the minority group, an estimated 600 employees, including the full-time officials of the local union." (Park, 1979: 40)

A wild-cat strike by over 1,600 stevedoring workers occurred in July 1952 for wage raises. By jeopardizing on-time unloading of wartime goods, this strike alarmed the Rhee regime and ended in a successful wage increase. A substantial number of disputes took place during the War but these two strikes directly forced the Rhee regime to enact labor laws.

7 Official statistics record that 37 percent of the total industrial capacity in South Korea was destroyed. The total loss in the War is estimated three billion US dollars. The War caused constant increase of currency in circulation as well as creation of enormous unemployment.

8 For more details, see, Hankuk Nodonachohap Undongsa. pp. 360-365.
The Rhee regime, economically supported by U.S. economic aid, politically subordinated Daehan Nochong to its ruling party. The leaders of Daehan Nochong "held ex-officio membership in the Central Committee of the party, which was closely linked with the most conservative economic and political forces" (Park, 1979: 40-41). Thus Daehan Nochong came under the influence of the Rhee regime. These political linkages and dependence of Daehan Nochong critically impeded development of the labor movement during the 1953-1959 period. They also created workers' efforts to establish a more autonomous trade union organization. A strike at Daehan Textile Company with 2,600 workers in Daegu in 1956 provided direct momentum for these efforts.

Mass dismissal of 1,392 workers by the man who took over ownership of the Japanese-owned enterprise, thanks to his collaboration with the Rhee regime, caused outbreak of this strike. Furthermore, the workers, infuriated by Daehan Nochong's collaboration with management, organized a new independent local federation of trade unions covering the workers in the Taegu area. In November 1959, this new regional trade union body, together with the Miners' Union, another branch of Daehan Nochong, and employees of the U.S. forces, formed Chunkuk Nodong Chohap Hyop-ui-hwae [National Council of Trade Union, hereafter No Hyop].

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1.5. THE LABOR MOVEMENT FROM THE STUDENT UPRISING UNTIL THE MILITARY Coup ON MAY 16, 1961.

Change of the U.S. foreign economic policy from aid-based to loan-oriented in 1958 was a fatal blow to the Rhee regime. Reduction of economic aid from the United States drastically affected production and doubled the number of unemployed workers. Aggravated by the impoverished conditions of the rural sector due to excessive imports of the U.S. surplus farm products under PL 480, social and economic unrest gained momentum. Political dictatorship and corruption of the Rhee regime increased national demands for democracy. The Student Uprising in April 1960 was the result of these economic and political demands.

The Student Uprising was participatory in that the unemployed urban lower-class, the intellectuals and even corrupt labor unions joined the popular movement. The Uprising toppled the Rhee regime and spurred the development of the labor movement in South Korea. The number of labor protests expanded from 95 with 49,813 participants in 1959 to 64,335 people involved in 227 protests in 1960. Workers carried out frequent street-demonstrations to express their discontent with low wages and also organized new unions. The number of labor unions increased from 589 in March 1960 to 904 in December 1960. Encouraged by this national movement, in November 1960, Daehan Nochong and No Hyop agreed to merge themselves into a new national trade union organization known as Hankuk Noryon [Hankuk Nodong Chohap Chong Younhap-hwae; the English translation remained the same, Federation of Korean Trade Unions]. Teachers, the press along with bank and financial workers organized their own unions.
The overthrow of the Rhee regime and the development of the labor movement was, however, not enough to successfully bring about social transformations. The Democratic Party, an opposition party during Rhee's dominance, took power. Comprised largely of the old landed bourgeoisie, the conservative ruling power was incapable of coping with the problems of deep-rooted corruption and disorder in South Korea. Solution of the chronic problems of inflation, unemployment and production stagnation was beyond the capability of the new government. Repeated strong demands for national reform by workers and students created social unrest that resulted in a Military Coup in May 1961.

1.6. SUMMARY AND CONCLUSION

The labor movement in Korea has a long history, even though modern industrialization started in the early 1960s. In 1898, the first workers' organization emerged among stevedoring workers. Workers' organizations at this early stage existed either for mutual relief among workers themselves or for the benefits of their head artisans, rather than for the improvement of the terms and conditions of employment. Organized workers fought either for the interests of the landed proprietors or for those of artisan heads. Gradually they began to carry out independent labor protests for their own benefit. It was the stevedoring workers that initiated these independent protests.

The Japanese annexation in 1910 transformed the labor movement into a national struggle against Japanese colonialism. But the Japanese
colonial rule in turn eliminated elements of political struggles in the labor movement. The March First National Independence Movement in 1919 inflamed political struggles of the labor movement in the 1920s. The existing reformistic and enlightening stance of the first national-level workers' organization founded in 1919 was challenged by militant socialist groups, and the organization was transformed into an association of left-wing workers and farmers. Labor protests became more organized and militant. They were allied with students' movement and farmers' movement. Organization of 'Workers' Classroom' was enlarged.

Strong suppression by the strengthened Japanese colonial rule bred the radicalized and leftist labor movement in the 1930s. But emergence of Fascist imperialism in 1937 in Japan and outbreak of World War II in 1939 resulted in the crackdown of the violent labor movement and the labor response turned its form into absenteeism at workplaces as well as collective evasion from the coerced work draft.

The end of World War II and the concomitant liberation of Korea were followed by widespread socio-political unrest in the Korean peninsula. The Korean workers who had suffered from the Japanese colonial despotism became riddled by struggles with factory owners over ownership of the Japanese-owned properties. This unrest predisposed the U.S. Military Government to repress the existing left-wing labor union organization and to establish an anti-communist labor organization. The resulting fierce competition between the left-wing and the right-wing labor organizations fostered subordination of the victorious right-wing to the
interests of the post-colonial state. Factional strife among the organization's staffs continued.

The labor movement in South Korea continued even during the Korean War in 1950-1953. However, the way in which labor responded changed. Management who took over the Japanese-owned enterprises thanks to their connections with the Rhee regime undertook unfair labor practices. These caused an outbreak of labor protests. The protesters were infuriated at the labor organization's collaboration with management. Strikes by these infuriated workers bred the birth of labor laws in 1953, the first time in Korean history.

The Student Uprising in 1960 inspired development of the labor movement which had been stagnant due to the labor union's political dependence and collaborations with the ruling power. It contributed to growth of labor protests, union membership and unionization. Lack of social reform of deep-rooted corruption and disorder by the new government again created social unrest which provided momentum for the emergence of the Military Coup in May 1961. Consequently, the labor movement again stagnated.
Chapter III. Development Strategies and Labor Controls in South Korea

3.1 INTRODUCTION

The link between development strategy and labor control has been one of the most hotly debated issues in development literature. In Latin America, the dominant thesis of the relationship between the two variables emphasizes labor exclusion as a requirement for the shift to industrial "deepening" (O'Donnell, 1973), or as a necessary condition for "dependent development" in general (Evans, 1979). In the case of world-market oriented, labor intensive industrialization, the relationship between development strategy and labor control is assumed to be direct not only because of the interest of foreign and domestic capital in cheap labor and labor docility, but also due to local government interest in maintenance of a favorable business climate for foreign investment (Kreye, 1980).

What is the nature of the link between development strategy and labor control in South Korea? Can we set up a causal linkage between export-oriented industrialization strategy and labor control in South Korea? If labor repression during the last two decades in South Korea has been continuously intensified, is it because of economic reasons or political reasons or both? Koo, Haggard and Leyo (1986) argue that labor exclusion in South Korea occurred primarily for political rather than economic reasons, and that labor control has become increasingly more repressive and penetrating as the South Korean economy moved along the export-led path of industrialization.
The purpose of this chapter is to elaborate the above thesis by explaining the basis for political determination of labor control in South Korea and the causes for labor-control intensification with the deepening of export-oriented industrialization (EOI). For this purpose, this chapter will discuss briefly how various development strategies have been sequenced and implemented since de-colonization in 1945. By examining this sequencing and implementing of development strategies, we can understand political causes of labor control and its further intensification in South Korea.

Main arguments of this chapter are that there has been a direct causal relationship between development sequences and regime dynamics, and this direct causal linkage explains why labor control has been pre-determined for political rather than economic reasons. As the South Korean economy moved along the path of export-oriented industrialization, the reliance of political legitimacy on economic growth has been consolidated. The existence of the state-capital alliance aggregated existing political opposition elements into an anti-government coalition. This coalition-based societal resistance to the power and domination of the state-capital alliance generated further intensification of labor control. In the deepening of export-oriented industrialization, labor has become the central force along which an alliance of political opposition elements was forged. It is in this context that this study focuses itself on the issue of the interplay between the state and labor in the deepening of export-oriented industrialization in South Korea.
3.2 DEVELOPMENT SEQUENCES AND REGIME DYNAMICS

In South Korea, development process has followed four phases in general: primary commodity export in the colonial era (1910-1945); import-substitution industrialization (ISI) for consumer goods based on aid-maximization with relative neglect of the agricultural sector in the fifties; export-oriented industrialization (EOI) based on unskilled labor until the early seventies; and finally EOI expansion based on more use of capital and technology, and selective use of ISI (Cheng, 1986). These development transitions have coexisted with regime changes: de-colonization and turning over to the American Military Government (1945-1948), Rhee regime (1948-1960), Park regime (1961-1979), and Chun regime (1980-present).

The basic argument of this chapter is, then, that there has been a direct causal linkage between development sequences and regime dynamics in South Korea. Explanation of why this has been so will be made by elaborating the following three arguments:

1) The shift from one stage of development to another in South Korea has been a situational choice rather than a strategic one;

2) The way in which the selected strategy had been pursued during the first three stages was more determined by the alliance a regime forged during the process of political change than by economic constraints the regime underwent;

3) In EOI expansion, however, the selection of a particular approach to a strategy is more attributable to socio-political
consequences of the power and domination by the state-capital alliance
than to either economic constraints or the coalitional base of the
regime.

3.2.1 THE SHIFT FROM PRIMARY COMMODITY EXPORT TO ISI DURING 1945-1950

The Japanese colonial state was founded to be autonomous and
immune from any sectoral or class based societal resistance from
below. Korea historically neither had "a past of decentralized
feudalism" nor had faced "the threat of revolts in peripheral
provincial areas." (Choi, 1983: 308) In contrast to China and Japan,
"ethnic, cultural and linguistic homogeneity coupled with the
territorial compactness have contributed to making the traditional
Korean polity unusually homogeneous and centralized." (Choi, 1983:
308) Hence, the colonial state bureaucracy effectively penetrated
into every aspect of society based on strong kinship ties and
Confucian hierarchical social order.

The existing landlord class's close collaborations with the
colonial state, so as to retain its wealth and privilege and to secure
agricultural surplus, eased colonial despotism. A generation of low
wage labor supplies through proletarianization of tenant farmers by
concentrated land ownership and rural taxation attracted an increasing
influx of Japanese capital. Workers in manufacturing, mining, and
construction sectors increased from 213,729 in 1933 to 599,798 in
1938. In 1943, total workers in Korea reached 17.5 million.1

The legacy of the Japanese colonial rule (1910-1945), thus, has
resulted in: 1) endowment of an 'overdeveloped' state machinery, built by the colonial regime to extract, coerce and penetrate the Korean society; and 2) relatively weak and aborted class-based social interests.

The shift from primary commodity exports to import-substitution industrialization in South Korea during 1945-50 was "neither a consequence of coalitional politics, nor a strategic choice of state elite, but was rather a response to situational imperatives associated with the breaking of colonial ties and postwar economic exigencies" (Cheng, 1986: 8). The power of the landlord class was neutralized by two waves of land reform, the first in 1947 by the American Military Government (AMG) and the second in 1949 by the Rhee regime. Thus, under the condition that there existed no social interest to hinder or advocate ISI, postwar economic exigencies such as high inflation and foreign exchange shortages dictated economic control, which then paved the way to ISI (Cheng, 1986).

Once it 'slipped' into ISI, South Korea maintained the strategy.

2 The land reforms by the AMG and the Rhee regime were the result of a reaction to what the ruling elites perceived as alliance between Communist party-backed labor unions and rural riots during 1945-1950—a great threat to both AMG and the Rhee regime respectively. In the land reform of 1947, about 76% of all ex-Japanese lands were sold to South Korean tenants. By the second land reform in 1949, South Korean land ownership structure was drastically transformed. The portion of owner farmers among the total number of farming households increased from 16.5% before land reform in 1947 to 69.5% in 1965, while the portion of tenants decreased from 42% in 1947 to 7% in 1965 (Hsiao, 1986).
However, the way in which this strategy was pursued was determined by the alliance the Rhee regime forged with the newly emerging merchant capitalist, and the U.S influence on South Korean economy and politics. The privatization of the Japanese-owned immense property under the influence of the U.S gave rise to emergence of the merchant capitalists, composed of merchants, ex-managers during the colonial rule, and landlords who became merchants. Based on political acquaintance ship, they purchased state-owned enterprises and banks. On the other hand, for consolidation of its political power, the Rhee regime depended on the capitalists. They functioned as a link through which the U.S aid funds were translated into political money. The regime provided the merchant capitalists with economic favors in exchange for the latter's political financing, which was critical to perpetuate Rhee's autocracy in a democratic setting.

For example, in 1952, the Rhee regime illegally allocated more than three million dollars of foreign exchange earned from the export of South Korean tungsten to 40 merchant capitalists. They made enormous profits by importing grains and fertilizers, and selling at monopoly prices. A substantial portion of the profits flowed back to Rhee's regime. These kinds of political corruption were prevalent in the 1950s. Thus, the alliance between the Rhee regime and the merchant capitalists led ISI in South Korea to degenerate into a rent-seeking exercise with no generation of surplus.

Emergence of the first generation of post-war working class in the process of implementing import-substitution industrialization was
fostered by the Rhee regime's ISI development strategy. Labor exodus from the rural sector was accelerated by a deteriorating urban-rural income inequality and the worsening of the economy. The ratio of farmers' income to urban dwellers' in 1957, for instance, was 56.3% and it dropped to 37.4% in 1960, the last year of the Rhee regime (Hsiao, 1986). Labor control in this period was more directed at destruction of an active union movement closely tied to socialist and nationalist groups rather than at the exploitation of labor. After destruction of the socialist union movement during the period of American occupation (1945-48), the formation of quasi-corporate links between central unions and Rhee's Liberal Party in 1955 characterized labor control over the fifties.

3.2.2 THE SHIFT FROM ISI TO EOI DURING 1960-1965.

The collapse of the Rhee regime and the succession of the Park regime marked the shift from import-substitution industrialization to export-oriented industrialization. The turn toward EOI rather than a deepening of ISI was made under the circumstance that existing import-substitution interests were brought under control by the 1961 military coup. However, the way in which the transition was carried out was complex and situational, rather than strategic.

During 1961-63, the military junta launched its pro-agricultural economic policy. Originating from the rural and low social prestigious sector, the military elites bridled import-substitution interests and vowed to purge the taproot of deep-rooted social
corruption. From the beginning, farmers' private debt was relieved. The terms of trade for agricultural products were reset. Funds to the agricultural sector were favorably allocated. At the same time, the military nationalized the bank and moved to confiscate industrial capital.

However, a series of economic crises during 1961-63 compelled the military to carry out drastic reform measures. These crises included the deviation from stabilization policy in 1961, the failure of a currency reform in 1962, and severe harvest shortage in 1962-63 (Cheng, 1986). The military had to deal with consequent inflation and balance of payment crises. In 1962, the first five-year economic plan was launched by the military regime. In this plan, the military emphasized both export promotion and import reduction. Nevertheless, "sustained economic growth based on industrial export was not contemplated" (Cheng, 1986: 24).

During 1964-65, under the influence of the IMF or American advisory teams, the military carried out reform measures such as currency devaluation in 1964, interest rate reform in 1965 and adoption of the export-import link system for export promotion in 1963. Even in the revised five-year economic plan, however, the volume of manufacturing exports was still underemphasized. Under this circumstance, two factors precipitated the regime to pursue BOI. One was the unanticipated success of manufacturing exports. The other was structural weakness of South Korean economy, such as low domestic savings and heavy reliance upon foreign borrowing. Thus, the shift
toward export-oriented industrialization was not strategic but situational. However, once set in motion, the military sustained it by undertaking highly discretionary and sectorally specific approaches.

Labor exclusion occurred before the shift toward export-oriented industrialization was pursued. The military banned all the existing unions and reorganized union leadership in a top-down manner. Any single act of labor dispute was prohibited. Workers’ wages were frozen. All these happened in 1961. Labor unions gained in relative independence after the return to civilian rule in 1963. In 1962, the right to strike was restored. This release, however, was a political measure rather than an economic one, to prepare for the return to civilian rule. All-out labor legislation for labor controls in 1963 was followed by the shift toward export-oriented industrialization. Thus, demobilization of labor occurred primarily for political reasons rather than economic reasons.

The way in which the EOI strategy was pursued was more determined by the alliance of accumulation between the military regime and the leading business than by economic conditions. The unanticipated success of manufacturing exports since 1964 fostered the shift toward EOI which in turn bolstered up the forging of a state-capital alliance. At the same time, social challenges questioning legitimacy of the state created state political motivation for the alliance. General Park, by becoming president, betrayed his original promise to turn over political power to the civilian sector. From 1964 through
1965, there had been violent student demonstrations protesting the state's attempts at normalization of relations with Japan as tactics for political financing. In response, the military intensified its emphasis on economic growth as the basis of political legitimacy.

The state-capital alliance was forged at the expense of farmers and small-medium business. Moreover, the Park regime was persuaded by the U.S to transfer a few state-owned enterprises at the beginning of the EDI phase. The major beneficiaries from EDI were the capitalists. As of 1974, the fifty biggest capitalist groups have been identified of which seventeen had their origins in the previous ISI phase (Hsiao, 1986). To consolidate its political power, the Park regime strengthened state-capital coalition. The state EDI strategy strengthened the development coalition. In this process, the merchant capitalists in the previous ISI phase turned themselves into industrial capitalists.

To induce entrepreneurship, South Korea mainly relied on credit allocation. Policy loans for export promotion were favored for specific industries. Two metropolitan areas, Seoul and Pusan, became the central places around which the major industries clustered.

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3 This argument does not mean that farmers and small and medium businesses did not benefit at all from the pro-big business strategy. Even during Syngman Rhee regime, the agricultural sector was relatively neglected. The state-big business alliance during the Park regime was made prominent by the strategy of export promotion based on cheap labor and discretionary and sectorally specific favors given to big businesses. The state-big business alliance, motivated by the dictates of economic strategy, was strengthened when the regime consolidated its political power in response to societal challenges.
Foreign loans were preferred to foreign direct investment. Cheap credit for capital investment was allocated to privileged leading industrial firms. This sectorally specific and discretionary approach to the BOI strategy not only consolidated the state-big business alliance but facilitated the expansion of existing firms. To that extent, new entrants were discouraged from becoming established.

3.2.3 The Shift from BOI to BOI-Deepening in 1973.

In 1973, South Korea launched heavy and chemical industrialization (HCI) in order to upgrade her industrial structure. In general, four factors account for the shift (Cheng, 1986). First, as a result of economic growth in the sixties, domestic demand for industrial input had increased. This increase in domestic demand had become large enough to sustain economy of scale production. Second, to ensure the supply of raw materials for downstream exports in specific industries such as the petrochemical industry, selective use of ISI was needed. Third, the security environment—the military buildup in North Korea and the planned retrenchment of U.S. forces in South Korea—pushed the country to produce steel and heavy machinery. Fourth, the timing was good for the shift toward HCI because the developed countries were gradually losing competitiveness in shipbuilding industries and transferring pollution-causing industries to less developed countries.

However, the selection of a 'big push' approach to industrial upgrading (BOI deepening) was more attributable to socio-political consequences than to either economic factors or the coalitional base
of the Park regime. The very success of economic growth based on EOI in the sixties was accompanied by political crisis of the Park regime during 1969-71. This crisis was manifested by synchronized radicalization of political opposition in 1971. Major components of this political opposition were students, the church, and opposition parties. Traditionally in South Korean politics, they had acted quite independently of one another. Students had been more interested in grand issues such as democracy or national unification. The church with its international networks had been interested in human rights and political freedom. Opposition parties had been in political hegemony. Several points seem to have been relevant as factors accounting for the convergence of these independent sectors on an urban coalitional force in 1971.

First, power and domination by the state-capital alliance in the process of economic development and political underdevelopment in the sixties had generated social demands for equitable distribution of the benefits from economic growth, and democracy. These common issues, in turn, fostered forging of a broad spectrum of political opposition. Second, the existence of the state-capital alliance aggregated the opposition elements into a coalition because of their common position vis-à-vis the state-capital alliance. Third, with the spurt of EOI, social issues such as wealth inequality or uneven distribution of the benefits from economic growth drove the church and students to get involved in labor, which made the two sectors parallel each other in their movement. Fourth, the erosion of political power of the
military regime, affected by Constitutional reform in 1969 in an attempt to allow for President Park's third term for presidency, generated coalition-based societal resistance to illegitimacy of the political power.

Radicalized demonstrations by the opposition elements throughout 1971 and the near defeat of the leadership in the 1971 presidential election resulted in a state-perceived threat of revolts. The way in which the regime responded to this crisis was exclusive and coercive. The solution to the failure of the military regime to institutionalize its political power was political enclosure. It was substantiated in the form of the Yushin system. A big push approach to BOI deepening was a manifestation of the state's efforts to justify this political coup.

The Park regime launched the HCI plan in 1973 for a great leap forward in industrial upgrading to achieve a goal of 10 billion dollars in export value and a per capita income of 1000 dollars by the end of the decade. Thus, the coercive response by the Park regime during 1971-72 to the perceived threat of revolts impelled the regime to pursue a big push approach to BOI deepening as a measure of political justification.

Labor control during 1968-71 was explicitly motivated by the dictates of the strategy of export-led growth. After conflicts with two American firms, Signetics Co., and Oak Co., in 1968, the government passed a special law aimed at preventing serious disputes in foreign firms and sectors deemed important to national welfare.
Nevertheless, intensified labor control in 1971 was more dictated by the broad political interests of the leadership in preventing the formation of horizontal alliances between labor and other opposition forces.

3.3 CONCLUSION

We have made the following arguments: 1) there has been a direct causal linkage between development sequences and regime dynamics in South Korea; 2) the shift from one stage of development to another in the 1950s and the 1960s had been a situational choice rather than a strategic one; 3) the way in which a particular development strategy was pursued was attributable to the alliance a regime forged in the process of its foundation; and 4) in EOI deepening, however, a more crucial factor which had determined selection of the big push approach was socio-political consequences of power and domination by the state-capital alliance in the pursuit of export-oriented industrialization in the 1960s.

The initiation of EOI in 1964-65 was certainly based on the use of abundant cheap labor as the major input factor. Even in the HCI developmental phase, labor-intensive exports have accounted for the great portion of the total exports. Furthermore, middle- and down-stream levels of the HCI sector have been still more labor-intensive than based on capital or technology. Hence, economic success is still largely locked to the meeting of two conditions: cheap labor and labor docility. Even deteriorating market
restrictions—rising competition with cheap labor from less developed countries in world markets, creeping protectionism in the West, and a shrinking domestic labor pool and consequent rising wage level—have required continual execution of a wage restraint policy in South Korea, on the one hand, and stimulated the shift toward EOI deepening, on the other. Thus, intensified labor control has been motivated by the dictates of the EOI strategy. However, fundamental reasons for the repressive and penetrating labor control in EOI deepening lay in the dictates of the political strategy to prevent the formation of horizontal alliances between labor and other opposition forces.

In EOI deepening, labor has been more militant, and at the same time, labor control has become increasingly more repressive and penetrating. Labor has been more associated with segments of the middle class in its movement. Labor issues have become more dominated by students. Labor protests have become more directed at the state and coordinated with political struggles.

So far, we have explained the basis for the thesis of political determination of labor control and the causes for intensification of labor control in EOI deepening. The direct causal linkage between development sequences and regime dynamics was argued to be the basis for the thesis of political determination of labor control. Intensification of labor control by the state was viewed as a response to the coalition-based societal resistance to the power and domination of the state–capital alliance in the pursuit of EOI in the sixties.

In the phase of export-oriented industrialization deepening, labor
control and labor militancy have been mutually reinforced. We, thus far, have dealt with state's control of labor. Then, what about labor militancy in South Korea? How different was labor militancy in the 1980s from that of the 1970s? Labor militancy both in the 1970s and the 1980s will be detailed in the following two chapters. In this chapter, we shall investigate only the difference between labor militancy in the 1970s and that of the 1980s in terms of the extent to which each has been constrained by the three structural factors: high turnover rate, segmented labor market, and the urban informal sector. From a structuralist point of view, these structural constraints—largely due to the logic of dependent development by which industrial structure is externally articulated and vertically integrated and thus, workers' horizontal association is blocked—would have functioned as a barrier to the forging of solidarity among the working class. By labor militancy, we mean not only high frequency and intensity of a broad range of violent events but those of association among independent events or movements. Labor militancy is related to the extent of workers' horizontal association because association among different protests are not possible without interactions among the protesters who are involved in each protest.

Concerning the high turn-over rate of workers in the manufacturing sector—the average rate of accession and that of separation in all non-agricultural industries from 1970 through 1983 were 4.58 and 4.43, respectively, while those in the manufacturing sector were 5.26 and 5.2, respectively.4 Also significant were the turnover rate
differences by sex and occupation in the manufacturing sector. In July 1984, the rate for female workers was higher than that for male, and the rate for production workers was twice as much as that for administrative and technical workers. Official statistics on turnover rates at small factories are usually unavailable in South Korea. Considering the tendency of worsening working conditions and low wages at those small factories, inclusion of such factories' turnover rates would have made the overall rate much higher.

Bai and Kim (1985: 117-18) attribute four factors to this high turnover rate. First, low wage and bad working conditions contributed to a high turnover rate. Female production workers have lower wages and worse working conditions than any other kind of workers. This explains, in part, why so many labor disputes occurred at female labor-intensive factories. Second, underdeveloped labor market information also led to a high turnover rate. Thus, bad working conditions led to job dissatisfaction which led to a glut of people seeking jobs which, given the poor labor market information, exacerbated the high turnover rate. Third, Labor Standard Law regulates retirement allowances to be given after one year of employment. Therefore, those who do not want to stay in the company for a long time need in the eyes of management to be laid off within one year. Fourth, females' customary resignation after marriage, and arbitrary personalistic management of labor are all related to the

tendency for a high turnover rate.

The second factor affecting labor militancy is labor market segmentation. Unlike developed countries' labor market segmentation determined by firm size or a dual structure of primary and secondary labor markets, the South Korean labor market segmentation is characterized by a four segment labor market based on two essential criteria, education and sex. The first segment consists of free laborers. They are engaged in very simple labor tasks. Comprising the bottom layer of the labor market, they become either seasonal workers in the industrial sector or employees in the service sector. The second segment is composed of male workers with an education up to junior high school and female workers with an education up to senior high school. In general, in this segment, gender difference is more significant than educational difference. For instance, in 1982, wages of male junior high school graduates are by far higher than those of female high school graduates, and male junior high school graduates have even a closer wage-level to that of female junior college graduates. One case study of a construction company (Bai, et al., 1985: 125) indicates that in the case of same high school graduates, it takes eight years for the female workers to match the level of the initial wage received by the male worker.

The third segment consists of male high school graduates, junior college graduates and female college graduates. In this segment, educational difference is more significant than sexual difference since female college graduates' wages exceed that of male junior college graduates. The fourth segment is clearly for male workers with a college degree. This segment is more distinctively bound than any other segments in that they are given much better promotion opportunities and much higher wages. Since this analysis is based on the data with allowances and year of employment excluded and manual-nonmanual differences not categorized, more detailed statistics are needed to verify the statement.

The first segment mentioned above refers to the urban informal. Throughout the 1960s and the 1970s, high labor absorption by expansion of labor-intensive export and manufacturing industries, and the low grain prices in the urban area to cheapen workers' wages, stimulated a massive rural exodus. In 1966, agriculture, forestry and fisheries accounted for 57.9 percent of all employment and the manufacturing sector alone accounted for 9.9 percent. In 1984, this percentage shifted to 27.1 percent and 23.2 percent, respectively. The massive rural exodus, however, was not absorbed fully by the manufacturing industries as formal labor force due to limited capacity for employment. Those who are excluded from employment in the formal sector become marginal and proletarianized workers comprising the informal sector.

7 Social Indicators in Korea, 1985, Economic Planning Board, Republic of Korea, p. 113.
Those who comprise the informal sector not only come from non-employment in the formal sector, but also come from plant closures due to foreign capital flight and bankruptcy. Under the circumstances of a dependent capitalism where the economy completely depends on the fluctuating world market economy, this has become a crucial factor for emergence and expansion of the informal sector. In 1970, the average stable employment rate was 59.1 percent. During the following 15 years, it has increased only 4.2 percent, despite a 14 percent in the employment rate. During the same period, for female employees, the stable employment rate has increased only 0.7 percent.8

This phenomenon of unstable employment partially contributes to creation of the informal sector. The high unstable employment rate in the case of female workers indicates that unstable employment takes place heavily at female labor-intensive light industries. The informal sector is characterized by unstable and temporary employment, lack of common economic interests, and lack of dependency relations between property owners and the propertyless. Thus, it has a stratum character rather than a class.

There is no question that the high turnover rate has hindered development of solidarity among factory workers. In South Korea, labor market segmentation as such is unlikely to diminish so long as the state's development strategy emphasizes growth maximization because it

8 Social Indicators in Korea, p. 117.
directly and indirectly creates conditions in which wage regulations based on gender and educational discrimination are justified. The fact that labor market segmentation still exists despite the state's frequent policy changes emphasizing minimization of gender and educational discrimination, gives counterevidence to the statement. By hindering job mobility between segments, external labor markets have blocked organization of labor as well as creation of workers' solidarity. Internal labor markets approximated by the above four types have been effectively exploited by managerial despotism. Skilled male workers have been easily coopted by employers for repression of the grass-root labor movement. The lack of class attributes and intersectoral linkages in the informal sector have also conditioned underdevelopment of workers' solidarity. There have been no organized apprenticeship systems providing access to skills at low cost. Even in the subcontracting industries, intersectoral or intrasectoral linkages, if any, have been formed not by casual workers themselves but by an individual oyagi having groups of casual workers under his control. This system has bolstered vertical loyalties while blocking horizontal associability.

During the last quarter century, the extent to which these structural constraints have undermined development of horizontal associations among workers between segments has not diminished. Genesis and development of labor militancy during the last two decades provides evidence that labor militancy has been relatively independent from the functions of the structural conditions inhibiting horizontal
associations among intersectoral and intersegmental workers.

In the 1970s, four types of "bridges" developed and generated labor militancy. They were: a charismatic leader with a few "hangers-on" who had no connections with external forces; team leaders of production lines associated with church groups which generated solidarity of the rank and file within a factory; enterprise-union leaders educated by Christian academy or upper level industrial unions who engendered autonomous grass-root unions; and finally, students who turned themselves into factory workers to raise workers' consciousness. Labor militancy generated by these four types of "bridges" was confined within each factory, and thus, there existed no linkages among individual protests.

The pattern of alliance in the 1980s has shown that under the influences of the newly emerging nation-wide social and political opposition forces, the 'core groups' emerged from the four types of "bridges" in the 1970s, with organizations for regionally-based movements by farmers, urban poor and workers, and formed region wide networks with the rank and file within production sectors. They exchanged information and helped each other in the process of unionization in 1984.

In the 1980s, labor protests no longer have been dominated by female unskilled workers in the manufacturing sector. Urban dwellers in the informal sector organized their protests. Taxi drivers organized region-wide street demonstrations. Mining workers created social disorder. Farmers protested rising indebtedness in the rural sector due
to the state's import liberalization measures toward foreign farm produce and livestock. Labor protests have been associational not only among protests themselves but with segments of the middle class. They have been directed more at the state by threatening the state-capital alliance. It has been no longer possible to draw a clear-cut line between labor protests and political struggles in the 1980s. Establishment of this broad spectrum of political opposition in the 1980s has been the critical challenge to be coped with by the state-capital alliance, which has been forged with no further expansion of its social base with other sectors to ensure political power of the military regime.
4.1 INTRODUCTION

The purposes of this and the following chapters are to examine the state–labor interplay during the 1970s and 1980s in South Korea. Five cases of labor protests were selected for comparison. They are the Cheonggye, Dong-il, Y.H., Daewoo, and Guro Protests. The time span for the Cheonggye was the longest one covering 1970–1986, and for Dong-il, 1976–1980, for Y.H., 1975–1979, for Daewoo, 1984–1985, and for Guro, February to July, 1985. Except for Daewoo, which had male workers only, the remaining cases had male and female mixtures but with different ratios; at Dong-il and Y.H., dominant protestors were female while at the Cheonggye and Guro, females prevailed though were not dominant.¹

¹ Gender is an important explanatory variable for the variations in labor market and in labor movement in South Korea. Selection of Dong-il and Y.H. as representatives for the 1970s movement and Daewoo and Guro as those for the 1980s might be problematic, since gender does not hold for the cases in the same degree. Moreover, Daewoo is exclusively a big enterprise unlike Dong-il and Y.H., whose range of firm size is 500 to 1,000, Guro, a combination of six or seven similar sized independent firms, and Cheonggye, an association of 500 to 800 independent small-scale workshops. Such diversity clearly jeopardises comparability between the 1970s and the 1980s labor movements. Despite such limitations, those cases were selected because the impacts they had both on the state and labor were the greatest among all the labor protests in South Korea during the same period. Strict selection based on similar sex composition and similar firm size could be possible. But in that way we would also lose significance because other cases had either limited or no major impacts on either the state or labor. The nature of the present study, examining

(Footnote continued)
In this chapter, I will explore the backgrounds for formation of the labor control policy in the 1970s, how labor protests responded to the power and domination, and in what way and to what extent class capacity of the working class was strengthened as unintended consequences of interactions between labor control and labor protests. The labor control in the 1970s was shaped in response to societal challenges against the labor control in the 1960s. Therefore, interactions between labor control and labor protests in the 1960s will be discussed in the first place.

Leading arguments of this chapter will be that forms of state control of labor in the 1970s shaped the forms and content of labor resistance in the 1970s, but within the context under which class capacity of the working class, strengthened through mutual interaction, functioned as a barrier to state control and as a catalyst for labor resistance. The mode of interplay between the state and labor followed the mutually reinforcing and dialectic pattern. As labor repression became stronger and more penetrating, labor in response became more militant. Strongly preemptive labor repression generated the need for formation of alliances between workers and church groups. This alliance formation brought about the state's efforts to encapsulate factory workers from outside influences. The position filled by the church groups was refilled by social interests existed.

1 (continued)

interrelationships among state control, labor resistance and class capacity, led us to decide selection of the cases based on the degree of impact rather than on the similar gender composition and firm size.
student groups. In the process, the class capacity of the working class has been strengthened to the extent that latent class capacity of the working class, accumulated under the strongly repressive Yushin political system, was manifested from November 1979 through May 1980, when the system broke down. Linkages and interactions among factory workers, students, and other intellectuals fostered this strength. At the same time, the state's strengthened control mechanism segmented and fragmented the class capacity. Constrained by the power of the state control, strong ties by segments of the working class, under the influences of segments of the middle class and labor militancy among unskilled workers within factory in the 1970s, contributed to accumulation of latent class capacity of the working class. The shape of the new labor control system in 1980 was a response to the way in which class capacity of the working class was strengthened in the 1970s.

4.2 FORMATION OF THE LABOR CONTROL SYSTEM IN THE 1960s

The military coup in May 16, 1961 centralized state power by purging the civil bureaucracy and by recruiting well-trained technocrats to staff the newly created developmental institutions. The military junta nationalized banks and confiscated industrial capital. All unions were banned and the FKTU (Federation of Korean Trade Unions) was re-established under government supervision into a centralized federation of national industrial unions. This full scale smash was carried out under circumstances in which no vested
The shift from ISI (import-substitution industrialization) toward EOI (export-oriented industrialization) was not led by the economic planners under the aegis of the military regime but by market forces to which entrepreneurs responded (Lim, 1981; Cheng, 1986). This is a very important fact suggesting some clues to determine the linkages between South Korean development strategy and labor policy in the early 1960s. Through examination of the abruptly planned and executed policy reforms between 1962 and 1965, we can understand the reasons why the military regime chose growth rather than redistribution as the basis of political legitimacy.

From the beginning, the military junta suffered from a series of economic crises: the deviation from a stabilization policy in 1961, the failure of a currency reform in 1962 and severe harvest shortage in 1962-63 are major examples. Coping with inflation and the widened balance of payment problem as a result of these crises, became the major task. The military junta, whose social background was the rural

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2 The military junta, right after its coup on May 16, 1961, froze workers' wage at the level of May 15, 1961, prohibited any single act of labor dispute, dismantled labor unions, and arrested several hundreds of union leaders and labor activists (for this information, see, Kim, Geum-Soo, et al., Hankook Nodong Undongron 1 [Theory of Korean Labor Movement] (Seoul, Miraesa: 1985). At the same time, the South Korean Central Intelligence Agency (KCIA), an elaborate security apparatus created by the 5.16 military junta, first selected about 30 labor representatives, and trained them, and then appointed nine of them as a core group to establish a Reconstruction Committee for Labor Unions, and thereafter, the nine member committee created the Federation of Korean Trade Unions (FKTU) as a national labor union, which organized 17 industrial unions consisting of enterprise or district local unions.
and low social prestigious sector, vowed to eradicate the taproot of deep-rooted social corruption. Leading businessmen were the primary target. The junta launched a pro-farmers policy: farmers' private debt was relieved; the terms of trade for agricultural products were reset; and funds to the agricultural sector were allocated.

Economic crises as such, however, caused this pro-farmers policy to become costly and eventually forced the military regime to undertake drastic reform measures. They performed currency a devaluation in 1964 (from 130 to 256 won per U.S. dollar) and an interest rate reform in 1965 that was favorable for exports. They adopted the export-import link system in 1963 in which exporters could use the import rights linked to their export earnings for importing. They applied various export incentive systems such as a 50 percent reduction in income tax on earnings from exports in 1964-1966, preferential loans for exports by lowering interest rates to a minimum level, establishment of local letters of credit and standby credit for preferential procurement of domestic law material and overseas marketing activities, wastage allowances, minimum export requirement to maintain the status of licensed trader, and government support for overseas marketing activities.3

Export expansion and import reduction were emphasized to achieve a trade balance. At this stage, however, only agrarian and mineral

exports were emphasized with underestimated volume of manufacturing exports. Actually the regime was cautious about predicting the effect of the turn outward (Cheng, 1986). Under this circumstance, two factors precipitated the regime's decision to sustain EOI. One was the unanticipated success of exports. It was a time of economic boom in world markets. The other was structural weakness of the South Korean economy at that time and several situational factors. Consequently, the political motivation to maintain the alliance between the military regime and farmers-small businessmen (EOI based on farm surplus and labor absorbing small industries) became defunct. Instead, the military-big business alliance began to be forged to sustain EOI.

In pursuing the developmental strategy for EOI, the military regime undertook highly discretionary approaches whose assets can be summarized in following four aspects. First, cheap credit for capital investment was allocated to privileged leading industrial firms. Thus, the access to cheap credit functioned as the most powerful stimulant for investment. Secondly, preferential policy loans were selectively allocated to specific industries as well as to the

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4 Major reasons for the policy to strengthen EOI were: 1. A growth strategy concentrating on further import substitution in machinery, consumer durables, and their intermediate products did not seem to be an appropriate alternative because of limitations imposed by the small domestic market and by large capital requirements; 2. Anticipated termination of U.S. financial assistance facilitated search for another source of foreign exchange to meet the balance-of-payments difficulties; 3. Availability of a sufficient labor force and lack of other resource endowments induced a policy directed toward export of labor-intensive goods.
industrial estates integrated around two metropolitan areas, Seoul and Pusan. Thirdly, low domestic savings locked the South Korean BOI into dependence upon procurement of foreign capital. However, foreign loans or joint ventures rather than foreign direct investment or wholly owned subsidiaries were secured. Fourthly, the price of agricultural products was controlled to maintain low prices for staple food grains and to prevent wide seasonal price fluctuations.

Here we need to characterize labor policy in the immediate aftermath of the military coup in 1961 and after the launching of BOI in the 1964-64 period. The military junta froze workers' wage, dismantled labor unions and prohibited any single act of labor dispute. On September 1, 1961, it enacted a law stipulating wage freezes in the public sector. This full scale smash was not confined to labor, though, since industrial capital was also confiscated. It would be fair to say that the military at that time were neither pro-labor nor pro-capital.

Labor laws were amended four times in the 1963 to 1965 period. The year of 1963 was the time when the military junta was to hand over its rule to the civilian. The military junta withdrew Martial Law and lifted the ban on political activities on January 1, 1963. Upon the release of Martial Law, the military junta faced two challenges.

Hankook Noryon (Hankook Nodong Chohap Chong Yonhaphwae; the English

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5 The Trade Union Law was amended on April 17, December 7 and 24, 1963 and the Labor Dispute Adjustment Law was amended on April 17, December 7 and 16, 1963, and the Labor Relations Commission Law was amended on April 17 and on December 16, 1963.
translation remained the same, the Federation of Korean Trade Unions) which was dissolved by the military government, reorganized itself as a counter-organization against the government-backed FKTU, and attempted to establish a political party for effective struggle.\textsuperscript{6}

Enactment of a law regulating wage freezes in the public sector on September 1, 1961 aroused a series of protests from June 5, 1963 through June 7, 1963 by 46,469 workers from seven national unions and 17 government-controlled enterprises. The former was a political challenge by the old central union while the latter was an economic challenge by the new central union. Changes in the 1963 labor regulations reflected the military's political interest in preventing any further challenges.\textsuperscript{7}

The amendments made on April 17, 1963, include the following: 1) a union should be legally recognized. For a union to be legal, "a certificate of report" should be obtained by filing a report with an

\textsuperscript{6} Even though the attempts failed, these series of acts precipitated the government to undertake legislative countermeasures prohibiting unions' political activities and blocking the ways workers organize their grievances. For more details, see, \textit{Hankook Nodong Chohapsa} [History of Korean Trade Unions] (Seoul, FKTU: 1979). p, 578-586.

\textsuperscript{7} It is true that there was an opening for more labor activity in 1963-64. If we look at the changes in labor legislation in this period, however, we observe a tightening of labor laws with the shift to export-oriented industrialization. Such relative and temporary opening can be viewed as an outcome of the political environment and the attempt to emphasize the transfer of power from the military to civilians. On the other hand, the tightening of labor laws can be reasoned as a kind of preemptive measure to contain future labor opposition caused by the new development strategy. Compared to labor controls in the 1970s and the 1980s, the labor control in the 1960s, however, was mild. As long as challenges were weak, there would be no need for further tightening of labor controls.
appropriate administrative agency according to the requirements of the law; 2) a union is not granted legal recognition in case its purpose is judged to hamper the operation of a previously established union (disapproval of a 'second union' at the same workplace); 3) the organizational form of union structure is centralized at the national level; 4) the penalty for employers' unfair labor practices is much abated; 5) to seek labor-management cooperation for industrial peace, a bilateral labor-management council is encouraged to be created; 7) administrative authorities are granted the right to convene an extraordinary meeting or to audit union finances.

These changes emphasized the state's intervention in labor, restriction of labor disputes, and prohibition of union political activities. In general, these changes were a reaffirmation of the measures taken by the military coup in 1961. The challenge by the old FKTU, however, fortified this exclusive and repressive nature of the labor control in the 1960s. The challenge by the new FKTU resulted in reshape of the labor control. Thus, in the December 7 revisions, acts of labor disputes were more restricted. The cooling-off period in the public sector was extended to 30 days while that in the private sector was lengthened to 20 days. Qualification of the concerned parties, legality of the dispute procedures, and whether the labor dispute was lawful or not, were put under examination by Administrative Authorities.

The labor control in 1963 was shaped preemptively and weathered labor opposition in the 1960s caused by the new development strategy.
In the process of pursuing EOI, there were some challenges from both sides of labor and management. Through petitions, public statements, rallies, and even threats to undertake a wildcat strike, starting on November 19, 1963, through June 1, 1968, the FKTU protested unfairness of the revised laws, including intensified involvement of the Administrative Authorities in judgment of a union's legality and even dissolution of unions, and waged strong resistance against employers' attempts to remove rights granted to the national industrial unions as parties to collective bargaining. The Korea Chamber of Commerce and Industry (KCCI) and the Federation of Korean Industries (FKI) representing the interests of South Korean employers strongly demanded that the 1963 laws include the following clauses: restoration of the current industrial union system back to enterprise union system, extension of working hours from 60 hours a week to 72 hours a week, regulation of maximum wage increase rate within 15 percent, permission for a second union at an enterprise, abolition of the union shop system, nullification of paid menstruation rest once a month, and reservation of any ongoing disputes upon arrival of letter of credit for exports. Despite these resistance and demands, no further changes were made, because there was no serious pressure from the workers sacrificed by the labor control. Class capacity of the workers in the 1960s was not strengthened enough to challenge the labor repression. In South Korea, there existed no eminent causal linkage between the

EOI strategy and the repressive labor control.

Based on the above discussions, we can define the nature of the labor control in the 1960s as follows. First, workers' wages, union activities and organization were controlled for political rather than economic reasons. Thus we notice the sequence of labor repression and exclusion followed by a shift toward the EOI strategy (Koo et al., 1986). Secondly, corporatism adopted by the state as a way of labor control based on centralization of union structure faced challenges from the central unions themselves. This political pressure challenged the way in which the state tried to incorporate the interests of labor. The state's corporatist mode of labor control was threatened. This threat prompted the state-capital alliance in labor controls, on the one hand. On the other, the state was led to undermine the influence of the FKIU and its 17 industrial unions on union activities at the enterprise level. Thirdly, labor control was shaped even before the launching of EOI and did not face any serious challenges from the EOI sector until 1968. Therefore, no changes were needed to reflect the dictates of the new economic strategy.

Responses to labor control during 1963-67 were weak. Some labor protests broke out in this period against unfavorable labor legislation, mainly under the leadership of the FKIU and its national industrial unions. Compared to labor control in the 1970s and 80s, labor control in the 1960s was more protective than restrictive. The unions enjoyed a substantial degree of associational autonomy during the 1960s. This low degree of state intervention in associational
activities of organized labor was mainly because of labor's weak class capacities.

The phenomenon of weak class capacities in the 1960s may be accounted for by factors such as the small number of factory workers comprising the industrial sector at that time and the incipient nature of their organizations. However, three additional factors seem to be also important. The nature and origin of the labor force in the 1960s is the primary factor. Given the negligence toward the agricultural sector by the BOI strategy, rural labor outflow was a push phenomenon rather than a pull one. Non-farming households, agricultural laborers and petty farmers comprised the majority of those departing from rural areas. Among them, the major portions were young females absorbed by the light industrial sector. The transitory nature of the female labor force fostered labor docility and thus jeopardized potentiality of workers' organizational capacities.

The second factor was the legacy of the Japanese colonial rule which resulted in a relatively weak and aborted social class power. An over-developed state bureaucracy inherited from this colonialism preconditioned the prevailing compliance of the populace to state dominance. The tradition of Confucian political culture emphasizing the moral definition of the state authority and people's respect for political authority made the prevailing compliance easier.

The third factor in weak class capacity was the fact that in the 1960s, major political issues were surrounded by democracy and legitimacy of the ruling power. At this juncture, students dominated
the political role. From 1964 through 1965, there had been violent students' demonstrations against the state's efforts to normalize relations with Japan. The state was desperately in need of foreign credits or loans. Attempts at normalization with Japan were one of the measures designed to secure loans. Students protested because they were suspicious that these efforts towards economic ties would be a signal for another colonization. They also violently protested and claimed that the 1967 presidential election was rigged. Another militant demonstration was against the 1969 constitutional reform which allowed Park to serve a third consecutive term. Both the military state and societal challenge groups concentrated mobilization of their resources on these political issues. Labor as an important resource for these political issues was not in a position to be mobilized yet. Consequently, factory workers were given poor social chances to realize their interests.

4.3 LABOR CONTROL IN THE 1970s

Labor control was reshaped over the late sixties and early seventies, and this change reflected the dictates of the new economic strategy, and in particular the interest in attracting foreign investment. Also, they reflected the dictates of the new political strategy (maintaining power hegemony based on a national security ideology by undermining politics) as well as the state's need to intensify countermeasures against labor responses to previous labor control. All these three will be detailed.
The labor disputes at the foreign-supported electronics firms, Signetics Co., and Oak Co., in 1968 were followed by enactment of the PELFIF (Provisional Exceptional Law Concerning Labor Unions and the Settlement of Labor Disputes in Foreign Invested Firms) in December, 1969. A more fundamental reason why the government passed this special law aimed at preventing serious disputes in foreign firms, however, was to attract direct foreign investment. At the time of the law's enactment, the amount of the foreign capital directly invested in South Korea was no more than $96 million, 4.3 percent of the then total foreign capital inducement.9

During the 1960s, foreign loans rather than foreign direct investment were secured by the government to minimize the influence of foreign capital on the national economy. This policy resulted in insolvent firm crises in the late sixties. Most insolvent firms secured commercial loans with short-terms and high interest rates. Thus, nearly 80 percent of the firms with foreign loans faced bankruptcy due to inability to liquidate principal and interest. These crises prompted the state to secure foreign direct investment and enactment of the PELFIF was a preemptive measure to secure it. Moreover, at the time when building of free export zones was widely pursued in Masan and Iri, cities in provincial areas, such preemptive measure by enactment of the law was timely adequate from the government point of view.

The PELFIF was limited and partial in terms of the scope the state could apply to labor repression. For rapid economic growth and political stability as a stepping-stone to propel the growth, the state authorities needed a measure of unlimited scale. A series of political challenges in 1971 prompted execution of this measure. Major political opponents, including students, the church, intellectuals such as writers, and newsreporters, and opposition parties, who demonstrated strong resistance against the 1969 constitutional reform, again showed radicalization in 1971. Their clamors concerned grand issues of the political framework such as democracy and the legitimacy of the ruling power. The near defeat of the leadership in the critical 1971 presidential election and subsequent protests claiming that the election had been rigged drove the state authorities to make a "grave decision." The Yushin system was designed to respond to Park's political problems with this growing opposition.

The Law Concerning Special Measures for Safeguarding National Security (hereafter, the LSMSNS) was promulgated on December 27, 1971. This law was enforced after a state of national emergency had been declared on December 6, 1971.10 Under this law, workers' rights to

10 On Jan. 21, 1971, communist armed guerrillas attacked the Blue House, the South Korean Presidential Mansion. To crack down on students' militant demonstrations, the Garrison Presidential Decree was promulgated on October 15, 1971. Under these circumstances, the LSMSNS was imposed as a political rather than an economic measure. Actually, the law functioned as a prelude to the Yushin system imposed ten months later.
collective bargaining and collective action were taken away. The right to organize was saved in legal terms. As long as the state legally recognized existence of its central unions, it would be contradictory to take away this right. More importantly, the LSMSNS was unlimited in terms of its scale of application, and thus, powerful enough to undermine labor organization by justifying repression in security terms. The scope of the compulsory arbitration was expanded; under the former labor control, its application was limited to the public sector, but by the LSMSNS, it was expanded to all industries. Compulsory arbitration procedures became tighter. Mediation of labor disputes and adjustment of collective bargaining, handled before by the Labor Relations Commission, were taken over by the Labor Administration. Thus, dispute settlement procedures were moved from tripartite committees to direct management by the government.

The labor law revisions in 1973 and 1974 were simply a reaffirmation of the LSMSNS in order to parallel the repressive and coercive nature of the Yushin Constitution. In the revision of 1973 and 1974, by emphasizing the Labor-Management Councils (LMC) system and the enterprise union system at the factory, the state attempted to make workers' collective acts more difficult. Occurrence of the major protests in the 1960s under the leadership of the FKTU and its national unions, resulted in a policy shift from labor control based on a centralized union structure toward the aim of decentralizing union activity to the enterprise level. The major purpose of the establishment of both the FSM (Factory Saemaul Movement) and the LMC
system as parallels to the union was to incorporate interests of workers into productivity-oriented issues. By strengthening the enterprise union system, organizational power of workers at the shop floor level was expected to be weakened due to lack of upper-level industrial union involvement. For effective and efficient treatment of labor disputes, the authorities in charge of mediation and adjustment were moved from the Labor Relations Commission to the Labor Administration.

These series of intensified legal actions for labor repression resulted in difficulties for workers in their organizational attempts without being carried into collective disputes. In other words, the chance for disputes to become collective was lower, but the probability for a collective dispute to become militant was higher. The state's unilateral measure abating the penalties for employers' unfair labor practices and intensifying punishments for worker resistance, not surprisingly increased employers' propensity to undertake unfair labor practices whenever necessary.

The 1973 'oil shock' was a deadly blow to both world and home economies. High dependency of the domestic economy on the world economy, by making the former vulnerable to the fluctuations of the latter, made things seriously worse. Domestic stagnation, unstable employment, decline in wage, and heightened inflation instigated employers' unfair labor practices. The state carried out resolutely the 1.14 Emergency Measure, proclaimed on January 14, 1974. This was an economic measure to stabilize an unstable economy. As a part of
this measure, the state strengthened penalties against employers' unfair labor practices and their violation of labor standards, but on the condition that the measure be abrogated the following year.

As promised, the state stopped applying the measure in the following year. There had been strong resistance by employers against the measure. Abrogation of the measure might have been influenced by this resistance. The more important factor, however, would be the basis of the state's political legitimacy—economic growth. There was no reason for the state to maintain the measure which might have hampered employers' enterprise motivation by applying penalties against unfair labor practices, once the measure had contributed to stabilization of the domestic economy.

4.4 THE NATURE AND PRINCIPLE OF LABOR CONTROL IN THE 1970s

As mentioned earlier, the class capacity of workers during the 1960s had been weak in general. Accordingly, the labor control in this period was more protective than restrictive. Major impediments to accumulation of the class capacity included the high degree of young and transitory women in the industrial labor as well as the absence of social need for mobilization of labor as an important political resource. Prevalence of political protests for democracy and questioning legitimacy of the ruling power and weak labor protests characterized societal challenges in the sixties.

Workers' class capacity, however, began to be forged slightly in the period from 1968 to 1971. Several large scale industrial disputes
broke out in this period. They included strikes at Signetics Company and Oak Company in 1968, a strike by associated workers at 16 cotton textile firms and a strike at Chun Shipbuilding Company in 1969, a hunger strike at the Korea Pfizer Company in 1970 and a strike at Saehan Motor Company in 1971. Occurrence of these strikes showed that workers' solidarity had increased. An individual worker's incident, Jeon Tai-Il's self-immolation protesting low wages and inhuman working conditions, became the direct momentum for forging the alliance between workers and students.

What was important, though, was that the forging of the alliance was causally linked with the character of the labor control in the 1960s. The labor control shaped by the military state facing societal challenges for democracy and legitimacy, focused itself on prevention of labor's political activities. Consequently, the state's role in involvement for the purpose of economic matters in labor was negligible. One result of this negligence was active involvement by the church in enhancing workers' rights and interests, whose direction shifted from pure evangelism in the industrial sector toward organization of labor in 1968.

To the military state, whose political power was threatened increasingly by societal challenges, economic growth as the basis of political legitimacy became more imperative. The state responded in two directions: the drive for a HCI (BOI deepening) and labor repression justified in national security terms. Changes in labor control over the sixties and early seventies reflected these imperatives.
The labor control in the 1960s was unable to contain the growth of allied labor activism among workers, students and the church. The predominance of light industries absorbing transitory female workers inhibited class formation to the extent that their temporary commitment to work made the working class community unstable. High levels of geographic and industrial concentration of these workers in the Seoul, Pusan and Incheon areas, however, increased working class identity. The rapidity of the EDI process, the rapid growth of the proletarianized workforce and the existence of the state-capitalist alliance, all were likely to increase the potential for class formation.

Labor control in the 1970s was a reshaping of the old one as a response to the growing class capacity of the work force. The way it responded to this challenge can be outlined in four aspects. First, the new labor control system emphasized direct management by the state to the exclusion of the FKTU and its 17 national industrial unions as well as the Labor Relations Commission. Workers' rights to collective action, association and collective bargaining were taken away. In actual control over the workers, both the police and the KCIA (Korean Central Intelligence Agency) got actively involved. Not only in the foreign firms and the public sector but in the private sector, collective disputes or work stoppages faced severe crackdowns by the security apparatus. This existence of crackdowns contributed to a continued vitality in consolidation of oppositional solidarity.
Secondly, the new labor control approach sophisticated its control mechanism by which labor controls became penetrating and repressive. Union activity was decentralized to the enterprise level. At the same time, the LMC was imposed. Ensuring the improvement of productivity was emphasized as the central virtue not only for national welfare but for national security. This mechanism endowed employers with enormous room for exploitation of workers in various ways. Internal labor markets segregated by sex and education were exploited by employers to accommodate a skilled male workforce for the control of unskilled female workers. This exploitation hampered workers' solidarity. Female workers' subordination to immediate economic needs at home, and their attachment to patriarchal families, were exploited to maintain worker loyalty and discipline.

Thirdly, penetrating state intervention in industrial relations produced two forms of management: union-based and non-union-based. Work councils, saemaul work teams, and the LMC are the examples of the latter case. Through these two channels, labor-management cooperation and industrial productivity was highly emphasized in the 1970s with low economic rewards. To improve harmonious relationships, the LMC and the FSM (Factoy Saemaul Movement) developed into institutions parallel to the labor union. Inducing workers' normative compliance to high work performance and industrial peace, the state ambitiously attempted to infuse the workplace with hard work and a harmonious atmosphere. To improve industrial productivity, the basic Law for Vocational Training was enacted in 1976. Public Vocational Training
at the national level and In-Plant Vocational Training at the enterprise level were conducted. Intensification of ideological control was clearly associated with neutralization of the union function. To eliminate existing conflictual elements caused by labor demands, the state attempted to transform the union into a decorative organizational instrument or a subsidiary to management. It was in this context that autonomous grass-root union movement in opposition to the official union structure broke out in the 1970s.

Fourthly, the state-capital alliance in the 1960s was forged when the shift from ISI toward BOI was under way. The leading business as "industrial capitalist" organized themselves to protect their common interests by acting on behalf of the interest of political power. To the military state which has chosen economic growth as the basis of political legitimacy, "promoting such an organized business for economic performance was not only a timely and handy device for political legitimacy, it was also justifiable in terms of economic nationalism" (Cheng 1986: 28). In the 1970s, to the military state, the state-capital alliance became more indispensible, to the extent that it failed to institutionalize its political power. The leading business as "national bourgeoisie" attempts to fortify the state-capital alliance in order to institutionalize its bourgeois economic and social order. This strong alliance was well reflected in their efforts to eliminate conflictual elements which the labor-church alliance forged.
4.5.2 ECONOMIC MEASURES IN CONNECTION WITH LABOR CONTROL IN THE 1970s

During the 1970s, the South Korean economy faced 'oil shock' twice— in 1973 and in 1979. After 1973, the state launched massive investment programs to develop Heavy and Chemical Industries (HCI). After having undertaken a low grain-price policy during the 1962-66 period, to stabilize prices and wages in the urban sector, starting in 1968 it began to adopt a two-price system as Grain Price-Support Program. 

Since the implementation of the development strategy for export promotion in the early 1960s, devaluation of the currency to revive export demand as well as to improve the international competitiveness of exports has been a common occurrence.

An average annual gross domestic product (GDP) growth rate of 5.4 percent from 1974 to 1982, and an annual GNP growth rate of 7.2 percent during the same period, despite the impacts of the oil shocks, could not have been achieved without making South Korean labor internationally competitive. A huge external debt was widely pursued to finance both oil imports and the HCI projects. Average annual increase in external debt was from 1968-73, $603 million, from 1974-78, $2,122 million, and from 1979-82, $5,611 million.

From 1977 onward, the bulk of foreign loans channeled to the HCIs have

11 The government purchased farmers' rice at higher prices and sold it at lower prices to the urban sector. Thus, it generated huge deficits from such two-price system.
accounted for more than 80 percent of all foreign loans. 13 Making the
government's purchase price of rice higher than its selling price, the
deficit grew at an accelerating pace and it was financed in an
inflationary way.

Consequently, high inflation has become a chronic problem. High
inflation was accompanied by a rapid rise in wages. During 1976-78,
wages increased at an annual rate of 34.2 percent. However, with
soaring housing and land prices, the rapid wage increases produced
little improvement in workers' welfare. 14 A short supply of skilled
workers, who were sent to the Middle East on the occasion of the
construction boom, also helped wage hikes at that time.

We cannot characterize the state's economic measures during the
1970s in simple terms. But in general, they can be seen as
quantitative expansion-oriented measures to secure competitiveness in
the export market. Therefore, attempts were made to eliminate any
factors decelerating the growth of the scale of production. Foreign
borrowing was resolutely pursued. Motivations for business activities
were highly encouraged.

4.6 LABOR PROTESTS IN THE 1970s

As discussed in the previous section, the new labor control became
more coercive and penetrating. Four characteristics were pointed out:

13 Park, Yung-chul, *Working Paper* no. 1, Population Institute,
East-West Center. p. 15.
14 Nam, Sang-woo, "Integrated economic stabilization programs
(1979)," *Working Paper* no. 16. [Population Institute] (Honolulu,
the state's direct intervention; penetrating and repressive control by sophisticated methods; use of multiple channels; the blatant state-capital alliance. By examining how labor protests in the 1970s responded to this labor control, this section will attempt to explore the way in which, and the extent, workers' class capacity was strengthened in the 1970s. Important questions are then: in what way labor protests became directed at the state and coordinated with political struggles, rather than simply directed at the immediate capitalists involved in the conflicts; to what extent struggles by workers vis-a-vis capitalists developed into those of the 'popular class-based distributional coalition' vis-a-vis the state-capital alliance. Importance of these questions are crucial because accumulation of the workers' class capacity in the 1970s upon which the labor control in the 1980s reacted, can be estimated through investigation of the answers to these questions.

4.6.1 CHEONGYE PROTEST

This protest was a response to: 1) the neglect of the urban marginal working sector by the state-capital alliance in the pursuit of EDI; 2) the "growth first, distribution later" policies. Thus, it was a serious challenge demanding greater equity of distribution and improved working conditions.

Teenage sweatshop garment-makers at Seoul's Pyounghwa (peace) market were established in 1961. As of 1970, about 20 thousand employees worked at several hundred independent small workshops each
of which had no more than 20 workers. These compack workshops supplied 70 percent of the whole ready-made domestic garments demands in 1970. Owners of the small shops had autonomy of their own management but administrative control was taken care of by Peace Market Co., ltd, an organization in charge of security, cleaning up, and public relations.

4.6.1.1 WORKING CONDITIONS

The workers consisted of cutters, seamstresses, sewing attendants, cutting attendants, and rippers. Most cutters and cutting attendants are male and 80-90 percent of the remaining are female. Rippers and the attendants serve their senior workers, cutters and seamstresses. But rripper's role is more crucial: they do all the miscellaneous tasks including pressing, ironing, and delivery of threads and buttons for their senior workers' smooth works. Rippers aged between 12-15 and are promoted to auxiliary workers after 1.5-2 year training while auxiliary workers become senior workers through 3-4 year training. There is neither massive production system nor line system. Job operation is done by the form of small segmented team led by cutter or seamstress.

Experienced senior workers usually have one auxiliary worker and two rippers as helpers. In successful cases they have several auxiliary and rippers under their control. The senior workers' monthly earnings are determined by the contract with their owners based on 'piece rate' system. Thus, output of their own team is
important. The senior workers determine their junior workers' monthly pay. Since markets are unstable, the auxiliary workers and rippers are always in fear of shop closure or job reduction. In seasons such as the time of Full Moon day, Christmas, and Lunar New Year, the owners recruit plenty of labor force with no fixing rate. Later when the season is over, arbitrary wage cutdown or job reduction is prevalent.

More than anything else, working conditions are extremely inhumane. The workplace is located in the three- to four-storied buildings of the Peace Market complex, in the expensive downtown area of Seoul. To reduce production- and overhead-costs, the owners divided each room of the buildings into two separate rooms. The distance between the bottom and the ceiling, in that way, became reduced to half and measured only three feet. The workers doing their job performance in the rooms were unable to stand upright throughout the whole day. The working day ranged from 13 to 16 hours. There was little ventilation in the crowded lofts, the lighting was poor, sanitation facilities were minimal and chemical and other odors were strong.15 In a survey conducted by Jeon, Tae-il, who set himself aflame, it was found that 96 workers among 129 suffered from ailments traceable to their work, largely tuberculosis, 103 suffered from indigestion due to nervous tension.16

Two sources of recruitment pervaded in the Peace Market:

16 Ibid
recruitment of relatives or intimates to the workers currently employed, and irregular recruitment of job applicants at so-called, Ingan Sijang [Human Market] located within the market area, where job applicants and recruiters used to gather together. In most cases, recruitments are made by the senior workers. Thus, the cutters and the seamstresses play important dual roles: payment of their attendants' wages and recruitment of their helpers.

4.6.1.2 JEON, TAE-IL INCIDENT AND THE CHEONGGYE GARMENT WORKERS UNION (CGWU) 17

Jeon, Tae-il, a young garment worker, died on November 13, 1970, about 10 hours after setting himself aflame with a copy of the labor laws in his hand. He had started his career as garment worker six years before, and worked his way up to cutter, earning 30,000 won per month (equivalent to $92, based on the 1970 currency). Before he killed himself, he organized Sandonghoe, a circle group, whose members were composed of several male cutters at the Peace Market. He carefully examined the Labor Standards Law and found out that shop owners at the Peace Market violated many standards stipulated by the law. He sent dozens of appeals to the Labor Office, demanding improvements in working conditions, but was only ignored by the authorities. He conducted a survey sampling of more than a hundred Peace Market workers to obtain more convincing data on the Peace

Market's inhuman working conditions. He made every effort to have the collected details of the inhuman working conditions covered by the daily newspapers, but in vain. Membership expansion of the circle did not come about due to workers' prevalent defeatism. He felt a sense of neglect strongly. The workers at the Peace Market, garment supplier for domestic markets, have long suffered from low wages and inhuman working conditions. They comprised the urban marginal working sector, an area totally neglected by the state-capital alliance in the pursuit of FDI. He selected self-immolation as the final resort to resisting neglect. To draw the attention of society, he dramatized his suicide by setting his greased body aflame, with his well-thumbed volume of the Labor Standards Law in his hand, claiming, "we are not machines!"

Over all, Jeon's shocking suicide had three impacts. First, it forged solidarity between students and workers. On November 16, 1970, about 100 Seoul National University students attempted to conduct Jeon's funeral ceremony by bringing his body to their campus. After the police broke up the attempt, about 400 students went on an unlimited hunger strike at the College of Business at Seoul National University on the same day. After that, 200 students of the College of Law at Seoul National University, 130 Ewha students, 200 Yonsei students, and 300 Korea students protested, on November 20, 1970. Thus, the college students' demonstrations continued until the middle of December, 1970 when the winter vacation started.

Secondly, "Jeon's sacrifice gave his fellow Peace Market garment
workers not only the birth of a labor union but also a sense of solidarity, self-awareness and efficacy of collective action, all of which would have a strong impact on the CGWU's development. Furthermore, it set the standard for ideal leadership which would linger in the minds of this union's future leaders." (Choi, 1983: 204)

Thirdly, his death increased social and political attention to the plight of the garment workers. Before he died in a hospital, he begged his mother's forgiveness and pleaded with her not to let his death be in vain. The mother refused to let her son be buried until his demands were met. The factory shop owners and the FKTU agreed to carry out an eight-point program including an eight-hour day with overtime pay, an unspecified pay increase, better working conditions and unionization. Three officials of the Labor Office were fired by the state on the charge of negligence in overseeing the Peace Market working conditions. They became scape-goats by suffering in the state's place. The Labor Office officially investigated actual working conditions of the workers.

The CGWU was unionized on November 27, 1970. From the beginning, by making the CGWU jurisdictionally belong to the United Workers' Union (UWU) rather than to the National Textile Workers' Union (NTWU), the workers maintained relatively higher independence from its upper-level union's influence.19 At the initial stage, however, the

18 BCJM, eds, ibid, p. 22-23.
19 At the initial time, the CGWU's organizers had an option to chose either of two, the NTWU and the UWU, as their upper-level union. They
CGWU faced two general difficulties.

At the time of unionization, members numbered 513 and in January 1971 they expanded to 2,783. Despite such a remarkable membership increase, the CGWU suffered from financial difficulties. Cutters who received higher wages compared to other auxiliary workers were reluctant to pay union dues because of their close linkages with shop owners. Auxiliary workers and rippers became important financial sources. Their low wages, however, were a great barrier to contribution. Several hundred independent shop owners undertook unfair labor practices, but management of them was another difficulty. Under these circumstances, the CGWU obtained substantial economic gains.20

4.6.1.3 SIGNIFICANCE OF THE CHONGGYE PROTEST I

These economic gains were the outcomes of violence such as attempts to commit suicide by fire or by jumping from a building, hunger-strikes, sit-in demonstrations by the CGWU, consequent arrests and court trials, and street demonstrations by student-worker alliances. To the CGWU workers whose rights to the collective

19(continued)
chose the latter because they thought the latter was weaker than the former. See, Choi, Jang-jip, 1983, ibid, p. 193.
20 Wage levels were enhanced. In 1975, wages were roughly at 80 percent of other export textile firms. But in 1977, they surpassed wages of silk, woolen and weaving textile firms. Working hours were reduced from 13-16 hours to 10 hours a day. Weekly holidays became the practice. The notorious 'upper-room' was removed. See, Choi, Jang-jip, ibid, 1983, p. 206.
withdrawal of labor were taken away by labor control in the 1970s, resort to violence as such might have been only the choice for economic gains. To the state, they were violators of the labor laws. Thus, the CGWU workers' violence invited crackdowns by police.

To the students who were interested in enhancing democracy and social justice in South Korea, Jeon Tai-Il's dramatic suicide was the death of just distribution. Linkage of these common interests produced social bonds between the CGWU workers and students first, and then workers in general and students. Student involvement in labor in the 1970s and 1980s in South Korea rose up in this way, and it developed in three directions. First, students began actively to participate in the 'Workers' Classroom'. The Workers' Classroom through which intra-union education was performed, was instrumental in raising the consciousness of CGWU workers. The young industrial force, alienated from more affluent society, was in dire need of a channel to release its frustrations and feelings of neglect. The Workers' Classroom functioned not only as an emotional outlet but also as a channel linking workers to outside groups such as college students and church groups. Secondly, students began to turn themselves into factory workers. The students-turned workers played leading roles in protesting against labor control in the 1980s. Thirdly, they began to join labor protests. They either got directly involved in labor protests or waged campus demonstrations against labor controls by the state.

Jean's death not only contributed to transformation of the issue
of labor affairs into a serious political and social issue but also
created student desires to forge alliances with the workers. The
CGWU, through their militant struggles, substantiated the
transformation and fortified the alliance throughout the 1970s.
Counter-reaction by the labor control apparatus in the 1980s against
the challenge was dismantlement of the CGWU by illegalizing it, which
will be discussed in the following chapter.

4.6.2 DONG-IL PROTEST

This protest was a typical case of an autonomous grass-root union
movement in opposition to the official union structure framed by the
state. It was a serious challenge against: 1) corporatist labor
controls executed by the state; and 2) the interests of the
state-capital alliance in atomizing workers-church alliance forged
since the 1960s.

Founded in 1955, the enterprise, Dong-il, a mother-company of
eight domestic subsidiaries, has engaged in the manufacture of cotton
and blended yarns, chemical fibres, and cotton and mixed stuff. As of
January 1980, the number of workers was 1,350 (250 male and 1,100
female) and 150 apprentices.

21 Originally, by Toyo Spinning Company in Japan, the plant was
founded on October 1, 1934. For detailed history of the company, see,
22 Kim, Soo-kon et al eds., Nosagwange Saraeyeongu [Case Studies on
4.6.2.1 WORKING CONDITIONS

A massive and line production system, based on three shifts a day, is undertaken. Once production output is allocated, the line workers have to complete it. Therefore, absence of one worker in a section gave rise to allocation of the absent one's workload to the remaining working mates in the section. Lack of a piece-rate system and the necessity for high productivity intensify the enforcement of supervision rather than the application of an intensive system for the maximization of production output. The hierarchical system linking factory manager to line supervisor through section-chief and foremen is fully utilized to supervise and command work.

Dual internal labor market characterized by sex and education exists at the company: male, skilled high school graduates with higher wages and female, less-skilled middle school graduates with lower wages. Some female supervisory workers belong to the skilled category. The former work two shifts while the latter work three shifts a day. An even higher chance for promotion is given to the former. Therefore, individual competition is more expected of the former while collective action is more encouraged to the latter, for the betterment of their economic status. For supervisory workers, a monthly wage system is applied while for mass workers, a package pay system based on time rates for day work is applied. For the mass, base earnings are determined by level of education, skill and experience. Calculation of various allowances and bonuses are based on base earnings. Eighty percent of employees are recruited through
personal connections. Optimum length of service for this spinning and weaving industry is estimated as 2.5 to 3 years because work in this industry does not require accumulation of specific skills. Thus, maintaining a certain turn-over rate by avoiding long commitments by workers to their work is management's strong interest.

4.6.2.2 STRIKE

Alliance of UIM with the Dong-il female workers has a long tradition. Expanded rapidly since decolonization, and with international connections, the church in South Korea has been a "critical institution defending the cause of human rights and political freedom" (Cheng 1986: 38). Church group activities in South Korean urban industries emerged in 1957. It was in 1961 that the Methodist church started industrial evangelism at the Dong-il workers' dormitory. On November 1, 1966, Cho Hwa-soon, a woman UIM minister, became a Dong-il worker and began to teach a small group of female workers how to improve working conditions. In the late 1960s and beginning 1970s, Young Catholic Workers (JOC, Jeunesse Ouvriere Chretienne) and UIM together educated the Dong-il female workers on labor law and union organization. Election of a female union leader at the Dong-il union on May 10, 1972, the first such event in the

23 American auspices and national suffering in the Korean War fostered increased membership in the church in South Korea.
history of the Korean labor movement, was a result of long time proselytising. Thus, alliance between church groups and the Dong-il female workers transformed the existing collaborative relationship between management and the former Dong-il union led by skilled male workers into an conflictual one between management and the new union led by unskilled female workers. Elimination of all conflictual elements at the workplace was one of the strong interests the state-capital alliance have had in common. Management responded by attempting to disqualify Dong-il's new autonomous female leader. The first strike broke out on July 23, 1976.25 This was when the state highly encouraged the establishment of both the FSM and the LMC not only as vehicles for productivity increase but as instruments for managerial controls.

The events began when the management-backed 24 male delegates held a conference, disqualified delegateship of the autonomous grass-root executive members and replaced the incumbent female union leader with their own leader. At 8:00 a.m. the police took the female leader to the police station for interrogation about her previous struggles with management. At the same time, the 24 male delegates forcibly prevented 21 autonomous, female delegates from attending the conference. Management locked the dormitory to prevent several hundred female workers, off duty at that time, from joining the female delegates. Demanding release of their leader, claiming illegality of

25 The information on the strike comes from: Kim, Geum-soo et al., ibid, 1985. p. 158-160; Dong-il Bangjik Nodong Undongsa, p. 45-93.
the conference and denouncing the new leadership, eight hundred female workers went on a strike at 10:00 p.m. on July 24 after a three-day sit-down demonstration. By labor control rules in the 1970s, any single act of strike without prior permission was illegal. The following day several hundred policemen led a crackdown on the female strikers. To resist, they stood nude, but in vain. Seventy two workers were taken to the police station and charged with initiating the strike.

On July 26, three hundred female workers went on a sit-down demonstration at the office of NITWU (National Textile Workers' Union, one of 17 national industrial unions), their upper-level industrial union. They demanded release of their 72 workmates taken to the police, and asked the NITWU to nullify the new leadership of the July 23 conference. As explained earlier, the first labor control rules in the 60s granted a certain degree of autonomous power to the central unions (the FKTU and its 17 industrial unions). The labor control rules in the 70s, however, reduced the power, by increasing the state's direct intervention in labor. The relationship change between the state and the central unions does not exactly correspond to that between the central unions and enterprise unions. Nature of relationships between the industrial unions and their enterprise unions in South Korea can be diverse according to personal interests, due to discrepancies between the labor laws and actual operation. At 11:00 p.m. on July 26, the 72 workers were released. The sit-down demonstrators returned to their work with the promise by the NITWU to
nullify the new leadership. However, a leadership change of the NIWU on July 29 changed the situation. This happened because unlike the old NIWU leader who was interested in enhancing harmonious relationships with the enterprise unions, the new leader was interested in his personal promotion by acting on behalf of the state's interests. On November 19, the new NIWU leader suggested two unfavorable solutions to the female union workers, and did not keep his predecessor's promise. The female representatives rejected the suggestions. But the Administrative Authority approved the foremen's union membership.

Despite coordinated repressions by management, male delegates, the NIWU, the police, the local court, and the Administrative Authority, the events in connection with the first strike ended with the autonomous female representatives' victory. On April 4, 1977, the Dong-il workers elected one of the female representatives as their new

26 Later, the new leader of NIWU became a typical Korean type of 'labor aristocracy'. In contrast with the definition of working class 'labor aristocracy' in the Western context, which refers to a privileged section or upper reaches of the working class having characteristics such as high skills, greater material benefits or considerable job security that make workers respond to union goals and strategies differently, which in the end contributes to a division of or deterrence to the working class movement, the Korean definition of 'labor aristocracy' refers exclusively to the corrupt union leaders —called yeoyong union leaders as a pejorative term in South Korea—who control wholly collusive 'company-controlled unions' with the support of company or state authorities. See, Choi, Jang-jip, 1983, ibid. p. 176-182.

27 The first solution was to accept membership of those 24 delegates elected by the male workers; the second was to permit foremen and line-chiefs or line-supervisors to join the union. In most cases, those who supervise ordinary workers but actually do not work (Footnote continued)
union leader. This victory was a result of threats by female representatives to publicize the detailed history of the coordinated repressions to the public at Seoul Myongdong Cathedral. They had planned to hold the public rally on February 6, 1977, with participation of 10 anti-government organizations including UIM, JOC, and Korean National Christian Council (KNCC). The first response came from the Government's Labor Office. On the condition that the female workers would not hold the public rally, management, the Labor Office, and the MWU in combination pledged to accept all the workers' demands.

The second strike on March 14, 1978 by 43 female union workers at Seoul's Myongdong Cathedral was followed by suppression of a demonstration by 76 Dong-il female workers at the March 10 Labor Day ceremony. On March 15, 67 Dong-il female workers and UIM activists went on an unlimited hunger strike to support the Myongdong strike at Incheon's UIM office. This series of strikes was followed by conflict between the autonomous union female workers and the company-controlled workers over the method of election of delegates, and subsequent...

27 (continued)

themselves have different interests from actual workers. The male supervisory workers were copped by management and concurred with management. Because of such collusion with management, the female workers opposed entry of those supervisory workers into the union. 

28 The enterprise-level union's article called for election of one representative per 25 union members. The MWU did not specify it. One production-line at Dong-il had 60 line workers, most of whom were female, and the other had 20, most of whom were male. The autonomous union side intended to put the two lines together and elect three delegates. The company-backed candidates wanted one delegate for each line regardless of the line's number of workers.
physical attacks placed on the former by the latter. 29 By defining the Dong-il union as one in trouble, the N'1WU new leader, on March 6, dismissed four leaders of the autonomous Dong-il union from membership so that their leadership of the Dong-il union would be invalid. The demonstration by 76 Dong-il female workers at the March 10 Labor Day ceremony was the protest against these coordinated repressions among management, management-backed male workers, the police and the N'1WU leader. They protested at the national ceremony which was live on national TV because they thought the state should be responsible for the repressions.

On March 23, South Korean church leaders including Cardinal Kim had dialogues with the Government's Labor Officials and came to agree to normalize the Dong-il union. The workers abandoned the 10 day hunger strike. Management and the Government did not keep their promise. Instead, management condemned them for striking, and exhorted them to return to work and to sign a written oath declaring their loyalty to management's commands without condition. The workers did not return to work. On March 24, management submitted a request to the Labor Relations Commission for recognition of its rights to issue notices of dismissal to the strikers. 30

29 On February 21, 1978, when the conventional meeting was to be held, the company-backed male workers attacked the autonomous female workers by throwing human excrement over them. The police and the new leadership of N'1WU supported the former by rejecting the victims' request for help.

30 Article 27-II of the Labor Standard Law stipulates that an employer shall issue a worker the notice of dismissal at least 30 days (Footnote continued)
On April 1, 1978, the 126 Dong-il female workers were dismissed with the approval of the Labor Relations Commission, on the charge of intentional collective absence from work during the period of March 11 to March 23. On April 10, 1978, the new NWU leader made a 'blacklist' of the 126 dismissed workers' names and circulated it to almost all factories across the country, demanding that those 'creators of social disorder' not be reemployed. Since that time, the dismissed have never been reemployed. Some were able to find jobs but soon they were detected by the police and were fired.

The dismissed ex-workers did not stop their fighting there. At 5:00 a.m., on April 26, 1978, 65 ex-workers sneaked into the Dong-il workplace and went on a sit-down demonstration until at 12:30 p.m. the same day they were taken to the police. Two of them were jailed. On May 16, 1978, the dismissed workers organized a group at the office of Incheon's UIM for further fighting. Various activities continued. On

30 (continued)
in advance of action to be taken. Also, it stipulates that in case of dismissal of a worker for her or his own fault, the employer's action shall be approved by Labor Relations Commission. The Dong-il management intended to dismiss the 107 workers by applying the exceptional clause. See, Labor Laws of Korea. (Seoul, Ministry of Labor: 1984).

31 The 'blacklist' incident, in late 1983, when four dismissed workers made public disclosure (they saw a government local official working at a local branch of the Ministry of Labor using the blacklist as information for blocking the listed workers from being reemployed), turned into a nationwide protest against blacklist-based repression, by the dismissed workers (later the number was expanded into 1,000) and church groups. In their protest, they claimed that the main purpose of the blacklist was to atomize the workers-church alliance. Ever since, workers' struggles began to be more directed at the state rather than immediate management, as evident in the Guro Protest in (Footnote continued)
April 25, 1980, more than 30 dismissed workers staged an unlimited sit-down hunger demonstration at the office of the FKTU. Since the time was full of political renovation and introspection on the occasion of President Park's assassination, the strike easily led all the concerned parties involved at the Dong-il Protest to come together for settlement of the long pending problem. No solution was found. The new military's reinforcement of martial law on May 17, 1980, brought their struggles to an end and they never happened again. The Dong-il Protest became an historical event.

4.6.2.3 SIGNIFICANCE OF THE DONG-IL PROTEST

The repercussions of the Dong-il protest activities served to illuminate the relationship between the mode of labor control and that of the labor resistance. From the workers' point of view, the Dong-il strike was a struggle over the organization of workers' collective interests. The government, however, defined the strike as a critical catalyst of social disorder. The FKTU and NTWU closely associated their interests with those of the state by condemning UIM and other church groups as vicious intruders who proselytised docile workers into militant agitators. Hence, management maximized use of means available to repress the strike without fear of any single apprehension. The state increased this managerial repression by

31(continued)

1985, which was waged by the alliance among workers, students, and intelligentsia.

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encouraging establishment of both the FSM and the LMC as not only vehicles for productivity increase but as instruments for managerial control.

Management maximized use of the internal labor market structure to repress the alliance. Male, skilled, and higher wage workers were coopted, as explained earlier. An existing hierarchical order system of line management as a despotic mechanism was fully utilized. MIWU's concurrences with management galvanized the isolated workers' commitment to the support of anti-government organizations. The state's revised Labor Dispute Adjustment Law was the mechanism through which management carried out collective dismissal of 126 labor movement activists without any difficulties. They were never reemployed. In 1978 and 1979, when labor and management were still under the control of the Yushin system, the main barrier to their rehabilitation lay on the side of the state security authorities. In late-1979 and early 1980, when political renovation was vital, management strongly objected to their return to work.

By encroaching upon the political and economic boundaries the state could permit for organized workers, the Dong-il Protest left a legacy of lesson to the Korean labor movement concerning the importance of alliance not only among workers but with church groups. At the same time, it brought about the state's intensification of labor control to factory workers isolated from outside influences.

The rising tide of labor mobilization since the late 1970s is attributable to the grass-root labor union movement activated in the
1970s. The Dong-il Protest as a typical case of the movement, contributed to creation of bottom-up pressure on the national union structure created by the state. Transformation of several official unions into autonomous grass-root unions in the 1970s turned the central union structure into a more assertive position vis-a-vis the state. These political pressures led the state to decentralize the union structure.

4.6.3 THE Y.H. PROTEST

This protest was a confrontation at the political interests of the state in preventing formation of horizontal alliances between labor and other opposition forces. The Y.H. Protest during the period of August 9 to 12, 1979, despite its short-term period of collective action, became important in the history of the South Korean labor movement. The state's coercive response to the sit-down strike by 187 Y.H. workers at the opposition New Democratic Party’s headquarters during August 9 to 11, 1979, resulted in the political expulsion of the incumbent opposition party’s leader from his position on October 4, 1979. The event sparked popular riots in Pusan and Masan during October 18 to 20, 1979, which led to nationwide socio-political unrest, and eventually to the assassination of President Park, on October 26, 1979.32

The Y.H. Trading Company started its trade of wig making with 10 employees in January 1966. As of 1970, it became the nation's biggest wig exporter having 4,000 employees. In September 1970, when the company yielded its best profit, the company owner migrated to the U.S. and absconded with a substantial portion of foreign exchange produced by the booming economy of the wig industry in the late 1960s. After 1975, the company began to face a slowdown, owing to the absconding and to market recession within the wig industry.

4.6.3.1 WORKING CONDITIONS

The Y.H. wig division had 14 different sections for production, with its assortment of design, supply of raw materials, dyeing, severing, sorting, needling, drycleaning, cutting, poster coloring, embroidering, beauty arting, inspecting, and packing, and the like. Each was operated by working mates on the basis of a line system. Thus, delivery of the right parts at the right time and in the right quantity was critical for the production of each line. Inter-section rather than intra-section lateral conflicts pervaded the production process.

An unfair piece-rate system also intensified the conflicts. Except for the designing, supplying, and inspecting sections, the remaining sections were under a piece-rate system. The company undertaking the processing trade deducted overhead charges and a

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certain level of profits from the export unit price and then set up a different hierarchy of rates for different sections, within the limit of the adjusted price. Lack of adherence to a common set of procedural rules in rate fixing produced conflictual relationships between rate fixers and the workers. The Y.H. rate fixers were senior workers in the design section and the supervisors of other sections. Rather than fixing the rates by stipulating the number of pieces to be produced per hour, the designers counted more on the supervisors' judgments. High rate fixing of a line may have depended on its supervisor's capability of justifying such high rate. Thus, who became the supervisor of a section became a critical factor for raising the section's wage packet.

4.6.3.2 **THE Y.H. UNIONIZATION**

A three-day strike by a single production line, the drycleaning line, out of 14 lines at the wig factory broke out in March, 1975. The events began when the factory manager replaced the line supervisor with a new one who was docile and subservient. Two hundred line workers who had been discontented with their working conditions, including the highest labor intensity and the lowest piece rate among the 14 lines, defined the transfer as an act of retaliation against their frequent expression of grievances. The three-day strike ended

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34 The former supervisor frequently complained that the current rate fixing was unfair. He was replaced by a new supervisor who was docile to the manager, but had no interest in increasing rates.

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as a failure: more than 10 senior workers were taken to the police and the strikers' demands for a wage increase, their former supervisor's returning and a fixing-rate increase were rejected. This failure gave rise to workers' strong desire for unionization since they attributed their failure to absence of their own union at the factory. They realized that organizing themselves was the instrument to realize their interests.

The Y.H. union was organized, on May 24, 1975, by 49 workers from among 2,000 total workers but at the expense of its four female leaders. Actually the Y.H. unionization was the outcome of the four fired female workers' struggles against management. Proselytized by JOC, they waged struggles without fear of their sacrifice under the auspices of the NIWU. The NIWU supported them because membership expansion was its strong interest. The autonomous grass-root union elected the dismissed four as its executive representatives, claiming that their membership was still qualified.

35 The NIWU rented a house where the four fired workers lived. Also, the house was used as place for education of Y.H. workers. See, The NIWU's Saveobboho [Report on Activities], 1975, p. 104.
36 Article 23 in Trade Union Law stipulates that executive officers of a trade union shall be elected by and from among the bona fide union membership. The four dismissed were elected as executive officers, despite the fact that they were dismissed from their jobs, under the 49 workers' belief that they were union members because they were dismissed due to unfair labor practices by management. Article 39, clause 1 in the same law stipulates that an employer shall not commit an act such as dismissing a laborer or giving disadvantages to a laborer on the grounds that the laborer has joined or tried to join a trade union. Management argued that the four workers were dismissed not on the grounds that they tried to organize a trade union but that they intentionally yielded faulty products. The workers rejected this argument as groundless.
The first response by management to this unionization was a creation of a company-backed counter-union. Management mobilized 400 workers from May 24 to May 26, 1975 through coercive use of hierarchical order system linking factory manager to line-chiefs. Management appointed a male worker as leader. The Seoul District Union Association (SDUA), a branch of the NICU, stood on the side of management. At that time there existed factional conflicts over control of the NICU between the incumbent leadership and its opponent. This opponent came from the district local unions.

The incumbent leadership of the NICU had been challenged by the district local unions. This challenge was a typical type of factional strifes similar to those under the Syngman Lee regime. The NICU was composed of two branches: enterprise local union and district local one. The district local union was an intermediate organization linking the NICU with a number of small sized chapters within its regional jurisdiction, which were based on small enterprises not enough to constitute one single enterprise local. The struggle ended in the victory of the district local union. The leadership of the NICU changed on July 29, 1976. This leadership change became an important factor affecting the South Korean labor movement in the late 1970s and early 1980.

The new leader later became president of the FKTU, the peak national labor federation. He became a typical Korean type of 'labor aristocracy'. On January 23, 1978, he set up tougher regulations for management of FKTU's lower-level local unions, for effective control
over enterprise unions. Major changes included that enterprise union leadership should be approved by the NIWU, local union officers shall be subjected to a penalty of disciplinary punishment, if necessary, without a resolution of a local convention, and the NIWU, in place of a local union, would be able to conduct independent collective bargaining with management. Besides, the new leadership organized militant action groups ('goon squads') in his affiliated organizations in the name of Committee for Betterment of Workers' Working Environment, to destroy the penetration of any external forces such as UIM and JOC. He was also creator of the notorious 'blacklist'.

Birth of the Y.H. grass-root union was the result of the old NIWU leadership and JOC's supports. The labor control in the 1970s prohibited a 'second' union at one enterprise. Article 15 of the Trade Union Law stipulates that the Administrative Authority shall issue a 'certificate of report' within 30 days after receipt of a report of establishment of a trade union. The autonomous Y.H. union submitted the report of establishment on May 26, 1975. The company-controlled counter-union could not obtain the NIWU's recognition and thus, became the 'second' union. On June 30, 1975, the Administrative Authority of Seoul City issued the autonomous union a 'certificate of report'. The four dismissed workers' involvement in JOC caused the Authority's move to be delayed.

Management, who failed to set up its own union, increased its suppression of autonomous union members. They used various methods including buying off, appeasement, or dismissal, and threats to
reprimand foremen who failed to keep away their workers from the union. Despite these repressions, union membership increased to 500 workers within a few days after the union was organized. The union leaders selected several workers from each line who were familiar with 1,200 dormitory-residing workers. The union began with its activities by protesting to management who had dismissed the four, later two other leaders, and transferred one of its leaders to a lower position by relegating her to a subcontracting company located in a far distant province. The Seoul Labor Relations Commission rehabilitated the victims except for the four dismissed who were connected with JCC. The union undertook educational programs under the auspices of the NTWU to raise its workers' consciousness. The union leaders participated in various education programs offered by institutes for labor affairs established in Korea University and the Christian Academy. They learned many strategies for union activities.

The union cut off the previous cooperative relationships with the NTWU, in July, 1976, when the NTWU's leadership changed. The newly elected leader of the NTWU, who later also became president of the FKLU, had backed up management in its attempts to establish its union. When the NTWU new leader set up new regulations to minimize the autonomy of enterprise unions, the Y.H. union refused to follow the regulations. Instead, the Y.H. union intensified its wide connections with other autonomous unions. Development of a collective consciousness through education mentioned earlier and creation of these social bonds became instrumental in politicization of the Y.H. strike.
4.6.3.4 STRIKE

At 15:10 on April 13, 1979, a five-day strike by 370 workers started when management rejected the union's demands for repeal of the company's public announcement of the factory shutdown on March 30, 1979. The Joheung Bank, the company's correspondent bank, had rejected the union's offer suggesting either a takeover of the company's ownership or management by legal representatives. The first day of strike was repressed by 120 policemen. As a result of this crackdown, one hundred fifty strikers were injured. Meanwhile, the Y.H. problem became publicized. From March 30 through April 13, the union circulated petitions to social and church organizations and members of the legislature and appeals for mass media coverage. Thanks to such publicization, the Government's Office of Labor promised repeal of the planned shutdown. The final strike broke out on August 6, 1979 when management again announced closure of the factory. The Government's Labor Office promise was not kept. The workers' constant struggles to save the company gave rise to dialogues among management, the correspondent bank, the police, the Labor Office, and the Seoul City Government. No party, however, was willing to take full responsibility for normalization of the turbulent company. On August 7, 1979, management finally announced that the

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37 The number of Y.H. workers reduced from about 4,000 in 1970, to 509 in 1978 and then to 370 in 1979.
dormitory and the mess hall where workers' strike was under way would be closed down on the following day. Influenced by outsiders including intellectuals and UIM and JOC activists, at 9:30 a.m., August 9, 1979, the 187 Y.H. workers entered the opposition New Democratic Party's headquarters and launched a two-day sit-down demonstration. They repeatedly clamoured for "guarantee of the right to live by labor," "withdrawal of the company's decision to shut down," and "takeover of company ownership by the Joheung Bank." Their protests began to draw the attention of society. There was a widespread rumor to the effect that 2,000 Hai-Tai Confectionery workers would join the Y.H. workers soon. The police were informed that 2,000 truck drivers, who were on a strike, were planning on joining the Y.H. workers. A coercive crackdown by one thousand policemen was undertaken abruptly under this situation, and it produced serious casualties.

Many workers, 12 newspaper reporters, and about 30 opposition party members, including several legislators, were severely injured, and one female worker died. Under the LSMSNS and the law regarding assembly and demonstration, five anti-government intellectuals and four union leaders were put in jail.

38 On February 8, 1976, four hundred Hai-Tai female workers among the total 2,400 went on a strike rejecting overtime work. The event was initiated by several UIM activists who fought against the company-controlled union. The struggles demanding eight-hour work a day ended in the workers' victory in September 1979. Management conceded in fear of contagion effects by the Y.H. event. See, Nodonggyungjanggwa Jeungeon (Seoul, Poolbit: 1984), p. 521-532.
4.6.3.5 SIGNIFICANCE OF THE Y.H. PROTEST

The Y.H. Protest was initiated as a response to the threats by management to plant closure, and ended as a political challenge against the ruling power. By forging alliances between opposition political forces and grass roots labor groups, the Protest created a momentum by which the aggregated coalition among students, workers, the church, urban poor, farmers, and opposition parties, challenged the survival of the Yushin system.

Student groups, inflamed by the Jeon Tai-Il Incident, became radicalized. Church groups shifted their directions from evangelistic stances in the industrial sectors toward labor organization activities in the late 1960s. From 1970 through 1974, they unionized 40,000 workers, equivalent to 20 percent of the all union workers in that period. By providing shelters protecting radical students from the police, they increased alliances with students. Through nationwide networks, they helped farmers to organize themselves for the pursuit of their interests.39 These series of organizational attempts emerged as actual events in the late 1970s. The CGWU struggles intensified their radicalism. The Dong-il Protest broke out in March, 1978. In April, 1978, hundreds of farmers protested their alienation and dissatisfaction in Hampsong, Cholla Nando in southwestern Korea.

39 The urban poor, most of whom came from the rural sector as a result of the RDI strategy, began to forge alliances with students from the time they carried out a violent protest at the Seongnam industrial estate on the outskirts of Seoul in August 1971.
There was a violent street demonstration at Kangwhamun, in downtown Seoul in June, 1978. The military regime faced a practical defeat in the December 1978 national assembly election. The coalition forged a broad spectrum of political opposition. This spectrum of political pressures converged on the Y.H. Protest. It was in this context that the Y.H. Protest sparked popular riots in Pusan and Masan, led to nationwide political opposition which the regime failed to contain.

4.7 CONCLUSION

The final and critical question remains to be answered: in what way and to what extent was the class capacity of workers strengthened as unintended consequences of interactions between labor control and labor protests in the 1970s? Wright (1979: 98) defines class capacity as "the social relations within a class which to a greater or lesser extent unite the agents of that class into a class formation." Becker (1983: 15) refers to class formation as "the process by which individuals: 1) become aware that they share specific interests and a specific orientation toward the existing mechanisms of power and control; 2) form social bonds on the basis of that mutuality of interest and commonality of orientation; 3) organize to secure more effectively advantages for themselves; and 4) collectively employ their political assets to that end."

For empirical investigation of the way and extent to which class capacity of workers was strengthened in the 1970s in South Korea, following the above two conceptualizations, we need to examine the
degree of awareness of common interests, formation of social bonds, and collective organization of themselves for the pursuit of their common interests.

The forms and contents of labor control in the 1970s explained earlier can be specified into several domains according to four major criteria, control scope, locus, agents, and strategic realms.

1) the scope of control — The three basic rights of workers (the freedom of association, collective bargaining and collective action) were taken away. To protect the ordinary operation of a previously established union, a 'second union' at the same enterprise was disapproved. For a union to be legally recognized, a newly organized union had to obtain 'a certificate of report' issued by administrative authorities. In foreign invested firms, labor disputes were restrained. Compulsory membership was applied (union shop), and thus, all the qualified workers became union members in legal terms. This 'union shop' system could not be a hindrance to control of workers' attempts for unionization. Employers often fired union organizers first under the name of diverse justifiable reasons, and then forced them to withdraw from union membership.

By having fulltime union leaders remain on the pay-roll of their original employer, collective agreement was advertently and inadvertently encouraged to be negotiated between just the employer and the union representative as a 'one man bargaining team.' Before being signed, collective agreements were not referred back to the rank and file for approval. Thus, mutual distrust between union leaders
and the rank and file or management and the rank and file was created. Workers had no means of getting reliable information on the real economic situation of their enterprise and they were prevented from testing the employer's actual capacity to pay and to improve the working conditions through collective actions. Union structure was still directed to an industrial union as the organizational form, unified and centralized at the national level, in legal terms, but in practice the structure began to be directed to an enterprise union to encapsulate enterprise unions from influences by their upper-level unions.

Enforcement of the Yushin Constitution, which gave room for far reaching and comprehensive emergency or national security measures by the state in almost any societal field, fostered a new control mechanism by which government interference was intensified. Whenever necessary, emergency rules, special presidential decrees and exceptional special laws were set up. These punitive laws function as the framework under which coercive measures such as physical violence, fearful interrogation, mass dismissal and crackdowns were justified in security terms.

Instead of setting up institutions and procedures by which industrial disputes were settled in a satisfactory and effective way, the state intensified the punitive provisions of the Labor Dispute Adjustment Law by installing a more complicated and time consuming three-stage process of conciliation, mediation and compulsory arbitration. Cooling-off periods were extended to 20 days in the
private and 30 days in the public, respectively. Categories by which the public sector was defined, are enlarged to include more industries in the public sector. Mediation of labor disputes and adjustment of collective bargaining, which were handled previously by the Labor Relations Commission, were now handled by the Administrative Authorities, a controlling instrument of the state.

At the enterprise level, inspired by the state's more punitive policy, no attempts for establishing elaborate grievance handling procedures were made. Instead, individual grievances were dealt with by employers, on an informal ad hoc basis. How they were handled depended on personal relationships. Thus, arbitrary behavior of management was more penetrating.

2) The locus of control — The locations of control were divided into two settings: within production and outside of production. Having accepted a report of union establishment, the Administrative Authority was granted the right to issue a certificate of report in accordance with the provisions of the Presidential Decree. The provisions or items enumerated by the Decree are very abstract and thus, this room for arbitrary interpretations functioned as another mechanism by which unionization was under control. Before they issued a certificate of report, the administrative authorities usually investigated whether or not the report submitted complied with actual fact. If there were any discrepancy, they often turned down the application. Then the workers had to reapply. It took another long time which could give employers
a breathing spell to carry out retaliation against such organizational efforts.

In general, the duration from application through obtaining of a certificate of report depended upon employers' reaction to workers' organizational efforts for unionization. The strength of employers' counter offensives was associated with the extent that workers were affiliated with union officials from upper levels or church groups in the process of seeking consultation and technical assistance in taking legal procedures for unionization. At the initial stage, management responded in three ways: 1) dissuasion, psychological harassment, and physical violence by mobilizing white collar employees, male workers or hoodlums; 2) buying off or alluring by an offer of the creation of an alternative organization to a union such as a mutual-aid association; 3) finally, dismissal, wage cuts, demotion, and job relocation, and the like.40

State intervention in labor relations, through its security apparatus, started once workers went through with these responses by management. When organizational attempts continued, such methods as threat or taking them into custody for interrogation were initially undertaken. When these attempts developed into a demonstration or sit-in protest, coercive crackdowns were executed. Such coercive measures were justified under the name of social and national security. The LWSNS, Emergency Decree (no. 9), the National Security

40 Choi, Jang-Jip, 1983. ibid, pp. 150-151.
and the Anti-Communist Law and the law regarding assembly and
demonstration were the framework of labor laws under which these
coercive measures were undertaken.

When a union succeeded in obtaining legal recognition, union
workers faced stronger attempts by management which then intended to
transform the autonomous union into a company-controlled one.
Positive incentives such as lavish hospitality or tidy profits were
often successful. However, the transformation as such faced strong
resistance from rank and file union members. Negative sanctions such
as unexpected raids into the union office and labelling union
activists as communist sympathizers to break off the ties between the
union and rank and file workers often caused outbreaks of
demonstrations or sit-in protests which invited crackdowns by the
crime.
controlling instruments dealing with approval of unionization, disputes settlement, dissolution of unions, and approval of workers' dismissal by management. Industrial estate management offices in the industrial estates where export industries and foreign invested firms are densely located, function as an agent monitoring labor activities as well as channeling management with the state for their organic coordination and cooperation in dealing with labor problems.

Among employers' controlling agents, the work organization's hierarchical order system channeling factory managers, foremen, team leaders, and the rank and file is the primary instrument. Corrupt union leaders (yeoyong) function as a bumper minimizing workers' antagonism not only by weakening rank and file members' involvement in the union activities but also by promoting non-conflictual organizations such as friendly clubs, mutual help, union-run beauty shops and consumer cooperatives. White collar employees and goon squads are mobilized as strike breakers. Dormitory inspectors or matrons function as overseers of workers' organizational activities outside of production as well as breakers of their social ties by frequently rearranging room mates.

4) Strategic realms of control — Three realms are identified: the ideological domain, family influence, and the segmented internal labor market. The FSM and the LMC as parallels to the union are emphasized to maintain cooperation and to improve productivity. The eventual goal of the government-sponsored FSM and the employer-sponsored LMC
is to turn conflicting work atmospheres into harmonious ones. These ideological institutions do not provide for any qualified rights of the workers, such as rights to information, rights to consultation, and rights of cooperative decision-making on matters important to both management and workers. Instead, discussions on matters necessary for production, training, working conditions, and complaints are emphasized. What employers really want, though, is not discussions but workers' cooperation based on understanding of their low economic rewards.

Family relations are important resources employers exploit to maintain worker loyalty and discipline. Employers utilize three methods most frequently. First, they send letters to a worker's parent. Parents do not want their daughters or sons to be involved in labor protests. A parent's ardent passions, demanding selection of one of only two alternatives, return to the farm village or total commitment to work, are often influential in subjugation of the workers to the work discipline. Second, they exploit family-related recruitment of labor force. Job stability of a sister's or a brother's position as supervisor or team leader often depends upon her or his ability to prevent her or his sister or brother from participating in labor activities at the same factory. Third, in the event of labor protest, parents are frequently sent to the place where sit-in demonstrations are under way. This method often proves instrumental in atomizing worker solidarity.

Employers frequently exploit the internal labor market which is
segmented into two parts, male, skilled and higher educated workers as against female, unskilled and lower educated workers. Individual competition is more encouraged from the former while collective action is more effective to the latter, for the betterment of their economic status. Thus, pro-management postures of the former are frequently exploited in strike breaking.

How did the workers in the 1970s act upon the labor control specified above? It was the state, not employers, who took away workers' basic rights. The right to strike was restrained by the 5.16 (1961) military junta but it was restored in 1962 when the military prepared for the return to civilian rule in 1963. The state again took away all the three basic rights in 1972 in practical terms. Nevertheless, the workers' central antagonist in the 1970s was the employer and the corrupt union leadership rather than the state.

In the early 1970s, workers viewed the FKTU and its 17 industrial unions as their supporters, supplying technical assistance needed for unionization. The central unions were active in union membership at that time. It was in the mid 1970s that the unions turned their back to the workers by attacking the workers' support group, the church. Political alliance of the central unions with the state weakened the existing ties between the unions and the church. Through its international networks, the church supported the unions in various ways in the 1960s and early 1970s. For example, in the late 1960s, church groups unionized about 40,000 workers at 100 or so enterprises and associated them with relevant industrial unions. Even in 1971,
the church, through the channel of W.C.C (World Christian Council) helped the FKTU to receive $200,000 dollar in aid from B.F.W (Bread for the World), a Christian institute in West Germany, for construction of a workers' training center in Anyang in Gyeonggi Province. The ties were broken off in 1974 when several church group leaders were arrested on charges of involvement in labor affairs (violation of Emergency Order no. 1) and the FKTU began to claim that the church was an impure force creating social disorder. The state had realized the grave influences the church exerted on the formation of social opposition, and the FKTU was politically coopted to break off the church-worker alliance. Ever since, the church and its related workers began to be severely cracked down upon. They were labelled as communist sympathizers. The Dong-il Protest was the terrain upon which the struggles between the central unions (with their allied state and employers) and the church (with the grass-root workers) finally converged. The church-related workers organized themselves against confrontation by their upper level unions.

The workers in the 1970s came to see themselves as the principal victims of economic development. In the 1960s, as 'patriotic laborers' for economic growth, they were disciplined to be patient with low economic rewards. This patience began to turn into anger in the early 1970s when exploitation and selfish behavior by some employers were exposed to the workers. Debt-service problems caused

by reckless purchase of short-term commercial loans in the 1960s resulted in an increase of insolvent firms in 1969. Employers' selfish misdemeanors appeared. These include absconding with company profits for which workers had sacrificed themselves, the way in which employers dealt with their insolvent firms (employers remain rich while their firms went bankrupt, and workers jobless), and employers' humiliating rhetoric they frequently used in defending themselves against workers' claims for wage increase (they often blamed low wages on the low education backgrounds of workers and being born female). Exposed to these, workers increased their anger and became intolerant.

At the initial stage of organizational attempts at unionization, the major obstacle workers had to deal with was employers. In the 1970s, the degree of exposure of employers' arbitrary unfair practices in preventing unionization was higher than that of exposure of repressions by the agents of the state. What workers saw in routinized everyday life was verbal assaults by their supervisors, factory managers and even dormitory inspectors.

Prohibition of 'a second union' by the state was another mechanism by which workers' struggles were directed at their immediate employers. To factory workers, the autonomous union was a crucial resource for realization of their interests. Transformation of the autonomous union into a company-controlled one was indispensable to management for effective labor control. Struggles for control over the enterprise union fostered routine conflicts between workers and
management. Consequent unfair practices by management increased better understanding by workers of their positions vis-a-vis their employer.

Placing fulltime union leaders on the pay roll was a tactic to absorb union leaders into the interest of employers' corporatist control. Execution of 'one man bargaining team' caused the rank and file to be totally ignorant of the real economic situation of their enterprise. Lack of information on employers' actual capacity to pay increased workers' mistrust toward employers. Thus, labor protests in the 1970s were still directed at immediate employers.

Nature of workforce composition, characterized by predominance of transitory, young, female laborers, determined the character of social organization of the working class. Their patterns of life were circumscribed by integration between lives at work and off work. The majority of them came from the rural sector. They were usually packed into dormitories run by the enterprise. Their dormitory lives were totally controlled. The dormitory functioned as a mechanism by which workers' lives at work and off work were integrated and thus, employers could maximize their control over workers. Room-mate shifts were frequently undertaken so that formation of social ties was minimized. High labor intensity minimized the time and space of workers' activities outside of production. Hierarchical work organization channelling factory manager to team leaders militated against horizontal social ties among workers.

The class capacity of the workers in the 1970s was inhibited to
the extent that the above factors operated, but was strengthened by which sets of people, which pooled resources, which common ends, and which forms of commitment were involved in labor protests. Major points in connection with each of them will be discussed to find in what way and to what extent the class capacity of the working class was strengthened.

Social bonds at work were divided at the level of economic interests. Skilled, male and higher educated workers were generally in a much more favorable market condition than unskilled, female and lower educated workers. The former were in much more job stability, lower labor intensity, and better working environment such as freedom from overseers' interference. In pursuit of their immediate interests, the former were individual-oriented while the latter were collective-oriented. Thus, social bonds at work were segregated by these two divisions. Due to nature of the individualistic pursuit of promotion, the former were easy to be coopted by employers. The extent to which social bonds among the latter were solidified, depended on how the core group at work was organized.

In general, four types of 'core groups' emerged in the 1970s: a charismatic leader with a few "hangers-on" who had no connections with external forces (e.g., Jeon Tai-Il case); team leaders of production lines associated with UIIM and/or with JOC who generated solidarity of

42 I asked 700 male and female workers in March, 1986 through a questionnaire survey concerning their immediate interests. The results in general corresponded to the above statement.
the rank and file within a factory (e.g., the Dong-il case); union leaders educated by the Christian Academy or the central unions (e.g., the Y.H. case); and finally, students who turned themselves into factory workers who later led labor protests. These groups played pivotal roles in creating social bonds at work.

The traditional affection- and emotion-oriented mode of association in Korean society has been crucial to the formation of social bonds at work. For instance, whether or not a factory worker was willing to join an enterprise union depended on who approached the worker rather than how persuasive the approach was. This was particularly phenomenal in the case of female workers. Degree of social bonds among the core group and the rank and file was weak and fluid to the extent that the aforementioned inhibiting factors worked, but at the same time, it was strengthened to the extent that the core group mobilized the rank and file. The core groups interacted among themselves through the channel of the industrial unions. They frequently received collective education at the Christian Academy and other institutes. Most of them were interconnected by the church. Thus, class capacity of the working class in the 1970s was strengthened to the extent that the four types of core groups and the rank and file workers, particularly unskilled, female and low educated workers in the Seoul-Gyeonggi areas were combined and involved in the labor protests.

Class capacity of the working class in the 1970s was weak to the extent that formation of social bonds among the workers across
factories and industries was neutralized by the power of the inhibiting factors mentioned earlier and constrained by the industrial structure characterized by vertical integration and external articulation. The pattern of interactions between the Y.H. Protest and the Dong-il Protest might be evidence in part supporting this argument. The core groups of each protest interacted on each other through the channels mentioned earlier. Y.H was coextensive with Dong-il in terms of union activities. Both belonged to the same industrial union, the NLIU. Y.H was associated with JOC while Dong-il was allied with UIM. The major barrier to interaction might have been geographic distance. The two, however, were not too apart from each other: Y.H was located in Seoul and Dong-il was in Incheon. The two were simultaneous victims of the notorious 'labor aristocrat'. In August, 1979, when Y.H workers staged a two-day sit-in demonstration, Dong-il expelled workers were also fighting for their rehabilitation in their own territory. Despite these positive conditions for forging of an alliance between the two protests, they confined their struggle to their own territory, and their own workers, resources, ends, and forms of commitment.

The network of influences forged by the core groups was not strong enough to forge alliances among the rank and file union members all the core groups belonged to. In other words, class capacity of the working class was not strengthened to that extent. By concentrating their fight on their own territory and issues, the protests intensified their own militancy. Dong-il issues, focused on rehabilitation of the
fired workers, were predetermined by the contents and forms of control molded by the triple alliance among the state, upper-level unions and management. Y.H issues, focused on saving Y.H workers from plant closure, were predetermined by the contradictions inherent in the state's procapitalist development strategies. Thus, strong solidarity among workers within a factory was associated with resource mobilization concentrated on different issues. Dong-il protesters would not have been so militant if the main issue had been 'save Y.H workers from the plant closure.'

The pattern of collective action in the 1970s was formed by the manner in which the workers in the 1970s interacted among themselves and with segments of the middle class (the church and students). The church, students, the upper-level unions, and intelligentsia were the major sources pooled for the forging of solidarity among the core groups. The core groups, by forming strong ties among themselves, intensified labor militancy within a factory. These strong ties among the core groups and labor militancy confined to one factory contributed to accumulation of latent class capacity of the working class.

This argument can be shown as true by the new phenomenon emerged during the period, from November, 1979 through May, 1980, when the political regime broke down. By the new phenomenon, I mean the rise of a 'loosely developed network of influences' across the firms and across industries.

First, movements to democratize the FKTU and its 17 industrial
unions were organized by the core groups and associated rank and file union members. These core groups were those which had led grass-roots autonomous movements in the 1970s. The FKTU and other industrial unions responded in two directions: 1) A two-day nationwide rally was held by about 1,000 union leaders from May 13 through May 14, 1980 to fight for the three basic rights the state had taken away from the workers. On the second day of the rally, the protest turned into a sit-in demonstration. The core groups led the demonstration and the Dong-il core group was one of the most active groups. 2) The FKTU and its industrial unions got involved in unionization of foreign invested firms in the Masan and Iri Free-Export Zones (FEZ) where unionization was still prohibited by the PELFIF. Among 84 firms in the Masan FEZ, twenty were unionized or under progress. Even in the Ulsan HCI industrial estate, seven of the 14 firms were unionized. We cannot entirely attribute the central unions' attempts at unionization to the pressures by the core groups and associated workers, because unionization was encouraged by the breakdown of the political regime. However, these reactions might be viewed as a response to the pressures by the working class to the extent that the central unions forged alliances with the state and employers in oppressing grass-roots autonomous movements in the 1970s.

Second, the core group of the CGWU started an 11-day strong sit-in demonstration demanding wage increases on April 17, 1980. Their demands were presented not only to management but to the state. They demanded that basic rights be restored. The location of the sit-in
demonstration was covered by mass media which was loosely censured by the then weak state. The 11-day protest resulted in wage increases by management. This victory was followed by rising tides of wage struggles across the country.

Strong ties by the core groups influenced by segments of the middle class and labor militancy among unskilled workers within factories in the 1970s contributed to accumulation of latent class capacity of the working class. This latent class capacity was manifested when the political regime broke down. The shape of the new stronger labor control in 1980 was a response to the way in which class capacity of the working class had been strengthened in the 1970s.
Chapter V. State-Labor Interplay and Its Emergent Pattern in the 1980s

5.1 INTRODUCTION

In this chapter, I will explore the backgrounds to the formation of labor control in the 1980s, how labor protests in the 1980s responded to the new power and domination, and in what way and to what extent class capacity of the working class was strengthened compared to that of the working class in the 1970s. Three cases of labor protests—the Cheonggye, Daewoo and Guro Protests—were selected for investigation.

The main arguments in this chapter are two-fold: 1) reshaping of the state's labor controls in the 1980s is a response to the way and the extent that class capacity of the working class had been strengthened in the 1970s; 2) class capacity of the working class in the 1980s has been strengthened to the extent that the opposition force and core groups have forged a strong alliance, effectively utilized management's unfair labor practices as a political resource, and accumulated their militancy by raising labor protests in 1985 and 1986 when the time was politically critical; and at the same time, the class capacity of the working class in the 1980s has been fluid to the extent that radicalness, militancy and politicization of labor has alarmed the rank and file workers to whom the subsistence problem has been more imminent and thus they became alienated.
5.2 POLITICAL AND ECONOMIC BACKGROUND FOR FORMATION OF LABOR CONTROL IN THE 1980s

Political background — The emergence of the Chun regime in August, 1980 was followed by a series of events during the period from November 1979 to May 1980, after President Park's assassination on October 26, 1979. The breakdown of the Yushin system generated the people's need for the vitality of political renovation. The country was being rocked by a revolution of rising political aspirations. There were strong demands for democracy from students, the church, workers and opposition leaders. Among them, students and workers were the most militant. The degree of workers' turbulence is well reflected in the number of labor disputes, 897, during the period from January 1 to May 17, 1980. Student demonstrations began to develop into street demonstrations on May 13, 1980, and then a nationwide alliance among college students began to emerge. At this time, about 1,000 nationwide union leaders staged a two-day sit-in demonstration demanding restoration of the three basic rights.

On May 17, 1980, all these political activities were banned by Martial Law. The new military junta had fired about 50 senior generals (who had allegedly bought their promotions with cash), had carried out a similar purge in the security police, and renamed the Agency for National Security Planning in an attempt to shed some of the KCIA's sinister reputation. In the name of similar purification measures, the junta arrested opposition political leaders.1
Suppression by the army of student demonstrations in Kwangju (the city, political base of the arrested opposition leader Kim Dae Jung) in the southern part of South Korea on May 18, 1980 resulted in a nine-day popular uprising there. Nearly 200 people were reportedly killed. Following the uprising, several hundred political leaders, clergymen, students, professors, writers and union leaders both at the industrial and enterprise levels were arrested or tried.

Here we can note marked differences between the Park regime and the Chun regime in several aspects. Park had come to power without bloodshed while Chun arrived at the presidency with bloodshed in the Kwangju riots. Political disorder and poverty in the 1950s functioned as resources which the former pooled to justify a political coup while no equivalent resources were available to the latter. The former coup took place at a time when no serious social opposition groups existed. On the contrary, the latter had to face strong social opposition. Some radicals were even willing to risk violence for democratic freedom. These differences were clearly important factors affecting the reshaping of labor control into a form more repressive and penetrating.

Economic background — As explained earlier, in the early 1970s, the state began to modify its market-oriented development strategy toward developing large-scale, secondary import-substitution activities in

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the defense-related areas of heavy engineering and chemical process. This rapid shift was undertaken in response to U.S. moves signaling eventual withdrawal of U.S. ground forces from South Korea and in the face of growing competition and protectionism against light industrial exports in the world market.

In the late 1970s, huge external debts to be serviced, aggravating South Korean economic instability. Radical shifts of financial resources from agriculture and light export industries to the HCI sector resulted in slow growth of export industries and poor performance of agriculture. Uncontrolled monetary and credit expansion fostered serious inflationary problems. Political and social unrest due to the assassination of President Park and the second 'oil shock' in 1979 further aggravated these inflationary pressures.

On the other hand, deteriorating profitability of exports during the 1976 to 1978 period due to the acceleration of wage and price increases and easy access to bank loans owing to the state's favorable export drive policy, permitted South Korean entrepreneurs to become preoccupied with speculation in real estate and inventories. The rich made overnight fortunes through speculation, the amount of which an honest wage earner's life-long savings could not equal. Housing and land prices soared. During 1976-78, workers' wage increase surpassed labor productivity for the first time since the early 1960s. This increase, however, did little to improve workers' welfare owing to soaring housing and consumer price hikes. Workers' relative
deprivation became exacerbated. Illegitimacy of the accumulation process became a serious social issue. Relative deprivation and illegitimacy of the accumulation process functioned as factors inflating perception of inequality.

On April 17, 1979, through a series of proposals for a major policy change, the state launched the Comprehensive Stabilization Program. The major target was inflation. Budget management and monetary policy became more restrictive, and real estate speculation was determinedly prohibited. But financial and tax support for export manufacturers was continued in order to facilitate export promotion. At the same time, for the purpose of price stability and international competitiveness, the wage restraint policy was strengthened. Wage guidelines which already started in February 1977, were administered by the state, but in an indirect and evasive way to evade resistance by labor. Then, credits for employers who increased wages beyond the suggested wage guideline, were restricted.

5.3 FORMATION OF LABOR CONTROL IN THE 1980S

Labor control in the 1980s is characterized by emphasis on welfare and strong repression. On December 31, 1980, the state made revisions of the labor laws. By these revisions, welfare was emphasized at

2 Consequently, the money supply, inflationary pressures and interest rates have been on the steady decline since the early 1980s. The annual average labor cost increase which was 16.9 percent during 1975-79, the highest among such countries as Japan, Taiwan, and Singapore, was reduced to 1.1 percent during 1980-84, the lowest among the countries.
least in legal terms, though not in the same way that it has been in Western industrialized societies. Social insurance and a minimum wage were not institutionalized, but several benefits for workers were emphasized. Wage hikes were continuously restrained for economic reasons. Strengthened class capacity of the working class in the 1970s and rising expectations as a result of economic growth generated a critical need for accommodation.

As a way of cooptation for workers, a non-discriminatory retirement allowance system was enforced to be applied to every employee having a service record of more than one year within one enterprise. Liquidation of wages, retirement allowance, and other claims were regulated in preference to taxes and public levies. Workers' wages at subcontracting firms were more strongly protected by entrusting both contractors and subcontractors with co-responsibility for wage payments. Penalties against employers' unfair labor practices were strengthened. In this way, protection of individual workers' economic interests was heightened.

In contrast, labor control has been more repressive and penetrating. Labor unions were totally restructured so that upper-level industrial unions could not exert any influence on enterprise unions. All the autonomous grass-root unions were destroyed. All the existing labor organizations came under the

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domination of the state or of employers. Thus, the core groups who played pivotal roles in the labor movement in the 1970s were expelled from the workplace.

Workers' rights to collective activities were more strongly restricted and state interventions were intensified. Interference in labor by a third party was strictly prohibited. Union organization became more difficult: unionization at an enterprise required a resolution by more than 30 employees or a fifth of the total workers; and intervention by upper-level industrial unions in local unionization was prohibited. The scope of union activities became legally constricted: about 50 percent of collected union dues were prescribed to be used for welfare activities of union members; qualification of executive officers was more strictly regulated; the union shop system (compulsory trade union recognition) was abolished. Collective bargaining became more difficult: involvement of any third party, including an upper-level industrial union, was prohibited; acts of dispute outside the workplace were prohibited; the cooling-off period was extended from 20 days to 30 days in the private sector, and from 30 days to 40 days in the public sector.

Workers engaged in government organizations, public corporations, and defense industry were not allowed to conduct acts of dispute. Commencement of arbitration, which was limited to the public sector, now became extended to the private sector. The IWC law was enacted as an independent package, to institutionalize establishment of IWC at the enterprise level as a parallel institution with labor unions. The
law amendment in March 1973 and in December 1974 required that wage bargaining and other grievances be channeled only through the council (LMC). This council's major purpose is to increase productivity, capital-labor harmony, and to prevent acts of dispute. To the firms with sizes between 50-99 workers, establishment of LMC was recommended and to those with more than 100, it was required. Thus, in 1984, LMC was established in all the firms (4,501) whose firm size was more than 100, and among the 3,719 firms with 55-99 workers, 2,462 had LMCs.

5.4 LABOR PROTESTS IN THE 1980s

5.4.1. DAEDUO AUTOMOBILE PROTEST

The Daewoo Protest was a challenge against attempts by the state-capital alliance at minimizing contagion effects of one wage struggle on another. Through the experience of the Daewoo Protest, the working class in the 1980s realized that a crucial barrier to wage hikes was the interest of the state-capital alliance in atomizing worker bargaining power and thereby to minimize contagion effects rather than management's capacity to pay.

Daewoo, the corporate conglomerate with its 40-odd subsidiaries at home and abroad with nearly 100,000 employees on their payroll, as of 1985, was engaged in activities such as making shirts, shoes, ships, cars, computers, plants, steel, chemicals, and construction equipment. The enterprise, Daewoo Motor Company, one division of the
conglomerate, with a 50:50 joint venture with General Motors of the U.S., located in an industrial complex close to Seoul, engages in the manufacture of cars, buses, and trucks.

5.4.1.1 WORKING CONDITIONS

The production process is composed of three parts: body, engine and others including chassis. The body part is organized into press and welding. Through the process of shearing, trimming, piercing, and punching, the processed parts are delivered by forklift or pallet to be welded. Having gone through four different welding process, spot, CO₂ brazing, and finishing, the processed bodies are washed, rust-proofed, and painted. To the bodies finished in that way, engines made through casting, shell molding, milling, cutting, and shaping, and assembly parts most of which are manufactured by associated hundreds of subcontractors, are assembled.

In such a mass production sequence with highly developed division of labor, connections of each assembly line were made by conveyor systems which controlled workers' instruments of production. Thus, workers' labor was performed vis-a-vis machine operations rather than their co-workers' services. Workers' labor in such a line system was under constant supervision by foremen and line staff. Workers' wages

4 Knowledge of the production process and related work organization was obtained during the author's field work in Spring 1986 through interviews with Daewoo technicians.

5 As of 1982, the number of subcontractors supplying parts to Daewoo was 262 with 52,000 workers. See, Daewoo Jadongcha Paebob Nongseong, (Seoul, Wesley: 1985), p. 51.
were composed of base wages, allowances and bonus. Salary steps are specified to determine an individual worker's wage; and experience, education, and skill are important criteria for higher wages. Thus, inclusion or exclusion of the compulsory 3 year military service into the years counted for the salary steps became an important issue of workers' struggles.

5.4.1.2 STRIKE

The 10 day strike started at 8:00 a.m., April 16, 1985 after management had delayed several times entering into collective bargaining on a pay increase for the 1985 fiscal year, and the company-controlled union leader did not support workers' demands for the pay increase. About 400-500 workers had demanded a pay increase of 18.7 percent, arguing for collective bargaining and inclusion of Hong Yong-Pyo representing their interests as a member of the bargaining team. On April 10, when the company-controlled union leader rejected the workers' demands, workers increased number of strikers into 1,500. The union leader was forced into acceptance of the workers' demands. Through the course of two-time collective bargaining with management from April 11 through April 15, the union leader obtained a 5.7 percent pay increase and a 5 percent merit raise. Protesters were not satisfied with the results because the rate he obtained reached far below their bottom line, 18.7 percent. Infuriated by the leader's lukewarm attitude, workers threatened him to select one of two alternatives, his resignation from leadership or
their calling a strike. He did not resign and, therefore, workers went into a strike.

In this way, about 2,000 Daewoo Automobile workers forced the company-controlled union leadership to lead the strike. This was a new development which had not been made in labor movement in the 1970s. Once the strike was called, workers themselves weathered the strike. They organized themselves as groups for effective management of the strike. They even prepared for a long-term strike. Provisions, medicines and sleeping bags were secured. On the first day of the strike, news reporters and Government's Labor Officials visited the strikers. Management did not accept workers' pay increase rate. On the second day, the strike began to be covered by domestic newspapers. This news coverage brought Kim Woo-Choong, chairman of the Daewoo conglomerate, and the final decision-maker, into the site of the strike. Clerical workers also supported the strike by a public statement. This was also a new move in the labor movement in South Korea. On the fourth day, the strike entered a new stage.

The majority of the strikers attended the Army Reserve's emergency training programs, which was a national duty by law. At 18:00, April 19, about 350 remaining strikers who were not scheduled for the training program at that time moved into the building where a technology development center was located and where confidential documents containing technological know-how were filed. The strikers' families supplied food. Compared with previous labor disputes, most of which were led by female workers, the Daewoo Protest was led by
male workers. Many of them were household heads. Their dependents, including their children, stood by the strike. On the same day, management announced a temporary work suspension. On April 21, Kim Woo-Choong reopened a dialogue with strike leaders but an agreement was not reached. Management and the police stopped the supply of food by strikers' families. The infuriated strikers entered into a hunger strike. At 20:00, April 21, Kim Woo-Choong increased his own rate offer from 5.7 percent plus 5 percent merit increase into eight percent pay increase and payment of a 50 percent bonus. This new offer was rejected again by the strikers.

Three days later, at 4:00 a.m., April 24, the chairman raised the limit he could allow into eight percent pay increase and a 4.1 percent merit raise. As a counter-offer, the bargaining representative suggested 10 percent pay increase, an 8.1 percent merit increase and payment of 50 percent bonus including construction of dormitory and workers' apartments. Each side rejected the offer of the other. The chairman suffered from pressures. The state was concerned with the negative impact of a prolonged Daewoo protest on social security. Korea Employers' Federation was concerned with contagion effects on other enterprises. The Government's wage guideline, 5.2 percent, had already been diminished in the process of wage negotiations between management and workers at one of the three biggest conglomerates. The other two conglomerates, Samsun and Hyundae, maintained less than five percent wage increases. Special sessions for management of labor relations, organized by chief managers of the major large enterprises

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in South Korea, was held several times during the period of the Daewoo strike. They urged employers' joint efforts in preventing the Daewoo Protest from jeopardising any further climate for foreign investment and instigating demands for wage hikes by workers at other enterprises. At 3:00 a.m., April 25, a mutual agreement was made between management and strike leaders, with the union leaders excluded. The contract provided for a 10 percent pay raise — 8.7 percent less than the strikers called for and 4.3 percent more than the company offered in the first negotiation. This settlement, however, was a workers' victory because the chairman cut down the portion of pay increase but substituted the lost portion by increases in various merit raises such as 2.1 percent for long-service allowance, creation of 2 percent Quality Control allowance, and 50 percent production bonus. Thus, the actual pay increase became equivalent to 18.2 percent pay increase — just 0.5 percent less than the strikers called for.

The contract, however, included:

no further demand for rehabilitation of the dismissed workers in the course of the initial struggles before the strike, shall be made, and no further involvement of the dismissed in future Daewoo labor affairs, shall be made.6

6 Song Geon-Pyeong, one of the dismissed ex-student workers, was a great contributor to the victory of the strike. During the period of August –October, 1984, he raised Daewoo workers' collective consciousness on unfair labor practices by management. He disclosed management's unfair decision on salary steps for ex-soldier workers. About 1,300 ex-soldier workers did not have their 3 year period of military services included in years of company services. By having lower salary steps owing to this exclusion, they had been

(Footnote continued)
The company-controlled union executives who were, as legal counter-partners for wage bargaining, excluded in the process of negotiations between labor and management, called for nullification of the contract. On April 26, a new contract, the main content of which had no major substantial change, was made between management and the union executives. Despite management's determination that there would be no legal punishment in connection with the strike, initiators or leaders of the strike began to be apprehended. On April 23, Song Geon-Pyong was arrested on charges of violation of the prohibition of interference by a third party. In totality, eight workers were put in jail in connection with the strike. Even after the end of the strike, the riot police camped every day at the factory. The Daewoo workers were continuously under threat of intimidation, dismissals, job relocations and suspensions.

6(continued)
disadvantaged by delayed promotions, lower pay, and reduced length of paid holidays. On September 23, 1984, Song's job position was relocated to a clerical work position. Interpreting this job relocation and consequent lay-off as a mechanism through which he would be isolated from the workers, he claimed to the Labor Relations Commission that Daewoo management as an employer had committed unfair labor practices. In that process, he and the other dismissed workers publicized management's unfair labor practices as well as the union executive officers' pro-management posture to the Daewoo workers. In this way, they cleared up the flood tide of defeatism prevalent in the workplace by challenging a management that relocated their jobs to other less desirable production lines or to a clerical section where non-manual employees could not be union members. Also they challenged management by rejecting commands for job relocation.
5.4.1.3 SIGNIFICANCE OF THE DAEWOO AUTOMOBILE PROTEST

In several aspects, we can notice reflection of the strengthened class capacity of the working class in the 1970s and the early 1980s in the way Daewoo workers responded to labor controls in the 1980s.

As explained earlier, the core groups who had played pivotal roles in the labor movement in the 1970s were destroyed by the new regime in 1980. They went underground. One of the core groups, students-turned workers, penetrated themselves into factories. Song Geon-Pyeong and his members became a central group in raising Daewoo workers' collective consciousness. They effectively pooled such existing resources at Daewoo Motor Company as workers' grievances with company-controlled union leadership and pay system. By combining these two separate grievances into one overall issue, they created a critical momentum by which the 10 day strike was staged.

Workers' grievances with company-controlled union leadership had a long story. On May 18, 1971, the union at the plant was organized through eight workers' ardent efforts under the influence of UIM and JOC. Upto 1976, the union leadership changed seven times owing to severe repression by management, the state, and the upper-level industrial union. In September, 1979, Daewoo union leaders challenged management who attempted to extend work-hours from 44 hours a week to 48 hours. After 13 separate negotiations with the union, on October 26, 1979, management gave up its desire for extension of work hours. The incumbent union leaders had threatened Labor Relations Commissions by circulating several different statements warning that a strike
would be called if the Administrative Authorities would permit Daewoo management to extend work hours. In this way, the Daewoo union leadership intensified its own positional power vis-à-vis management. This positional power conferred material benefits upon the union executives. They became so-called 'labor aristocrats.' They were easily coopted by management. Frequent execution of a union 'one man bargaining team' caused the rank and file to be alienated. Workers' minds were full of grievances, when the 'core group' began to settle down as workers at Daewoo.

Leadership of the 'core group' alone, however, did not generate worker solidarity. The phenomenon of worker solidarity, segregated along the line of internal labor market segmentation prevalent in the 1970s, no longer appeared in the Daewoo Protest case. This was the basic difference between the labor movement in the 1970s and that in the 1980s. Also, this difference partially reflects the strengthened class capacity of the working class in the 1970s and the early 1980s in the way Daewoo workers responded to the power of and domination by the state-capital alliance.

First, the Daewoo workers coerced their union executives to call the strike. This type of mobilization did not exist in the 1970s labor movement. As we have seen in the case of the Dong-il strike, the failure of 126 dismissed workers' rehabilitation was caused in part by failure to solidify inside the company. The Daewoo workers utilized their solidarity as a weapon to threaten the union executives to go on a strike. In the 1970s labor movement, prevalence of
inter-sectional conflicts or worker-union conflicts made management vulnerable to resort to coercive measures for crackdown. This did not happen in the Daewoo Protest case. Instead, coordinated workers' interests through absorption of pro-management union executives enabled management to turn to a consent-oriented bargaining strategy.

Second, as a new mechanism for forging solidarity at work, newsletters were widely utilized. They published newsletters to disclose management's unfair labor practices and the union's collaborative behavior. They had been issued twice a month from December, 1984, by workers themselves. They participated fully in the entire process of funding, planning, writing manuscripts, distributing, and evaluating. From time to time, they held section-based public hearings on managerial despotism in connection with unfair labor practices. This solidarity brought about 60 long-served workers aged above 35 into the militant strike. Their families' total dependence on their monthly earnings was no longer a hindrance to labor activism. Manifestation of the workers' solidarity intensified their feelings of collective commitment. There was spontaneous creativity in the tactics, songs, and organization. Egalitarianism among strikers broke the hierarchy that divided them on the job and linked them in a solidified group, which was denied in the enterprise. This solidarity also caused even clerical workers to support the strike by a public statement.

Community support was another indicator making the Daewoo Protest distinct from the labor movement in the 1970s. Supporters for the
strike were not only dependent families whose subsistence was totally dependent on strikers' earnings: one document shows that there were also neighbors' supports. They either followed strikers' slogans or provided food for the strikers.

The Daewoo workers, by desperately carrying out militant struggles to obtain the rate they called for, realized what was the hidden barrier to obtaining of the increase rate. It was not management's capacity to pay but its fear of contagion effects. The effects, however, as the state and management feared, had already spread out to other workplaces. The Daewoo workers' attainment of a more substantial wage increase than that suggested by their management, encouraged those workers at other factories who were preoccupied by defeatism, powerlessness, and docility, under strong and effective control by government and management. After or during the Daewoo strike, Hyosung Mulsan workers increased their wages by 26.5 percent on May 7, Daewoo Apparel on May 1 by 18.5 percent after going through 13 separate negotiations, Yungchang Piano by 16 percent on April 19, Sejin Electronics by 15.5 percent, Karibong by 17.5 percent, and Rom Korea by 17.5 percent on May 8.

5.6.2 CHEONGGYE PROTEST II

Cheonggye Protest II was a challenge directed at the state. It questioned the legality of the new labor laws. This protest created

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a momentum by which the traditional student movement transformed
itself into a new direction in which labor movement has become a focus
for the student movement.

As we have seen in the case of Cheonggye Protest I, since
unionization of the CGWU on November 1970, union members had carried
out attempts to commit suicide, hunger strikes, sit-down
demonstrations, subsequent arrests and court trials of leaders.
Because of these militant activities, the union obtained significant
economic gains. In 1975, the union raised its average wage level up
to 80 percent of that in other export textile firms, and had the
notorious 'upper-room' removed. In 1977, 14 to 16 working hours a day
were reduced to 10 hours, weekly holidays became the practice, and
severance pay and other allowances were achieved.

In 1980, union membership was expanded to 5,352. When union
leadership had a character of compromise with shop owners in wage
bargaining, non-confidence resolutions were made against the incumbent
leadership. Thus, leadership of the union was changed six times in
the ten years after its unionization. Rather than suggesting that
leadership was corrupt to that extent, it signifies that the union was
decentralized with a strong sense of high standards for the ideal
leadership that Jeon Tae-il had left as a legacy.

The 'workers' class-room', which had been well-organized and

8 Information comes from: Choi, Jang-Jip, 1983, Interest Conflict and
Political Control in South Korea, p. 200-206; Im, Jeong-nam,
"Cheonggye-nojo Hapbeoseong Jaengchidaehoi," in Hyunsilgwa Jeomang
effectively operated as an intra-union education program for only-elementary-graduate workers, played a significant role in raising the consciousness of the Cheonggye workers. It also functioned not only as a channel to release their frustrations and feelings of neglect from more affluent sections of society, but also as one to link the union with college students and church groups through the latter's participation as educators in the 'class-room.'

At 9:40 p.m., April 17, 1980, Cheonggye management finally reached an agreement on a 40 percent pay raise and a 150 percent bonus payment including severance pay. This was a union's victory after 11 days of sit-down demonstrations. This happened at a time when political liberalization was prevalent in the wake of President Park's assassination. At that time, the South Korea's labor movement was markedly characteristic in terms of its quantity. During a brief period of four months from January until May 17, 1980, when the new military state emerged, labor disputes numbered 897 with about 200,000 participating workers.

Since then, extension of martial law, the arrest of leading politicians, expulsion of union leaders in the name of purification measures, dealt fatal blows to the side of labor. Seven CGWU leaders were included amongst a total of 200 union leaders who were subjected to purification measures. On January 6, 1981, the Seoul City Administrative Authority, with the consent of the Labor Relations Commission, ordered the dissolution of the CGWU.

There were four causes. First, seven leaders of the CGWU
mobilized about 3,500 workers and carried out illegal sit-down demonstrations from April 7 to April 17, 1980, calling for a 40 percent pay increase, payment of severance and 150 percent bonus on the part of owners who had more than 10 employees, and thus, the CGWU violated Martial Law. Second, from May 5 to May 9, 1980, the CGWU carried out illegal sit-down demonstrations protesting one workshop's move to a place outside the jurisdiction of the union. Third, the CGWU, from early July to September 13, 1980, forcibly intimidated and blackmailed Kukilsa, a garment factory which did not belong to the jurisdiction of the CGWU, to collect union dues. Fourth, in the 10th conventional meeting on June 24, 1980, the CGWU threatened social order and damaged public good by promoting slogans such as "destroy privileged class" and "break up the big capitalist."

At midnight, January 22, 1981, about 500-600 riot police raided the CGWU, confiscated property and office fixtures, and closed down its office. On January 30, 1981, 21 CGWU leaders and workers staged a sit-down demonstration at the South Korean branch office of the Asian American Free Labor Institute (AAFLI) to draw international attentions to their labor problem. In connection with this incident, 11 leaders were arrested.

On April 8, 1984, at Myongdong Cathedral in Seoul, 343 Cheonggye workers and about 250 antigovernment activists held a 'CGWU Rehabilitation Rally'. They organized an illegal union and opened its

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9 By the December 1980 law revision, the number was extended to 16 employees.
office outside the Cheonggye complex. After that, the riot police conducted severe repressions. Apprehension, court trials, and unexpected raids were a common occurrence. On May 1, 1984, the workers and activists held a public hearing on the legality of CGWU union activities, with 15 anti-government organizations, and about 2,000 participants.

They argued publicly that the current labor legislation restraining free unionization was an unconstitutional act because Constitution Article 31, Clause 1, clearly guarantees workers' rights to collective association. They argued that the 1980 revision of the Trade Labor Law regulating requirement of approval by more than 30 employees or one fifth of the total workers employed at the enterprise for unionization was made to block unionization at small firms like Cheonggye, which had about 800 small garment shops, each of which employed no more than 20 workers. They further argued that unionization of the CGWU was constitutional.

At 1:00 p.m., September 19, 1984, about 2,000 CGWU workers and students staged militant street demonstrations calling for legal recognition of the CGWU and repeal of unconstitutional labor legislation. In connection with this incident, 17 CGWU workers and 21 students were put under court trial. On the same day at the same time, about 1,000 students supported CGWU by carrying out on-campus demonstrations. On September 23, about 40 CGWU leaders and workers carried out sit-down demonstrations at the office of KNCC. On the following day, 19 anti-government organizations made a public
statement declaring their support of the CGWU.

At 1:10 p.m., October 12, 1984, about 2,000 students entered into militant street demonstrations, again demanding legal recognition of the CGWU, guarantee of workers' basic rights, and repeal of the unconstitutional labor legislation. Five workers and 27 students were again sent to court trials and one student was seriously injured and later died.

On October 13, 1984, the incumbent Minister of Labor at the National Assembly explained the Government's determination to legally punish those who conducted 'anti-social' acts. Also, he stated that labor legislation permitting unionization at small firms would be considered so that workers' interests would be protected. As of November 1986, illegalization of the CGWU had not been lifted.

5.4.3 THE GURO JOINT PROTEST

The Guro Protest was a manifestation of efforts by the newly emerged social and political opposition force and the 'core groups' both within production and outside of production, for forging of an alliance in labor protests directed at the state and coordinated with political struggles.

The Korean Industrial Estate comprises six separate industrial estates in the Seoul-Incheon area. Its exports in 1975 reached 545

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164
million dollars, 39 percent of the all exports from all of the industrial estates in South Korea, and 40 percent of the total employment in all industrial estates, equivalent to 11 percent of the all exports and 9 percent of the total employment in the manufacturing sector in South Korea. In 1984, about 27 percent of the total employment in the manufacturing sector was concentrated in industrial estates. Among them, 40 percent was concentrated in the Korean Industrial Estate. Its exports in 1984 reached 2,787.2 million dollars, 26 percent of all exports from South Korea. The number of enterprises located in that Estate in 1984 was 408.

Various incentive measures for local industrialists or foreign investors, such as tax exemption, subsidies, controlled prices of land below market prices, and special legal provisions for labor control were provided. This governmental inducement policy produced a highly concentrated pattern of industrial factories in particular regions. In 1975, Seoul, its circumjacent Gyeonggi province, and the two Gyeongsang provinces accounted for over ninety percent of the total employment in all industrial estates. The Labor-absorbing industries were established in the three regions close to densely populated urban centers like Seoul, Busan, Daegu and Incheon, while

11 The development of industrial estates for export promotion as well as land development plans is supported by several laws: the Law on Promotion of Industrial Estates in 1973; the Law on Tax Exemption in 1973; the Law on Establishment of Free Export Zones in 1970; the Foreign Capital Inducement Law in 1970; and the Provisional Exceptional Law Concerning Labor Unions and Settlement of Labor Disputes in Foreign Invested Firms (PELFIP) in 1970. These are listed in Choi (1983:86).
capital-intensive industries were established in medium sized cities in those regions. These characteristics have something to do with the fact that major labor disputes took place in those densely populated urban areas, particularly in the Seoul-Gyeonggi areas.

The Daewoo Protest occurred in the fourth estate and the Guro Joint Protest took place in the 1st, 2nd, and 3rd estates of the Korean Industrial Estate (so-called, Guro Gongdan). The 1st, 2nd, and 3rd, put together, comprise the Guro area and the 4th, 5th, and 6th are in the Incheon area. The three estates in the Guro area are more concentrated at one place than those in the Incheon area. Thus, intensity and frequency of interaction among workers in the Guro area would be higher than those in the Incheon area.

As explained earlier, the new military state which emerged on May 17, 1980, carried out full-ranged political purification measures in a determined way: extension of Martial Law, the arrest of leading politicians, expulsion of about 200 union leaders, reorganization of the FKTU and its subsidiary 17 industrial unions, and the 1980 revision of labor laws regulating prohibition of interference by a third party and restructuring the industrial-union system into an enterprise-union system. All the existing autonomous enterprise unions including the CGWU, Won-Poong, and Bando, were dissolved.

The natural consequence of these repressive actions was new organization by expelled union leaders and workers such as the Korean Workers' Welfare Council (Hankuk Nodongja Bokji Hyupeuhoe), the Federation of Social Movements in Incheon (Insaryun), and their
linkage with existing organizations such as the CGWU, JOC, the Association of Korea Catholic Farmers (Hankuk Catholic Nongminhoe), and the Union of Mass Movement for Democracy and Unification (Mingtongryun).

Formation of alliances among workers and militant students was fueled by the street demonstrations by workers and students claiming legality for the CGWU reunionization in September 1984. By that momentum, the traditional student movement shifted its basic stance from 'alliance with workers as a supplemental means to the student movement' to 'student movement as a means to support the labor movement'. The shift, however, did not have any effect in the Daewoo wage strike. At that time, the labor movement in the Incheon area not only focused its attention on wage increases alone but also confined its terrain of struggle to the unit factory.

Lack of alliance among workers and students, and confinement of the terrain to the unit factory in the Daewoo Protest was the result of the Daewoo strikers' strategic efforts aiming at achievement of the pay increase rate they called for. Concentration of the issue on the Daewoo workers' immediate economic benefits solidified the intra-company workers. The consequence of this concentration and the workers' solidarity was the economic victory.

The case of the Guro Protest was different. Even at the stage of unionization, the labor activists in the Guro area had active interaction. Associated protest against various unfair labor practices at other factories in the Guro area existed prior to the
Joint Protest. Through the victorious wage increase struggles in 1984, solidarity with the mass of workers at each factory was already formed. Moreover, unionization and wage struggles in similar situations in the same industrial estates at the same time period became a major factor causing union leaders at other factories to perceive the arrest of the union leaders at Daewoo Apparel as signaling a crackdown on the entire labor movement. The matters of the issue going beyond a unit factory, the established alliance, geographical location of those factories at one place, and existing line-up formation among expelled workers, students and intelligents outside the factory, all determined the outbreak of the Guro Joint Protest.

In 1984, when the state's labor control mechanism loosened its belt to soothe the constituency prior to the National Assembly election, about 200 enterprise unions were newly organized. Unionization of the major leading actors in the Guro Protest, labor unions at Daewoo Apparel, Hyosung Mulsan, Garibong Electronics, and Sunil Textile were the product of such rising trends of new unionization. In the process of new unionization, they influenced each other. The network of such influence has been formed through frequent small group discussions, frequent social activities among themselves and exchange of information. This newly emerging inter-union alliance in the Guro area, supported by about 360 contiguous labor-intensive enterprises in that area and by high inter-factory migration among those 360 enterprises, which created
dense interaction networks, transformed the union-workers alliance into a workers' unity in that region.

The Guro Joint Protest lasted from June 22 to 30, 1985. Keeping 11 Daewoo Apparel union leaders in custody was the direct cause for the Protest. The South Korean procural authorities attributed the detention to the leaders' illegal wage struggles in April 1985. The Daewoo Apparel wage struggle, however, had resulted in a smooth settlement between management and labor after 13 collective bargaining sessions. The union leadership in that process was assessed as the most desirable model by other labor activists in neighboring factories. Before sitting at the bargaining table, they conducted a market survey at four market places and three department stores, and collected about 700 workers' opinions through a standardized questionnaire. The way in which the leaders increased wages despite the management's fierce repression in that process was the model followed by other union leaders in the Guro area. Arrest of the Daewoo Apparel union leaders, therefore, meant to other union leaders in the area who had had diverse and frequent interactions with them in the process of unionization and wage struggles, not just repression of the Daewoo Apparel leaders, but another strong crackdown measure against all labor activists in the Guro area.

Five unions, including Daewoo Apparel and the CGWU, decided to go on an allied strike. Three other unions joined them. Thus, two days after the strike began, about 1,710 workers were participating in the allied strike. On the third day, about 22 leading external
organizations for mass movement, and 100 students, joined them. This number increased on the fourth day. The places where they protested were diverse: the workers at their factories; church groups at a Christian hall; external organizations at one office, and the like. Thirty-six Hyosung workers launched a four-day sit-in demonstration at the headquarters of the opposition party and about 100 workers from different factories protested at a local office of the Ministry of Labor. In this way, during six days, five enterprise unions went on an allied strike, four unions joined them and another supported them. A total of about 2,500 workers participated in the protest.

In connection with this protest, 34 workers and nine students were arrested, 37 under interrogation, and 47 under court trial. About 200 workers were injured and some 3,000 workers were dismissed en masse by their companies. This massive crackdown became a direct impetus for the emergence of "Sonoryon" (Federation of Seoul Labor Movements), a merger of four worker organizations such as Notu (Committee for Struggle against Repression of the Labor Movement), Quminryon (Alliance of Promotion Committees for Labor Democratization in the Guro Area), CGWU and the Alliance of Workers' Allied Struggles. This organization later played a leading part with militant student organizations in the May 3rd (1986) riots in Incheon.

5.4.4 SIGNIFICANCE OF CHEONGGYE PROTEST II AND THE GURO JOINT PROTEST

Cheonggye protest II was significant in that it was a response to union closure coerced by the state. The CGWU, which had 136 illegal
demonstrations in the 1970s, became the first union cracked down upon
by the state in the 1980s. On December 31, 1980, the new labor
control was shaped and on January 6, 1981, the CGWU was ordered to be
dissolved. As explained earlier, the key element of the new labor
control was in breaking off any potential ties between workers and
other social forces. The CGWU became the first victim.

After the crackdown in the name of purification measures and
restructuring of union system in 1980, the CGWU had become the single
union left as independent from the domination of the state-capital
alliance. Direction of labor protests in the 1980s toward the state
was initiated by the CGWU. The CGWU workers challenged the legality
of the new labor control based on labor law revisions in 1980. The
newly emerging social opposition force in concert joined the CGWU
workers in staging militant demonstrations. The Cheonggye Protest II
transformed the traditional student movement into a new direction in
which the student movement became a means for the labor movement, by
initiating confrontation with the state.

The Guro Protest showed that: 1) labor protests have become more
directed at the state and coordinated with political struggles, rather
than simply directed at the immediate capitalists involved in the
conflicts; 2) labor protests formed across factory workers and
segments of the middle class vis-a-vis the capitalists have developed
into those formed across factory workers and segments of the middle
class vis-a-vis the state-capital alliance; 3) there have been more
associational linkages among different labor protests. The Protest
proved the thesis that the labor movement in South Korea has a
tendency of going down with emergence of a strong labor regime but it
reproduces itself into a new one to counter strong repression by the
state.

5.5 CONCLUSION

The same question remains to be answered: in what way and to what
extent has workers' class capacity been strengthened as unintended
consequences of interactions between labor control and labor
resistance in the 1980s. As done in the previous chapter, the new
labor control can be specified into the following domain.
1) the scope of control — In general, labor control has become more
repressive and penetrating. Unionization became more difficult.
Interference in labor by any outside forces even including upper-level
industrial unions was prohibited. The open shop system was applied,
and thus, union membership was not compulsory any longer. Collective
bargaining became more difficult. Acts of dispute outside the
workplace were prohibited. These all-out punitive legislative acts
were followed by the destruction of all the existing autonomous
grass-root unions and leaders. All the existing social forces who had
played important roles in organization of workers' power were
eliminated.

By contrast, workers' individual interests were attempted to be
accommodated. Penalties against employers' unfair labor practices
were intensified. Neither social insurance nor a minimum wage was
provided. Instead, a non-discriminatory retirement allowance system was enforced to be applied to every employee having company services more than one year within one enterprise. Thus, layoffs have become prevalent because management has fired workers whose labor power seemed unpromising before their period of service exceeded one year.

2) the locus of control — Within production, managerial despotism developed a new mechanism by which management abused the new regulations enacted in the new labor control system. The open shop system fostered prevalence of conflicts between non-union workers and union members. Management mobilized non-union workers to repress union activities. Management exploited such new regulations as: 1) those who have not served more than one year at the workplace in where a trade union is being organized, are not qualified to be an executive officer; 2) the term of executive officers shall not exceed more than three years; 3) no union officer shall be permitted to assume concurrently more than one full-time union post. The state set up these rules to neutralize union leaders' power and to break off the ties between enterprise unions and industrial unions. Management utilized these resources to uproot the burgeoning seeds of new 'core groups' at the workplace.

All the existing opposition forces outside of production were subjected to crackdown. Two examples appear to be prominent in the way the state eliminated social opposition forces. After the destruction of all the existing opposition forces in 1980, it utilized a 'Blacklist' method. About 1,000 labor activists have suffered from
interrogation and intimidation on the basis of the list. The majority of those blacklisted were workers who have been active in labor protests, those who have become involved in the 'Workers' Classroom' and members of UIM or JOC. These repressions generated nationwide protests by sacrificed workers and church groups in 1983. From August 1983 through April 1984, about 500 labor activists who had become involved in the 'Workers' Classroom' were subjected to crackdown. They included students-turned workers, clergymen and factory workers.

3) the agents of control — Expansion of the control agents is one of the most phenomenal distinction inherent in labor control of the 1980s.

The control agents utilized by managerial despotism in the 1970s have also been the main instrument in labor repression in the 1980s. Expansion of the state security apparatus has been phenomenal. This expansion has not been confined only to the areas of labor control. According to statistics from the Ministry of Home Affairs which were released in the National Assembly, during March 8—June 20, 1984, demonstrations by 169,000 college students were cracked down on by 244,444 riot policemen. This figure indicates degree of interventions by the state's control agents. During May 17, 1980—December 31, 1983, all existing autonomous unions were destroyed, all the major labor activists went underground, about 500 news reporters were expelled from the press, 80 professors were forced to leave the

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classroom, 500 politicians were placed under arrest or prohibited from political activities, and 1,400 magazines, journals and periodicals went out of print. These figures indirectly indicate the degree of penetration by the state's control agents in every section of South Korean society. Without societal resistance, there would have been no need for repression as such. Therefore, these figures also offer counterevidence that societal resistance to the domination in the 1980s has been significantly stronger than that of the 1970s.

4) strategic realms of control — Ideological control has been penetrating. Establishment of the LMC has been required at firms with more than 100 employees. Functions of the LMC included prevention of labor-management disputes. Thus, the LMC has become an important instrument in preventing occurrence of labor protests. Family relations have been continuously exploited by management for effective labor controls. Segmented labor markets by sex and education has been also exploited by management for labor repression. Segregation of workers into union- and non-union members as a result of application of the open shop system emerged as a new additional mechanism by which labor organization has been neutralized.

Here we have one question: what leads us to argue that reshaping of state's labor controls in the 1980s is a response to the way and the extent that class capacity of the working class had been strengthened in the 1970s? The most important point as a key to

answering this question is inherent in the complex and contradictory nature of the new labor control.

Limited options available for accommodation of interests of the working class predisposed the state to fall back more upon coercive measures for labor repression. As explained in the previous chapter, the class capacity of the working class in the 1970s was strengthened to the extent that 'the four types of core groups' and the rank and file workers, particularly unskilled, female and low educated workers in the Seoul-Gyeonggi areas were combined and involved in labor protests. Geographic concentration of the allied groups in the Seoul metropolitan area is associated with the tendency that enterprises supplying the lowest wages and worst working conditions are concentrated in this area. According to the Ministry of Labor, among 300 firms across the country with more than 100 employees under low wages (less than 100,000 Korean Won, equivalent to US$115, per month), extended work hours and bad working conditions, more than 200 firms are located in the Seoul metropolitan area.14

One of the best options to accommodate the interests of the rank and file would be wage increases and betterment of working conditions. As explained earlier, however, maintenance of cheap labor has been a primary requirement for international competitiveness of exports and domestic price stability. Legislation of a minimum wage would also jeopardise employers' motivation for business at small and medium

sized enterprises which has been perceived by the state as important to facilitate export promotion.

Labor control and protection of the rank and file workers from unfair labor practices by management might have been only the option available for labor absorption. In the 1970s, penalties against management for unfair labor practices were abated. Labor resistance in the 1970s generated the state's policy shift toward protection of workers from unfair practices. At the same time, increasing social demands for democracy and legitimacy of political power of the state created even more propitious conditions for the state's intensification of basing its political legitimacy on economic growth. This intensification in turn required a stronger state-capital alliance. Consequently, labor resistance in the 1970s had been disruptive only to the extent that the state emphasized piecemeal welfare as a way of cooptation for workers' interests in the process of reshaping its labor control in 1980. Emphasis of piecemeal welfare as such, generated by the extent to which class capacity of the working class in the 1970s had been strengthened, was not legally binding enough to prevent exploitation of the new regulations by management. For example, as a way of cooptation of workers, a non-discriminatory retirement allowance system was enforced to be applied to every employee having service more than one year within one enterprise. Management exploited this regulation by firing workers whose labor power seemed unpromising before their period of service exceeded one year.
Nonavailability of options for accommodation of interests of the rank and file workers, in part conditioned by the extent of labor militancy in the 1970s, directed the state toward heavy reliance upon coercive measures. Thus, reshaping of labor control in 1980 was a response to the way alliances among workers and segments of the middle class were forged. The four types of groups were destroyed. All the existing influential forces upon whom workers also had relied for organization of their power, were forced to go underground. To uproot burgeoning seeds for a new 'core group' at the workplace, the state sophisticated and intensified its legal sanctions against those who would create ties among social forces outside of production and workers within production.

Then, how have the workers in the 1980s acted upon the new labor control shape in 1980? A series of measures such as all-out destruction of the existing opposition forces, restructuring of unions and subjugation of them to domination by the state-capital alliance, and encapsulation of enterprise unions from the influences by upper-level industrial unions had made labor inert. Workers were not the only victims. Intellectuals including newsreporters, students, professors, clergymen and politicians were also sacrificed. Ever since, they have begun to establish a very loosely distributional coalition. This newly emerging social and political opposition force (Jaeya Seryuck), by basing its political foundation on the historical event of the Kwangju riots in 1980, has become a leading political opponent of the state since the 1985 National Assembly election.

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Labor issue has become one of their key political resources for struggles. Thus, labor has become more politicized.

However, the new labor control system in 1980 was strong enough to contain resistance by the workers during 1981-83. In this period, there had been sporadic disputes by workers. The way in which labor protests responded to the new labor control approximated the mode of resistance by labor protests in the 1970s. With a strong labor regime, the labor movement went down. Labor protests by the Cheonggye workers in this period were inert. To protest union closure by coercion in January, 1981, they staged a sit-in demonstration at a branch office of the AFL-CIO to draw international attention. This protest resulted in arrest of 11 strike leaders. No serious labor protests by them took place until September, 1984.

The closure of Control Data Korea (CDK), a manufacturing facility for computer components owned entirely by Control Data Corp. (CDC), the Minnesota-based computer giant, was another representative case, and it had raised concern among foreign investors in South Korea.15

CDK was established with an investment of US$3.2 million in 1967. At the time of its establishment the plant had about 40 workers, and by 1969 there were 490 workers. From February 1 through March 31, 1970, there were 270 workers, and by June 1970 CDK employed 300 new workers.16 Having gone through this recurrent process of dismissal

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16 Christian Institute for the Study of Justice and Development (CISJD), Dakukjeok Kieopeui Yihae\, Daeeung [Multinational (Footnote continued)
and employment, the plant had made substantial profits until the time of its closure on July 23, 1982. At the time of its closure, it had about 350 workers, and in the previous year it made a pre-tax profit of US$1.35 million.

Labor problems began in December 1981, when the company's union, organized on December 30, 1973, demanded a 49.6% increase in wages. Based on the government's wage guideline recommending wage settlements in the 7-12% bracket, management suggested a 12% increase. Negotiations dragged on for several months. On March 15, 1982, six union leaders were fired on the charge of urging fellow workers to slow down and produce faulty products. For the following three days, the union carried out work stoppages and sit-in demonstrations protesting the dismissal.

Management argued that acts of slowdown and production of faulty products violated both United States and South Korean laws. UIM supporters counter-argued that the dismissal was illegal under South Korean laws as union leaders could not be fired in the middle of a contract negotiation. On March 23, the two sides of management and union eventually agreed to 19.9% increase in wages. Despite this agreement, controversies over the dismissals continued and eventually brought Roger Wheeler, vice-president for human relations and Ed Vargon, vice-president for labor relations at CDC to Seoul on June 3,

16(continued)
Corporations' Interests and Workers' Response], (Seoul, CISJD: 1982), p. 69.
1982. On the same day, the two vice-presidents, at a meeting with the union, did not accept the union's demand for re-hiring of its fired colleagues, and then about 65 workers streamed into the meeting room, and surrounded the two American executives. The female workers wanted them to stay on and solve the dispute before they left, and the two were prevented from leaving the room from 7:00 p.m., the same day, for eight hours until the riot police dispersed the workers.

The incident precipitated the state to reactivate its all-out offensive against the UIM, by portraying UIM members as para-communists bent on destroying labor-management relations. The state-controlled Korea Broadcasting System was the most virulent in its attack. Ever since, UIM had been blamed by non-union members of the company, foremen, supervisors, clerical workers, and drivers, for instigating the CDK dispute. On July 16, the incensed male workers assaulted five female workers, three of them pregnant, blaming UIM's influence for CDK's decision to close down the Seoul plant. Later, it was noted that management wanted to re-hire the six dismissed workers, but that they had been advised not to by governmental officials.

It was at the end of 1983 when the state began to loosen its belt for labor controls. The 1985 National Assembly election might have been one reason for such a policy shift. The way labor responded to this appeasement policy was prompt and determined. Labor responses in

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1984 can be characterized by several aspects. Alliance among the newly emerged social and political opposition force and 'the core groups' both of whom had been suppressed, began to be forged. The first organization was Korean Workers' Welfare Council founded on March 10, 1984. During 1984-85, more than two dozens of similar organizations were founded. Having nation-wide organizational networks, they exerted direct and indirect influences on serious protests by the urban poor, farmers and taxi drivers.

On August 27, 1984, about 2,000 urban poor people protested removal of illegally built shacks at Mokdong, Seoul, as a part of infrastructural projects aimed at beautifying the city of Seoul to host the 1986 Asian Games and the Olympics in 1988. On September 2, 1984 at Hampyeong, Cholla Namdo, in the southern part of South Korea, about 700 farmers protested under the influences of the Association of Korea Catholic Farmers and the Association of Korean Christian Farmers. Owing to the state's import liberalization measures, which had been bolstered from 1983, rising indebtedness had become a major issue among farmers. Beef, dairy and cattle prices fell through 1984. Production surge of the country's cattle production in 1982-83 with imported breeding stock which were sold to farmers with loans from state-run cooperatives and the Saemaul Undong organization worsened the problem of indebtedness. From May 25 through June 4, 1984, more than 2,000 taxi drivers in Daegu and Pusan, staged street demonstrations demanding better wages and working conditions. In early 1984, more than 200 enterprise unions were newly organized.

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The pattern of alliance formation in the 1980s has shown that under the influences of the newly emerged nation-wide social and political opposition force, the 'core groups' in the 1970s outside of production, having founded organizations for region-based movements by farmers, the urban poor and workers, formed region-based networks with new 'core groups' within production. They exchanged information and helped each other in the process of unionization in 1984.

Through experiences of labor protests in the 1970s and the early 1980s, workers realized who stood behind management. The existence of the state-capital alliance in labor repression has been crystallized by routinized appearance of state's control agents at the workplace. The major catalyst in this crystallization has been the newly emerged opposition force and its allied 'core groups' that had been suppressed by the state. The FKTU and its 17 industrial unions in the mid 1980s have become bystanders in labor protests. In the 1970s workers viewed them first as supporters and later as enemies. In the early and mid 1980s, decentralized union structure by the state has made upper-level unions isolated from labor activism. Exclusion of the industrial unions which have been politically conservative became a factor for politicization of labor.

Thus, labor protests have become more directed at the state and coordinated with political struggles. The CGMU workers challenged the legality of the new labor laws by claiming the new legislation was unconstitutional. Direction of labor protests at the state was manifested by the Guro workers' sit-in demonstrations at a local
office of the Ministry of labor. Workers in the mid 1980s began to realize that drastic change in the state's labor policy is essential for improvement of wage and working conditions.

Class capacity of the working class in the 1980s has been strengthened by following methods. Class solidarity emerged from frequent social interactions among selected groups of workers. Development of social relations outside of production have been continuously blocked by such constraints as low wages, labor intensity, extended work hours and controlled dormitory lives. Working class communities have been underdeveloped. Social interaction, therefore, has been undertaken by segments of the working class who have had wide connections with segments of the middle class and the 'core groups.' Forms of social interactions included cultural performance such as traditional mask dance and drama, small group activites, collective training programs, attendance of other unions' conventional meeting and publication of newsletters.

Labor protests affected subsequent labor protests by creating contagion effects through diffusion of beliefs and knowledge. Victory by the Daewoo Automobile Protest in wage hikes influenced on wage increases at other enterprises. These associational linkages have been confined to the workplace in Seoul-Gyeonggi areas. Spontaneous creation of songs, games and group organization in strikes have become routinized.

Region-based alliance in strikes among workers, students and members of social and political opposition force outside of
production, by directing labor protests at the state, increased its militancy through politicization of labor, and has overcome weakness inherent in the way class capacity of the working class had been strengthened in the 1970s. Class capacity of the working class in the 1970s was weak to the extent that formation of social bonds among workers across factories and industries were neutralized by the power of managerial despotism and constrained by the industrial structure characterized by vertical integration and external articulation. The power of managerial despotism and structural constraints were critical in atomizing class capacity of the working class because labor protests had been more directed at immediate employers and more focused on economic matters.

In the 1980s, power of managerial despotism and structural constraints became less critical since labor protests forged enduring organizational capacities by mobilizing: 1) sets of people — the newly emerged social and political opposition force, the 'core groups' both outside of production and within production and the rank and file workers have been combined in composition of protesters; 2) resources to be pooled — unfair labor practices by management or wage hike struggles at certain enterprises have been pooled as political resources for labor protests; 3) mode of commitment — the protesters defined above with political resources have integrated individual labor protest into a more cememted resistance to maximize political impacts on the state.

Consequently, class capacity of the working class in the 1980s has
been strengthened to the extent that the opposition force and core groups forged strong alliance, effectively utilized management's unfair labor practices as political resources and accumulated their militancy by centralizing labor protests in 1985 and 1986 when the time was politically critical. At the same time, class capacity of the working class in the 1980s has been fluid to the extent that radicalness, militancy and politicization of labor has alarmed the rank and file workers to whom subsistence problem have been more imminent and thus alienated them.
Chapter VI

CONCLUSION

This study has addressed a fundamental question: how the South Korean state's control of labor has shaped and has been shaped by labor militancy in export-oriented industrialization. Relevant questions included: what are the conditions under which the state and labor have interplayed; what is the nature of relationship between development strategy and labor control; what are the patterns of the state-labor interactions and how they changed over time; to what extent and in what way class capacity of the working class has been strengthened in the 1970s and the 1980s.

The major premise underlying this study was that the strong bureaucratic-authoritarian and capitalist state of South Korea, predisposed by historical conditions and justified by economic growth based on export-oriented industrialization, developed preemptive labor control policies and strategies. The second premise was that social threats to legitimacy of the state's political power led to consolidation of the basis of political legitimacy on economic growth and the consequent existence of the state-capital alliance aggregated existing political opposition elements into an anti-government
coalition to which labor issues have become central.

The theoretical and analytical framework of the study integrated two different bodies of literature in its examination of the interplay between the state and labor: 1) the "dependency" and "world system" literature; and 2) Anthony Giddens' concept of the "dialectic of control" and Erik Olin Wright's concept of "class capacities." This study first described the history of the labor movement in Korea, and then, investigated the relationship between development strategy and labor control.

The first argument we can derive from what was discussed in Chapter II and III is that political determination of preemptive nature of labor control in the sixties and the seventies had to do with the state's political ideology based on national security and maintenance of industrial peace. South Korea's territorial compactness, national homogeneity, lack of a differentiated entity between state and society due to its history as a strong central bureaucracy, lack of decentralized feudalism, and the absence of any strong threat of revolts from below provided propitious conditions under which the Japanese colonial state bureaucracy effectively penetrated into every section of society. The despotic, hypertrophied, and centralized character of the colonial state approximated what Chandra (1980: 437) describes:

The colonial State does not represent any of the social classes of the colony; it subordinates all of them to the metropolitan capitalist class. If it gives some of them support and protection, it does so in the interests of its own ruling class,
the metropolitan bourgeoisie. Its task is not merely to enable the extraction of surplus from subordinate classes, but also to make the entire economy of the colony subservient to the metropolitan economy, to permit the exploitation of the colony as a whole.¹

Thus, in terms of extracting resources from Korea and appropriating surplus through low wages and unequal exchange, the Japanese colonial despotism continuously underdeveloped the Korean economy. Japan also used methods that transformed village class or kinship ties and political structures "in ways that would allow maximum mobilization of economic resources and peasant manpower" (Skocpol, 1979: 125). The Japanese levied taxes "in order to raise the revenue they would have available to them for administrative and military expenses" (Carnoy, 1984: 183). This despotic colonialism was supported by the existing landlord class that collaborated with the colonial state in order to retain its wealth and privileges. The colonial situation generated rise of the national liberation movement into which the labor movement, the student movement and the farmers' movement were integrated.

The American military occupation, after Korea's liberation from Japanese colonial rule, also had a major impact on the establishment of peculiar patterns of interactions and linkages between the state and labor. Due to the Americans' demobilization policy and their desire to establish an anti-communist bulwark in the southern part of

the Korean peninsula, emerging industrialist and entrepreneurial
groups remained a weak, politically dependent bourgeoisie. In
addition, organized labor was subordinated to the interests of the
post-colonial state as seen through the destruction of Jeonpyeong
(National Council of Korean Labor Unions), the strong, autonomous,
left-wing labor union system.2

The 1950 Korean War and the destruction of domestic forces of
production not only disrupted the existing feeble class structure but
consolidated conditions for the emergence of the military state, most
notably by creating national needs for strong armed forces against the
communist threat. Constant threats from North Korea provided the
military state with the momentum to institutionalize security
ideology. The 'Red Complex' (preoccupation with anti-communism)
deeply rooted in the minds of South Korean people, is an important
resource that the state mobilizes for its ideological indoctrination
of the people. In other words, the 1950 Korean War provided the state
with effective ideological resources that have been used in launching
and maintaining a strongly repressive labor control. It is in this
context that the Factory Saemaul Movement (FSM) and the
Labor-Management Councils (LMC) developed into institutions parallel
to labor unions. These two institutions were set up to insure
infusion of the workplace with an industrial peace.

2 In 1945 when Japan had 509 unions and 385,677 union members, Korea
had 1,980 unions and 553,408 members. All unions and members in Korea
at that time were under the control of Jeonpyeong.
In the 1970s, the labor union, the FSM, and the LMC comprised 'triple control mechanism' as an institutionalization of repressive labor control. Turbulent struggles over wages led by enterprise unions, factional strife among national industrial union leaders over hegemony, and militant disputes over organizational hegemony at workplace caused the state to change its strategy for labor control. Thus, the state's strategy for the control of labor became directed more toward execution of ideological control. In the 1980s, establishment of the LMC at firms with more than 100 employees was enforced through legislation. Intensification of ideological control was clearly associated with neutralization of the union function.

The primary purpose of the FSM, inaugurated in 1973, was to induce workers' normative compliance to high work performance and industrial peace. By directly linking workers' ideological conformity and compliant mentality with patriotic national development efforts, the state ambitiously attempted to infuse the workplace with an industrious and harmonious atmosphere. The state-guided ideological campaign drew the virtues of loyalty and filial piety from the traditional Confucian code of ethics, and the importance of hard work with low material rewards from the routinized perception of the communist threat by equating hard work with patriotic efforts for national defense.

Under the direction of the Ministry of Commerce and Industry (MCI), development of the FSM into a central institutionalization was pursued. Four employers' associations, the Chamber of Commerce and
Industry, the Federation of Korea Industries, the Korean Traders Association, and the Korean Federation of Small and Medium Business were fully mobilized for effective operation of the FSM. The bulk of the work was undertaken by the Chamber of Commerce and Industry, while the other three associations assisted. This top-down oriented hierarchical channel has effectively penetrated the ideological indoctrination into every single part of the industrial sectors throughout the whole country.

The FSM was carried out at the enterprise level by a Saemaul leader and the Saemaul work team. The leader, appointed by the company owner, controls the work team, comprised of eight to fifteen workers. These work teams were involved in such managerial movements as Quality Control and Zero Defects. Saemaul education, as an instrument to indoctrinate the work ethic, functions also as the channel through which the Federation of Korean Trade Unions (FKTU) and its 17 national industrial unions with their enterprise unions are educated under the Saemaul programs. Outside the factory, male workers who completed 3-year military service, are obliged to join the Homeland Reserve Corps through which they receive additional Saemaul education. To what extent the state-guided ideological indoctrination was successful in building up a compliant, hard-working labor force is difficult to estimate. But one thing is certain; ideological control has been instrumental in labelling labor resistance as 'delinquency' rather than as justifiable expression of workers' own rights so that severe punishment against labor protesters is legitimized to be
necessary for national security.

If the FSM is a campaign or movement from above, the LMC is an institutional arrangement to replace the functions of the labor union. The LMC began to be organized in the early 1960s. In the 1973 and 1974 labor law revisions, the establishment was emphasized, and in 1980, it was firmly legislated. The LMC law stipulates that it consist of the same number of representatives from both sides of labor and management. The state's primary concern is to eliminate existing conflictual elements caused by labor demands and to build up harmonious relationships between labor and management within the enterprise.

The organizational machinery has attempted to translate conflicting interests inherent in market economy enterprises into harmonious interests. However, it has demanded unilateral sacrifice on the side of workers who lost already basic rights — rights for association, collective bargaining, and collective action, and thus has failed to accomplish the original goal so far. In the enterprise, management, supervisors and foremen dominate the FSM into which line workers are enforced to be allied as passive followers. In the company which has its company-backed union, the functions of the LMC and the union are not in conflict, but the workers are completely indifferent. Rivalry or competition that arose out of the existence of two workers' bodies on the same level has been prevalent. So far, the 'triple control mechanism' has not filled a representational vacuum at the workshop level. Only the forced compliance with
national security ideology, has given backbone to the superficial
efficacy of the triple control mechanism.

The second argument we can derive from Chapter II and III is that
the direct causal linkage between development sequences and regime
dynamics was the basis for political determination of labor control,
and that intensification of labor control by the state was a response
to the coalition-based societal resistance to the power and domination
of the state-capital alliance in the pursuit of export-oriented
industrialization in the sixties and the seventies.

Just as the Rhee regime in the fifties relied upon the merchant
capitalists for consolidation of its political power, the Park regime
in the sixties consolidated the basis of political legitimacy on
economic growth by forging the state-big business alliance. This
alliance pattern led import-substitution industrialization in the
fifties to degenerate into a rent seeking exercise and export-oriented
industrialization in the sixties to be highly discretionary and
sectorally specific.

The Rhee regime in the fifties did not intensify its control of
labor. Instead, the regime destroyed an active left-wing union
movement closely tied to socialist and nationalist groups and
restructured labor unions to form quasi-corporatist links between
labor unions and its Liberal Party. The Park regime in the sixties
intensified its control of labor. To institutionalize its political
power, the regime destroyed old labor unions and established new
unions. This institutional arrangement attempted to incorporate
workers' interests into the state's interest. In the sixties, major social pressures came from students, the church and opposition parties. Main social issues were surrounded by democracy and legitimacy of the political power. Labor control by the state was preemptive in that the state was interested in encapsulation of labor from the influences by political struggles as such. Labor resistance in the sixties had been relatively weak.

Intensification of labor control in the seventies was a response to the coalition-based societal resistance to the power and domination of the state-capital alliance in the pursuit of export-oriented industrialization in the sixties. Social threats to legitimacy of the military regime in the sixties led the state to consolidate the basis of political legitimacy on economic growth. The existence of the state-capital alliance aggregated existing political opposition elements into an anti-government coalition. This coalition brought labor issues into political arenas. It is in this context that the interplay between the state and labor became dynamic.

In Chapter IV and V, we examined the interplay between the state and labor in the 1970s and the 1980s. The main purpose was to illuminate the extent to which, and the way in which, class capacity of the working class was strengthened in the 1970s and the 1980s, as unintended consequences of the interplay.

The forms and content of labor control in the 1970s were characterized according to the following domains. In the domain of the scope of control, workers' rights to association, collective
bargaining and collective action were practically taken away. Unionization required acquisition of 'a certificate of report' from Administrative Authorities. For control of unionization, however, a report rather than license system was adopted. The union shop system was applied. Every union member was qualified for union leadership. Exertion of influence by upper level unions upon enterprise unions was discouraged but not yet neutralized. Through imposition of emergency rules, state's intervention in labor affairs was intensified. Penalties against management's unfair labor practices were relatively fewer.

The domain of the locus of control in the 1970s comprised three stages. At the initial stage, workers' attempts at unionization faced strong interference by management. To avoid management interference, workers occasionally organized their unions in secret. In the process of obtaining the certificate of report, such attempts at unionization was often detected by management who were informed of the attempt by the Administrative Authorities. More often than not, the Authorities disapproved unionization. Then the workers had to reapply. In the meantime, management dismantled such attempt at unionization. At the second stage, workers' resistance to interference by management faced police crackdowns. At the third stage, when a union succeeded in obtaining legal recognition, the union workers faced another interference by management who intended to transform the autonomous union into a company-controlled one.

The agents of control in the 1970s existed at three levels. At
the state level, they included the police, the KCIA and the Army Security Headquarters. Their roles were investigation, supplying physical violence, and mediation of industrial disputes. At the administrative level, they included the Ministry of Labor and its local offices, the Labor Committees and the Administrative Authorities. They dealt with approval of unionization, disputes settlement, dissolution of unions, approval of workers' dismissal by management and even vocational training. At the shop-floor level, they included managers, foremen, corrupt union leaders, dormitory inspectors and goon squads in collaboration with management.

The strategic realms of control in the 1970s were identified as three types: ideological control, exploitation of family relations, and a segmented internal labor market. Occasionally the Factory Saemaul Movement and the Labor-Management Council functioned as instruments by which labor disputes were dissolved forcibly and compliance to the virtues of loyalty and filial piety was coerced. Workers' family relations were frequently exploited so that parents became influential in preventing their sons or daughters from participating in labor protests. Male and skilled workers were mobilized to break up labor protests by female and unskilled workers.

Labor protests in the 1970s were characterized by an outward-dependent mode of resistance. Penetration of labor by outside influences represented by UIM, JOC, and other intelligentsia was primarily limited to female, less skilled, and low-educated workers. Hence, the labor movement did not go beyond the level of female
dominated, labor-intensive, Seoul-Gyeonggi area-based factories.

There was no diffusion of labor protest from one factory to another.

The mode of interaction between labor control and labor resistance in the 1970s can be characterized by strong solidarity among outside influences represented by church group-related forces, and segments of workers within production. Labor protests by these groups were directed at management's patriarchal and paternalistic despotism. Outside influences and factory workers forged alliances on the basis of single factory situations. This pattern of alliance resulted in segmentation and fragmentation of the labor movement. The Dong-il and the Y.H. Protests were good examples of this segmentation. Thus, labor protests challenged the labor control in isolation rather than in combination. For example, the CGWU struggles in the early 1970s influenced the 1974 revision of labor law, extending the Labor Standard Law to include firms with as few as five employees, though there were exceptions. Jeon Tae-il's suicide and the resulting CGWU protests increased the state's concern with improving working conditions. The Y.H. Protest also increased the state's concerns with workers' welfare. But both the Dong-il and the Y.H. Protests also intensified the state's attempts to encapsulate factory workers from outside influences. The workers' benefits from the protests were meager in light of the sacrifices and militancy these workers had shown. The lack of associational linkages between these labor protests meant there were "only sporadic outbursts, not sustained and widespread pressure for change" (Oliver, 1985: 7-8). In general,
during this period, labor resistance was initiated either by management's unfair labor practices including delayed payment, bad working conditions, plant closures and job relocations, or by interruption of unionization.

Pattern of collective action in the labor movement in the 1970s was characterized by network configurations of four types of 'core groups': a charismatic leader with a few "hangers-on" who had no connections with external forces (e.g., the Jeon Tai-il case); team leaders of production lines associated with UIM or with JOC (e.g., the Dong-il case) who generated solidarity among the rank and file within each factory; union leaders educated by the Christian Academy or the central unions (e.g., the Y.H. case); and finally, students who turned themselves into factory workers who later led labor protests. These groups played pivotal roles in creating social bonds at work.

Each 'core group' concentrated on solidarity forging of workers within unit factory. Hence, there existed no associations among workers across factory and between industries. There were no associations among individual labor protests. Very few labor protests affected other protests. However, there existed networks of contagion effects among labor protests, in case of synchronized protests in the Seoul metropolitan areas.

The main contents of the labor movement in the 1970s were confined to antagonism against immediate employers. The main issues were caused by management's unfair labor practices. Workers in the 1970s struggled for wages and organization of unions. Since labor protests
were more directed at immediate employers rather than the state, actual interactions between labor protests and student demonstrations did not come about. Nevertheless, the existence of the state-capital alliance in the power and domination aggregated political opposition elements into a coalition because of their common position vis-a-vis the state-capital alliance. With the spurt of export-oriented industrialization, social issues such as inequality of wealth or uneven distribution of the benefits of economic growth drove the church and students to get involved in labor. By this coalition, labor issues were brought into the political arena. Church groups got involved in labor activities within factories.

Class capacity of the working class in the 1970s was strengthened to the extent that the four types of 'core groups' and the rank and file, particularly unskilled, female and low educated workers in the Seoul-Gyeonggi areas, were combined and involved in the labor protests. Transformation of structural capacity into organizational capacity of the working class was blocked by the power and domination of the state-capital alliance specified earlier according to the several domains. However, network of influences within the working class was generated by the political opposition coalition who brought labor issues into political arenas as well as contagion effects of labor protests on others due to geographical compactness.

Strong ties by the core groups influenced by segments of the middle class and labor militancy among unskilled workers within factories in the 1970s contributed to accumulation of latent class
capacity of the working class. This latent class capacity was manifested when the political regime broke down. The shape of the new stronger labor control in 1980 was a response to the way in which class capacity of the working class was strengthened in the 1970s.

The forms and content of labor control in the 1980s were characterized according to the following domains. In the domain of the scope of control, workers' rights to association, collective bargaining and collective action were taken away by the Yushin system in 1972 and these rights have not been restored as of the mid 1980s. Unionization became more difficult. Unionization at an enterprise required a resolution by more than 30 employers or one fifth of the total employees. The union shop system (compulsory trade union membership) was replaced by the open shop system. The report system for union recognition was replaced by the license system. Qualification for union leadership became restricted by imposing new regulations. Involvement in labor affairs by a Third Party was strictly prohibited. By definition, the groups who had played pivotal roles in labor protests in the 1970s and early 1980, such as church groups, students and even upper level industrial unions, were categorized as Third Parties. The scope of union activities became strictly regulated. About 50 percent of collected union dues were prescribed to be used for welfare of the union members. Penalties against acts of labor disputes outside of the workplace were intensified. The cooling-off period was extended. At the same time, penalties against management's unfair labor practices were intensified.
In the domain of the locus of control, the new regulations specified above became the resources exploited by management who developed a new way of managerial despotism. The open shop system fostered conflicts between non-union workers and union workers. The former were mobilized to repress the latter. The state limited the scope of qualification for union leadership by labor legislation and management utilized these resources to uproot burgeoning seeds for labor activists in the workplace. All the existing opposition groups were crackdowned and a 'Blacklist' method was utilized to prevent these excluded groups from penetrating into the workplace. Thus the locus of control shifted from repression of attempts at unionization in the 1970s to prevention of the excluded groups from involvement in labor affairs in the 1980s.

Accordingly the state's intervention has been intensified. The agents of control became the most pronounced domain evidencing such intensification. One figure indicated that demonstrations by 169,000 students were cracked down on by 244,444 riot policemen. High frequency of police appearance in the workplace was another evidence. Before and after labor protests, stationing of the police in the workplace became routinized.

The three types of the strategic realms of control in the 1970s were intensified to be used in the 1980s. As the South Korean economy sought to upgrade the technological structure of its industry, it required a more highly skilled and motivated workforce. In response
to this changing need, vocational training programs were intensively introduced. The Public Vocational Training Corporation was newly established under the revision of Basic Law for Vocational Training in 1981. There has been a drastic increase of investment in higher education and technical training. These intensive training programs aim not only at training of workers' skills but also for cultivation of work motivation. In the phase of export-oriented industrialization deepening, intensive pursuit of programs as such is a new challenge against labor resistance to the power and domination of the state-capital alliance.

Labor protests in the 1980s were characterized by confrontation with the state level and expansion of their coalition base. Labor protests have become more directed at the state and coordinated with political struggles. The Cheonggye workers challenged the legality of the new labor laws by claiming the new legislation unconstitutional. Directing labor protests at the state was manifested by Guro workers' sit-in demonstrations at a local office of the Ministry of Labor. Workers in the mid 1980s began to realize that confrontation with the state rather than with immediate employers is more instrumental in improving their wages and working conditions. The pattern of alliance in the 1980s has shown that under the influences of the newly emerging nation-wide social and political opposition forces, the 'core groups' in the 1970s outside of production, with organizations for regionally-based movements by farmers, the urban poor and workers, formed region wide networks with new 'core groups' within production.
sectors. They exchanged information and helped each other in the process of unionization in 1984.

Labor protests affected subsequent protests by creating contagion effects through diffusion of beliefs and knowledge. Victory by the Daewoo Automobile Protest in wage hikes influenced wage increases at other enterprises. These associational linkages have been still confined to the workplace in Seoul-Gyeonggi areas. Workers in the 1980s transformed the nature of the labor movement characterized by fragmentation and segmentation in the 1970s into that of concentration and centralization. The labor movement in the 1970s was fragmented to the extent that labor protests were scattered and disintegrated. It was also segmented because there was a big cleavage in participation in labor protests. The labor movement in the 1980s has been centralized by arousing regionally-based labor protests which were led by the coalition comprising previously expelled groups outside of production and labor activists within production sectors in the Seoul metropolitan areas. It has also been concentrated to the extent that labor protests and student demonstrations were associated and synchronized.

Labor protests in the 1980s have changed their mode of response. At bargaining tables, workers' demands for pay increases have been better justified and grounded. During strikes, organization and mobilization of workers has become more systematic with better planning, organization, and evaluation of results. Spontaneous creation of songs, games and other worker activities during strikes
have been developed. The extent to which internal labor market segmentation impedes organization of labor has decreased. To that extent, organizational capacity has increased significantly.

The mode of interaction between the state and labor in the 1980s has changed. Student involvement in the labor movement has become stronger and more penetrating, with students taking over the roles which church groups had undertaken in labor protests in the 1970s. The state intensified its control of labor and neutralized the power of the church in the workplace. Students took over the roles undertaken by the church. In this process, solidarity has been forged in forms that are inter-factory, inter-sexual, and region-based. The extent to which one labor protest affected another has increased. For example, the Daewoo victorious wage struggle influenced pay increases at other firms. The state, by intensifying its policy to isolate factory workers from outside influences, in effect generated solidarity among students and workers as well as among expelled workers outside of production, thus contributing to politicization of labor issues during the 1980s. Labor militancy has increased, while at the same time, the state's interventions in labor have become stronger and more penetrating. However, the way in which the state intervened in labor has changed, resulting in a contradictory stance: on one hand, a strong stance against workers' attempts to organize collective action but with emphasis on the promotion of workers' welfare, on the other.

Regionally-based alliances in strike among workers, students and
members of social and political opposition force outside of production, by having labor protests directed at the state, increased their militancy through politicization of labor, and have overcome the weakness inherent in the way class capacity of the working class had been strengthened in the 1970s. Class capacity of the working class in the 1970s was weak to the extent that formation of social bonds among workers across factories and industries were neutralized by the power of managerial despotism and constrained by the industrial structure characterized by vertical integration and external articulation. The power of managerial despotism and structural constraints were critical in fragmenting class capacity of the working class so that labor protests were fragmented and segmented.

In the 1980s, the power of managerial despotism and structural constraints became less critical since labor protests forged enduring organizational capacities by mobilizing: 1) sets of people —the newly emerging social and political opposition forces, the 'core groups' both outside of production and within production sectors and the rank and file workers have been combined in composition of protesters; 2) resources to be pooled —unfair labor practices by management or wage hike struggles at certain enterprise have been pooled as political resources for more generalized political protests; 3) mode of commitment —labor militancy and protests have become more synchronized, concentrated and associated, and strengthened political weights of labor issues.

Consequently, class capacity of the working class in the 1980s has
been strengthened to the extent that the opposition forces and 'core groups' forged strong alliances, effectively turned management's unfair labor practices into political resources, and accumulated their militancy through synchronization and concentration of labor protests. At the same time, class capacity of the working class in the 1980s has been fluid to the extent that radicalness, militancy and politicization of labor has alarmed the rank and file workers to whom subsistence problems have been more imminent and, thus alienated them.

To summarize, the major arguments of this study are:

1. In the early stages of export-oriented industrialization, there was some opportunity for labor to organize, but this opportunity was bounded somewhat by the nature of the labor market and the characteristics of the firms and industries.

2. In the seventies, the state cracked down on labor. Intensified labor repression was motivated by a political strategy of preventing politicization of labor, which was reflected in the forms of labor control.

3. The main point regarding the seventies is that there were a number of inhibiting factors that came from the government and the nature of the labor market itself, but that these were overcome as the organization of workers became important for a number of outside groups, who sought alliance partners of their own. As this occurred, the organization of workers took on a more independent form. This progression culminated in the 11 incident and later on in the spring of 1980 when the political regime broke down and hence the political
liberalization led to an opening.

4. When Chun came to power, his regime faced a labor movement that was already mobilized; thus its control would demand harsher and more penetrating measures. There was also new government involvement in labor policy, through the initiation of a wage policy, for example. These factors only served to intensify labor militancy and to link labor demands more clearly to politics than had occurred during the seventies.

5. The emergence of the organizational bridges providing resources for the labor movement and their strength are attributable to such intensification of labor militancy. This intensified labor militancy will precipitate the government to undertake dual and contradictory measures as it seeks to build electoral support for the turn to democracy; establishment of ways of coopting workers' economic interests, such as a minimum wage system and a national pension system, on the one hand, and intensification of its belt for labor control against workers' political interests.

This study has shown the possibility of giving substance to the idea of the class capacity of the working class by bringing the elusive nature of Erik Olin Wright's concept down to the practical level and then applying it to the South Korean case. Transformation of structural capacities of the working class into organizational capacities has been blocked by labor controls and at the same time fostered by the labor movement. Thus class capacity of the working class was qualitatively measured as an outcome of simultaneous
operation of this blocking and fostering.

The function of blocking and fostering as such in South Korea has been dynamic and rapidly changing. This dynamic nature of action and reaction between labor controls and the labor movement resulted in high vulnerability of the class capacity to:

1) new welfare tactics of the state;
2) advance of technology (by reducing dependency of economic success on cheap labor);
3) democratization (increased legitimacy of politics and capital accumulation would decrease motives for labor militancy).

As of 1987, it is quite certain that the government will introduce more welfare-oriented labor policies, combined with a drastic increase of investment in higher education and technical training, and that technology will be rapidly upgraded in forthcoming years. However, it is very uncertain whether politics will move toward democratization. This uncertainty makes prediction of future direction for the class capacity of the working class extremely difficult, because of the politics-economics links in the strength of the class capacity.

Finally, this study suggests some implications for the theory of the working class formation in South Korea. This study chronicled and accounted for the way and extent the strengthening of working class capacity in South Korea in the decades when positions in the social structure and people became more and more proletarianized, in the sense of strong relative deprivation caused by wealth inequality and uneven distribution rather than in the sense of lacking ownership or
control over the means of production and over the labor power of other workers.

Katznelson and Zolberg (1986) argue that we might say that class formation has occurred only when class exists at all four levels of structure, patterns of life, dispositions, and action simultaneously. The major premise underlying this argument is that class formation is historically specific and contingent upon the linkages between specific class structures and thought, culture, and action. Therefore, class formation is something more than the logical outcome of class structure. It concerns a direct engagement with the actual lives of working people. Social classes are not such entities in the sense of objectively defined locations in the class structure. Accordingly people are not just bearers of class relations, positioning themselves as the status of people who simply execute strategies imposed on them by the system. They make sense of massive changes in the economy and in society in order to be able to act on them.

E. P. Thompson (1978) adds:

Class formations...arise at the intersection of determination and self-activity: the working class "made itself as much as it was made." We cannot put "class" here and "class consciousness" there, as two separate entities, the one sequential upon the other, since both must be taken together—the experience of determination, and the "handling" of this in conscious ways. Nor can we deduce class from a static "section" (since it is a becoming over time), nor as a function of a mode of production, since class formation and class consciousness (while subject to determinate pressure) eventuate in an
open-ended process of relationship —of struggle with other classes —over time.3

Following this line of argument, we might conclude that for a study of the working class formation to be thorough and complete it needs to undertake a rigorous account of the structure of class relations, patterns of life, dispositions, and action. In this sense, this study is incomplete. This study only attempted to illuminate how working class capacity has been strengthened as unintended consequences of the interplay between the state and labor. The state created major impediments to collective action by working people. In confronting these impediments, workers interacted with segments of the middle class. These sets of people committed pooled resources to common ends. By focusing on the content and the form of this class-based collective action, this study paid less attention to exploration of the points of connection with the structure of class relations at the macroeconomic level to the lived experience of class in the workplace and in the residence, and to groups of people disposed to act in class ways. This study conducted a class analysis only at the level of class-based collective action. For a thorough and complete class analysis on working class formation in South Korea, further class analyses should carry out a integration of the four levels.

<table>
<thead>
<tr>
<th>Event</th>
<th>Type of Event</th>
<th>Dispute Period</th>
<th>Strike's Sex</th>
<th>Firm Size</th>
<th>Location</th>
<th>Working Condition</th>
<th>Causes of Event</th>
<th>Type of Dispute</th>
<th>Alliance w/ Others</th>
<th>State's Response</th>
<th>Results</th>
<th>Impacts</th>
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<tbody>
<tr>
<td>ICMA I</td>
<td>sweatshop</td>
<td>1970-1980</td>
<td>F</td>
<td>500-700</td>
<td>Seoul</td>
<td>inhuman</td>
<td>low wage</td>
<td>sit-in</td>
<td>students</td>
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<td>garment maker</td>
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<td>spinning</td>
<td>1976-1980</td>
<td>F</td>
<td>1,300</td>
<td>Incheon</td>
<td>fair</td>
<td>unfair</td>
<td>sit-in</td>
<td>UIM</td>
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<td>Y. H</td>
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<td>1975-1979</td>
<td>F</td>
<td>4,000-700</td>
<td>Seoul</td>
<td>bad</td>
<td>plant</td>
<td>sit-in</td>
<td>JOC</td>
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<td>LR and LP</td>
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1970s (2nd Labor Regime)

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<tr>
<th>Event</th>
<th>Type of Event</th>
<th>Dispute Period</th>
<th>Strike's Sex</th>
<th>Firm Size</th>
<th>Location</th>
<th>Working Condition</th>
<th>Causes of Event</th>
<th>Type of Dispute</th>
<th>Alliance w/ Others</th>
<th>State's Response</th>
<th>Results</th>
<th>Impacts</th>
</tr>
</thead>
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<td>ICMA II</td>
<td>sweatshop</td>
<td>1981-present</td>
<td>M</td>
<td>same as</td>
<td>Seoul</td>
<td></td>
<td>better than</td>
<td>sit-in</td>
<td>students</td>
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<td>demands</td>
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<td>garment maker</td>
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<td>ICMA I</td>
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<td>Daewoo</td>
<td>motor mfg</td>
<td>1985</td>
<td>M</td>
<td>2,000</td>
<td>Incheon</td>
<td>good</td>
<td>wage increase</td>
<td>sit-in</td>
<td>student-l</td>
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<td>textile</td>
<td>1985</td>
<td>M, F</td>
<td>500-1,000</td>
<td>Seoul</td>
<td>fair</td>
<td>arrest of sit-in</td>
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<td>students</td>
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1980s (3rd Labor Regime)

Figure 2. Comparison of the Cases
<table>
<thead>
<tr>
<th>Class Capacity</th>
<th>70s</th>
<th>80s</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Capacity to turn labor issues into political resources:</td>
<td>segmentation and fragmentation</td>
<td>concentration and centralization</td>
</tr>
<tr>
<td>The capacity to accumulate militancy:</td>
<td>By the political opposition forces</td>
<td>By the alliance forged among workers, farmers, urban poor, the church, opposition parties, students and intellectuals.</td>
</tr>
<tr>
<td>The capacity to create workers' ideology:</td>
<td>By individual suicide, single violent protest.</td>
<td>By politicization of labor issues and by linking with opposition forces outside of work. By having labor protests synchronized and allied.</td>
</tr>
<tr>
<td>Degree of the rank and file being alienated:</td>
<td>By resorting to collective violence through education by outside influences</td>
<td>Spontaneous creation of songs and publication of newsletters in strike. Performance of mask dances, drama and production of literature</td>
</tr>
<tr>
<td>Social bonds among workers across factories and industries:</td>
<td>Lack of social bonds among workers across factories and industries.</td>
<td>Region-based social bonds. Radicals, militancy and politicization causing the working class into distinct segments: the radicals, the moderates, and the rank and file.</td>
</tr>
<tr>
<td>Pattern of workers' behavior:</td>
<td>Constrained and covered in the presence of management.</td>
<td>No longer fearful of facing management at collective bargaining table and in court.</td>
</tr>
<tr>
<td>Impacts on the state:</td>
<td>Sporadic and widespread pressures for change</td>
<td>Sustained and concentrated pressures for change</td>
</tr>
</tbody>
</table>

**Figure 3. Comparison of Class Capacity of the Working Class between the 70s and the 80s.**
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