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2019 Review of Industrial Relations and Outlook for 2020*

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I. Statistics on 2019 Industrial Relations

1. Collective Bargaining

Progress in wage bargaining has been slower compared to the previous year. As of the end in November 2019, the wage bargaining settlement rate was 63.4%, which was lower than the rate of the previous year (69.0%). The wage bargaining settlement rate refers to the percentage of business establishments with 100 or more permanent employees that have completed the wage bargaining process, however the low settlement rate compared to last year indicates prolonged bargaining settlements due to continuing conflict of interest between labor and management. Trends indicate decreasing wage bargaining rates since 1998. The timing of settlement has recently been delayed to the second half or the end of the year, or even

to the following year. The wage increase level was lower compared to last year. In November, the current average of collectively agreed rate of wage increase in all industries is 4.0% based on total wage, which is lower than 4.5% of last year.

2. Collective Action

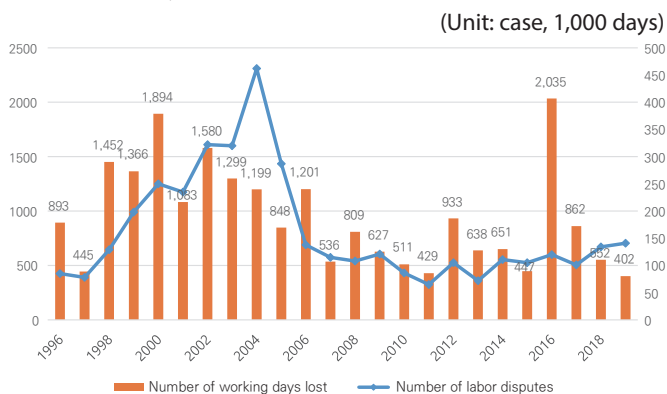
A total of 141 labor disputes(strikes) from the breakdown of wage/collective bargaining was slightly higher than 134 occurrences in the previous year. The annual number of strikes have been declining since reaching 462 in 2004. The highest number of working days lost¹⁾ was in 2016 during President Park Geun-hye's administration at an outstanding number of 203,5000 however since the inauguration of the Moon Jae-in government, numbers have been declining year after year from 862,000 days in

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1) Number of working days lost = (number of persons involved in strikes × number of hours of strike) ÷ number of working hours per day [8 hours]

Figure 1. The Number of Strikes by Year and the Number of Working Days Lost



Source : Data on the number of labor disputes collected by the Ministry of Employment and Labor.

2017, 552,000 in 2018 and 402,000 in 2019. Such decline can be attributed to the relatively small number of strikes at large workplaces. Although the number of working days lost is close to lowest levels in history, it is true that the perceived labor-management conflicts and labor-government conflicts present a different reality. This disparity is due to limits of quantitative statics in industrial relations. Therefore, it is necessary to examine the frequency and intensity of rallies and sit-ins other than just strikes.

Major strikes in 2019 can be categorized into three types. The first type was conventional in which the main issue raised from these strikes were workers demanding higher wages and job security following changes such as corporate restructuring. The second type was when issues such as occupational safety and recruitment of new workers became a central issue in industrial relation conflicts. An example of this type would be the Korean Railway Workers' Union demanding increased employment of workers to ensure safety and the adoption of a four-team, two-shift system; and the tower crane workers' unions focusing on the issue of regulating small-sized unmanned tower cranes which are vulnerable to accidents. The third type originated from industrial relation conflicts in the process of implementation of government policies or legal systems. Under the former conservative government, the core issue was relinquishing government policies, while

under the current government the pace of policy implementation and its impacts are the main focal point.

On one hand, government statistics does not include the number of strikes waged by unions classified as outlawed. Therefore the strike held by the Korean Teachers and Workers Union (whose members used their annual leave to attend the rally) to protest the decision to outlaw the trade union, and the strikes organized by dependent self-employed contractors should be examined separately from official statistics.

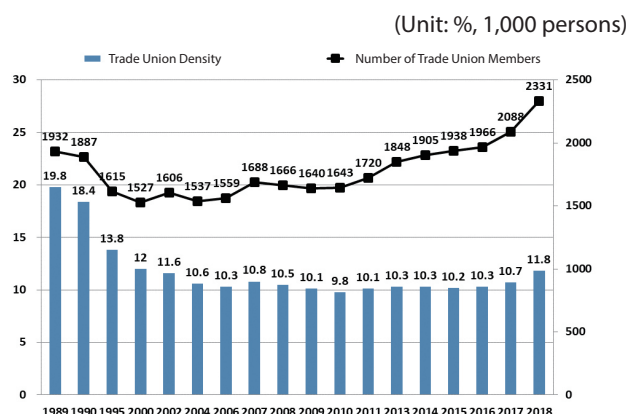
3. Current Situation of Trade Union Organization

There was considerable expansion in the organization of trade unions. According to the "Current Status of Korea's Trade Unions Organization" (2018) released by the MOEL in December 2019, the following characteristics can be observed.

First, as of the end of 2018, the number of union members was 2,331,000 persons which was a 243,000 increase from the previous year. Union density was recorded at 11.8%, which was a 1.1%p increase from the previous year (10.7%). This increase can be attributed to continuous strategic organizing projects of the Federation of Korean Trade Unions(FKTU) and the Korean Confederation of Trade Unions(KCTU) along with increased awareness for democracy and human rights in the aftermath of the candlelight demonstrations which led to guarantee of basic labor rights. Also in the process of converting non-regular workers to regular workers in the public sector, many of those that were subject to conversion joined trade unions which eventually led to increased membership.

Second, there is a constant disparity in trade union density between different scales of business establishments. The trade union density for businesses employing 300 or more full-time workers was 50.6%, while 10.8% for businesses employing 100-299 persons, 2.2% for busi-

Figure 2. Trends in Trade Union Density and the Number of Trade Union Members (1989-2018)



Source : *Status of Korea's Trade Union Organization in 2018* published by the Ministry of Employment and Labor (2019).

nesses employing 30-99 persons, and 0.1% for businesses employing less than 30 persons. Based on the number of union members, 87.5% of all members worked at business establishments with more than 300 employees.

Third, the number of trade unions decreased, while union membership increased at the supra-enterprise level. There are 5,868 trade unions which dropped by 371, a 5.9% decrease compared to 2017. Most dormant unions and instances where unions were dissolved due to mergers or shutdowns of business were excluded from statistics. By organization form of trade unions, union members of supra-enterprise trade unions and those organized across multiple companies, or on a region, industry, sector, occupation increased to 57.9% (1,349,000 persons) among all union members. Such organizational changes indicate the need for institutional support and the need for all members of labor and management to promote collective bargaining at the supra-enterprise level in Korea where enterprise-level bargaining has been dominant.

Fourth, looking at the organizational status of umbrella unions, the number of the Korean Confederation of Trade Unions (KCTU) union members was the highest with 968,000 members (41.5% of all members), followed by the Federation of Korean Trade Unions (FKTU) with 933,000

(40.0%). With the launch of the KCTU in 1995,²⁾ a system with multiple union confederations was established, the number of union members of the KCTU were outnumbered that of FKTU for the first time in 2019. Compared to the previous year, the number of the FKTU members grew by 61,000 while that of the KCTU members increased by 257,000. The latter seems to have increased significantly due to the membership increase of the Korean Government Employees' Union (KGEU) (approximately 90,000 members) which was granted an establishment accreditation in 2018. A prominent increase of numbers in new members has been seen in the public sector. Having become the 'largest trade union confederation' in the country, the KCTU is now faced with numerous challenges including fulfilling social responsibility and status of the labor movement camp, improving labor-government relations, dealing with competition in unionization and increased disputes over bargaining rights among multiple trade unions.

II. Assessment of 2019 Industrial Relations

1. Labor Reform—Balancing Pace and Direction

While the evaluation of the first year of the Moon Jae-in administration's labor reform was positive, there have been growing concern on policy retreat since the second year. Some argue that the impact from the revision of labor reform policies had a more negative impact on the labor market than expected, and due to the fact that the main actors of the reform were uncooperative, meant inevitable revisions in reform policies were made. Others mention that the government's ability to plan, manage, and communicate with policy target groups and main actors of the reform were inadequate, and its strategies and

2) In Korea, the era of a single labor union confederation ended effectively in 1990 with the establishment of the National Council of Trade Unions (NCTU).

execution capacity were limited.

The first assessment is an evaluation of Korea's industrial relations being overly dependent on the pace and direction of the government policy, which continued to be evident throughout 2019. Although the government is an actor in industrial relations, the rules and regulation setting initiated by labor and management made little progress in 2019 because of the demands and protests against the legislation and administration. With the prevalence of juridification of industrial relations, it is evident that industrial relations are becoming dependent on labor policy.

Second, the government's decision to "adjust the pace of implementation" of some reform policies—such as the minimum wage increase and the reduction of working hours—sparked backlash from labor circles. The pledge to raise the minimum wage to 10,000 won by 2020 has become difficult to achieve due to the controversy over the rate of increase along with the deterioration of employment indicators. As for the 52-hour cap, which was to have different enforcement dates according to company size, the government granted a grace period of 9 months for businesses employing 300 or more workers and 1 year for those employing 50~300 workers. Some are raising criticism that the government has in effect postponed the time for implementation.

Third, some issues surfaced because negative practices of the past were repeated in the process of pursuing policies, or due to the discrepancy between the expectations of the policy target group and the actual performance of policies from the establishment of precipitous policy goals. Examples of this would be the conversion of non-regular workers to regular status in the public sector and social dialogue. As for the ratification of the 'ILO's Fundamental Conventions, it appears that the government missed out on the right time to move forward while struggling between 'legislate first and ratify later' and 'ratify first and

legislate later'.

2. Evaluation by Issue

1) The Minimum Wage

The increase rate of the minimum wage was 16.4% in the first year of the Moon Jae-in government, but slowed to 10.9% in the following year, and slowed further to less than 3% (2.87%) in the third year. This was the third lowest rate of increase since the introduction of the minimum wage policy in 1988. Even though the 2018 minimum wage increase lowered the relative poverty rate³⁾ and improved the income quintile share ratio (S80/S20)⁴⁾ and inequality level estimated by the Gini coefficient (Sunwoong Hwang, 2019), the goal of achieving minimum wage of 10,000 won by 2020 seems impossible to achieve due to controversy over rate of increase in the minimum wage along with deterioration in employment indicators. The labor circle criticizes that in the current situation where the increase rate of minimum wage is lower than expected with the expansion in scope of wage, it would be difficult to see the impact of real increase in wages.

2) Conversion of Non-regular Workers to Regular Status in Public Sector

It was reported by the Ministry of Employment and Labor that, as of the end of June 2019, with the decision to convert non-regular workers into regular status in the public sector, 185,000 workers (90.1% of the total target) were subject to conversion, and among them a total of 157,000 non-regular workers (84.9% of the total target) were actually converted into regular employees. Although this change was regarded as progress in establishing employment principals for jobs that are permanent and continuous in nature and created 200,000 new jobs (Heung-jun Jung, 2019), it also raised challenges that need

3) Refers to the percentage of population living with less than 50-60% of the median disposable income

4) Calculated as the ratio of the total income received by the 20% of the population with the highest income to the 20% of the population with the lowest income

to be addressed. First, in many cases, the conversion to regular status was accomplished through subsidiaries. In public organizations, 41.0% of converted employees were employed through their subsidiaries, and not directly employed. Therefore, inherently having problems of independence, autonomy and sustainability of subsidiary management. Second, after conversion wage levels and systems differ by institution and by occupation. Even within the same occupation, different wage systems were applied which could possibly cause wage gaps between organizations. Third, the conversion of non-regular workers to regular status in the public sector played a weak role in changing the overall employment structure including the private sector. One of those limitations was failure to introduce a system of permitting non-regular employment only in exceptional cases.

3) Working Hours

The amendment of the Labor Standards Act in 2018 on one hand clarified the controversial term “one week” to “7 days including holidays” while reducing the number of special occupations (from 26 to 5) that are exempt from the working hour limit and expanding the application of statutory holidays to the private sector. From an institutional perspective, such changes are merely a rearrangement of the previously discussed problems (Keun-ju Kim, 2019). The fact that the statutory working hour is defined at 40 hours with a maximum of 52 hours a week has not changed. However companies which have previously neglected the principles of working hours, are being pressured to reorganize shifts, recruit personnel and change ways of working. For these reasons, the government decided to adopt a grace period. Although the lack of supplementary legislation related to flexible working hours was put forth as the reason, with the government announcing to plan to permit special extended working hours for all companies, criticism that these changes go against the trend of reducing working hours have been

raised by the labor circle.

4) Basic Labor Rights - Ratification of the ILO Fundamental Conventions

The Korean government failed to finalize the issue of ratification on the ILO Fundamental Conventions (‘Freedom of Association (No. 87, No. 98)’ and ‘Abolition of Forced Labor Convention (No 29, No. 105)’ in 2019, when the ILO celebrated its centenary. When the Economic, Social and Labor Council (ESLC) failed to reach an agreement, the government revised its “legislate first and ratify later” approach. In October, the government submitted to the National Assembly the ratification motion for the ILO standards along with revisions to labor-related laws that had been approved at a Cabinet meeting. The revised bills are summarized in <Table 1>.

The government's announcement has aroused criticism from labor circles that the revised bills included in the agreement prepared by members of public interests of the ESLC do not include provisions that guarantee the right to collectively bargain for dependent self-employed contractors and the institutional provisions to notify establishment of trade unions. Instead it is said that the bill includes provisions to ban workers from occupying workplaces and extending the validity period for collective bargaining which have no relation to ratifying the ILO conventions. Meanwhile business circles have opposed the revised bills saying that it will only aggravate difficulties for companies and only reinforce workers’ right to organize due to the exclusion of inserting provisions that permit alternative work during strikes and of eliminating provisions that penalize unfair labor practices.

5) Social Dialogue

Beginning in February 2019, the ESLC failed to make progress and was not able to hold a plenary meeting for several months due to three employee representatives protesting against an agreement regarding the expansion

Table 1. Summary of the Revised Bills

		Details
Trade Union and Labor Relations Adjustment Act	Unemployed, Dismissed workers	<ul style="list-style-type: none"> - Regardless of the type of organization, unemployed persons and dismissed workers can join trade unions. - Trade union activities of members who are unemployed persons or dismissed workers are allowed within a workplace to the extent that they do not obstruct the efficient business operation of employers
	Qualification of Officers	<ul style="list-style-type: none"> - Matters necessary for the qualification of trade union officers shall be determined by union laws - In enterprise unions, officers and delegates shall be elected only among union members actually working at the concerned enterprise
	Remuneration for Full-time Officers	<ul style="list-style-type: none"> - Delete the provision that bans remuneration for union officers, and the provision on penalizing trade unions that take labor dispute to request exceeding the maximum time-off limit - If provided by collective agreement or consented by employers, workers may engage exclusively in affairs of trade unions and receive wages from employers. In such cases, workers shall only conduct affairs prescribed by the Act or other laws such as bargaining within the maximum time-off limit - Newly add a provision to annul a collective agreement or consent of employers on exceeding the maximum time-off limit - The Time-Off System Deliberation Committee shall be established in the Economic, Social and Labor Council (ESLC)
	Simplification of Bargaining Channels	<ul style="list-style-type: none"> - In case of individual bargaining consented by an employer, they shall be required to bargain with all unions in good faith and sincerity and shall not discriminate. - Add applicable provisions on divided bargaining units - Add a provision stipulating that the State and local governments shall help parties in labor relations to choose and promote methods for bargaining (by enterprise, industry or region) of their own accord
	Occupying Workplace	<ul style="list-style-type: none"> - To harmonize the employer's right to maintain facilities and the union's right on labor disputes, workers shall be banned entirely/partially from occupying production/key facilities of workplaces
	Effective Term of Collective Agreement	<ul style="list-style-type: none"> - The effective term will be extended from the current two years to three years
Act on the Establishment and Operation, etc. of Public Officials' Trade Unions		<ul style="list-style-type: none"> - Matters necessary to qualify as trade union member for retired public officials shall be determined by union laws - Delete the provision that restricts union membership to officials of certain grade; allow firefighters to join unions
Act on the Establishment, Operation, etc. of Teachers' Unions		<ul style="list-style-type: none"> - Matters necessary to qualify as trade union member for retired teachers shall be determined by union laws - Allow college faculty members to establish or join a teachers' unions - Stipulate the procedures for forming a single window for collective bargaining

Source: Press releases by the Ministry of Employment and Labor (July 30, 2019).

of unit periods in the flexible working hour system. On July 26, the Council held a six-party meeting to discuss the restructuring of the organization, including personnel changes, and thus announced the launch of its second-term with new members. On October 11, a plenary meeting was held to pass a vote of the three bills from its committees by agenda including the agreement on improving the flexible working hour system, and to decide on the establishment of a new committee. Accordingly, “Resolving Polarization and Creating Employment Committee” and three committees by industry (public orga-

nization, health care, and bus and transport) were newly established.

The mutually beneficial regional job programs based on regional social dialogue are spreading from Gwangju to Miryang, Daegu, Gumi, and Hoengseong. In those cities, local governments, companies, and labor circles are working together to form governance and discuss matters related to production, jobs, and industrial relations. Attention is drawn to the outcome of such experiments to create “quality jobs” through social dialogue. In particular interest in Gunsan-type jobs are expected to increase

in the process of agreement on regional joint bargaining on contractor-subcontractor relationship, adoption of an advanced wage system, workers' participation in management.

6) Occupational Safety

After the death of Kim Yong-gyun, a subcontracted worker who was killed after getting stuck in a conveyor belt at the Taean Power Plant in December 2018, occupational safety became one of the key labor issues. Efforts were also made to ensure safety and health through the revision of the law. The revised Occupational Safety and Health Act was passed at the plenary session of the National Assembly and will be effective from 16 January 2020. The amended bill will expand application of the term "workers" covered by the protection of the Occupational Safety and Health Act to "general workers" to include dependent self-employed contractors and platform workers. On the other hand, the amended bill is based on expansion in the responsibility of primary contractors to undertake safety and health measures (multi-level subcontractors are also within the scope of responsibility for prime contractors), prohibition of work involving harmful or hazardous material from being contracted out and strengthen in punishment for business owners who violate safety and health regulations. However some have raised criticism that the revision in the scope of dangerous tasks banned from subcontracting are still narrow, and that the type of work approved for contracting out are limited. Meanwhile, the number of workers who died from industrial accidents in 2019 was 855, entering the 800 range for the first time since 1999 when statistics were first collected.

7) Collective Bargaining by Industry and Sector

In 2019, collective bargaining at industry level ended without large conflict in the financial and health industries, with the exception of the metal industry where two

strikes of trade unions took place. It is worth noting that media trade union signed the "2019 Industry-level Collective Agreement of Terrestrial Public Broadcasters" with three terrestrial TV stations (KBS, MBC, EBS). In this agreement, a special council for the establishment of a standard contract system to protect the rights of television writers who are known to suffer from long working hours and low wages was organized and will start operation in February 2020. It is also worth noting the collective bargaining situation of platform workers. So far examples of collective bargaining by platform workers was difficult to find except for the collective bargaining between management and workers in regional drivers, however with the rapid growth in the food delivery platform business, examples of group regulation in wages and labor conditions have been identified.

8) Social Solidarity Activities Led by Trade Unions

It is also worth evaluating the social solidarity activities led by trade unions that continue to expand in 2019, as in 2018. For example, using the incentives from the performance-based pay system implemented under Park Geun-hye's administration that had been voluntarily returned by employees, the five unions in the public sector (Korean Financial Industry Union of FKTU, Federation of Korean Public Industry Trade Unions, Federation of Korean Public Trade Unions, The Korean Public Service and Transport Workers' Union of KCTU, Korean Health and Medical Workers' Union) established the 'Public Workers Solidarity Foundation'. Also, the Korean Financial Industry Union of FKTU and the Korean Finance & Service Workers' Union of KCTU launched the 'Financial Industry Public Interest Foundation' based on the industry-level agreement. Furthermore, 'Financial Industry Public Interest Foundation', and 'Finance & Service UBUNTU Fund' are engaged in projects to support youth, non-regular workers, vulnerable groups, and job creation. Also worth noting the agreement between Busan Metro's labor

and management in July 2019. Following the Supreme Court's ruling of expanding the scope of ordinary wages, with the annual fund of 30 billion won, the trade union suggested recruitment of new employees instead of distributing it its union members. As a result, an agreement was formed to employ 540 new staff. This agreement is significant in that, it increased social awareness for the need to employ an adequate number of staff for the improvement of safety issues and labor conditions, in addition to proving the social value of trade unions.

III. Industrial Relations in 2020—Outlook and Challenges

1. Overall Outlook

The year 2020 is when the Moon Jae-in administration enters the second half of its term. The government's main goal is to produce 'outcome' that people can actually feel the changes resulting from the reform efforts that have been pursued. With President Moon also appointing the Democratic Party leader Chung Se-kyun as the new prime minister, he emphasized integration and harmony, as well as progress in reform policies. In order to achieve progress in government policies, central areas of concern are related to the economy and livelihood of the public such as employment and stabilizing housing prices.

Economic growth in 2020 is expected to be relatively higher than in 2019. Both the Bank of Korea and KDI have forecasted the economic growth rate of 2.3%, with similar projections from the OECD (2.3%) and the IMF (2.2%). Labor market conditions are expected to relatively improve compared to the previous year due to a slight business upturns. According to the Center for Labor Trends Analysis (2019) at Korea Labor Institute, the number of employed persons in 2020 is expected to rise by 207,000 compared to the previous year, while the employ-

ment rate will increase by 0.1%p annually and the unemployment rate will drop by 0.1%p. However, employment increase is expected to slow down by service sector in manufacturing and construction, and by gender and age men in their 30s and 50s.

Examining employment indicators is essential for projecting future industrial relations because they enable the assessment in direction and speed of the government's labor policy for the second half of the current government. After receiving criticism and as "employment disaster" and "employment shock" in mid-2018 during the second year of the government administration, the Moon-Jae-in government's major labor policies have been revised. It remains to be seen how the employment situation in Korea will develop in 2020. The political schedules of the general election (April 2020) and the presidential election (March 2022) should also be taken into consideration. The period between the end of the general election to the start of preparing for the presidential election- the second half of 2020 and the first half of 2021- is expected to be the final timing for the current government, and attention will be drawn to whether political transition will take place. On one hand, even if the ruling party wins in the April general elections, with still two years left before the presidential election, the government is likely to focus more on 'managing' existing policies with still two years left before the presidential election. In such case, the government would inevitably face conflicts with the labor faction demanding implementation of the pledged labor policies and labor policies in the national agenda to resolve problems that have arisen in the policy implementation process.

Labor-government conflicts are mainly expected to occur mainly in the public sector, where the conversion of non-regular workers to regular employees and reformation of the wage system is being undertaken. It is expected that in the private sector, there will be industrial relation conflicts on employment and wages from the restructuring of companies, especially in the manufacturing indus-

try. In this process, labor issues are likely to be demanded to the government.

In addition to the direction and speed of government policies, it is also worth noting what HR strategies companies will actually implement. According to the “2020 Business Management Outlook Survey” released by the Korea Enterprises Federation on December 9th, companies responded that they are likely to seek either ‘tight management’ (47.4%) or ‘maintaining status quo’ (34.1%). Firms that responded that they would pursue ‘tight management’ are considering ‘company-wide cost reduction’ (29.0%), ‘streamlining of HR management’ (25.0%), ‘reduction of new investment’ (15.3%), an ‘restructuring of business divisions’ (13.7%) rather than activities that reduce corporate activities, e.g. by ‘reducing production scale’ (3.2%), or ‘selling assets’ (3.2%). Since such responses indicate that companies are likely put more emphasis on increasing flexibility, reducing labor costs, and enhancing productivity, it can be expected that industrial relations issues surrounding these topics will become more prominent.

The fact that the KCTU has secured the status of “the largest trade union in the country” should also be a major consideration when projecting industrial relations in 2020. This means that the KCTU's voice in the process of government policy formulation and enforcement will increasingly be represented. Some suggest that the number of labor representatives in various government committees, such as the Minimum Wage Commission, be reassigned. Such changes are likely to affect the process of reaching social consensus through ESLC. There seems to be no strong incentive for the KCTU to participate in the ESLC due to the fact that they communicate through other economic entities through dialogue regimes other than the ESLC. In actuality, the Korean Health and Medical Workers’ Union is negotiating with the President Committee on

Jobs; the Korean Metal Workers’ Union with the Ministry of Commerce Industry and Energy; and the construction, cargo transport and taxi unions with the Ministry of Land, Infrastructure and Transport. Kim Myeong-hwan, chairman of the KCTU, said at a press conference at the end of 2019, “The government should not insist only on the ESLC as a window for social dialogue. (...) Even if it's not through the ESLC, we will negotiate and communicate with the government in various aspects to come up with alternatives in important reform agendas.”⁵⁾ At the same time, the KCTU is emphasizing the government's solution to current issues—going beyond superficial measures for the work hour reduction policy, ratifying the ILO Fundamental Conventions, direct hiring of toll booth workers of the Korea Expressway Corporation, restoring legal status to the currently outlawed Korean Teachers and Education Workers Union, etc.—will be key to determining future relations between labor and government, it is likely that how the government builds a relationship with the so-called “No. 1 trade union” will serve as a key variable in industrial relations in 2020. The FKTU will hold the 27th chairman-secretary general election on January 21, 2020. As candidates, Kim Man-jae-Huh Gwon from the Federation of Korean Metalworkers’ Trade Unions and the Korean Financial Industry Union, and Kim Dong-myung-Lee Dong-ho from the Federation of Korean Chemical Workers’ Union and the Korean Postal Workers’ Union ran the election as chairman-secretary general. How the elections will turn out will be likely to attract much attention. Competition between FKTU and KCTU to strengthen organization is likely to intensify. Both unions are redoubling their efforts to raise union density with the goal of entering “an era of 2 million members” and at the corporate level, labor-labor conflicts over the right to bargain with multiple unions are expected to increase.

Guaranteeing basic labor rights of platform workers is

5) Quoted from Kim Myeong-hwan, chairman of the KCTU, “Government should not insist only on the ESLC as a window for social dialogue,” The Hankyoreh, December 30, 2019.

also expected to be one of the major issues in industrial relations in 2020. Drivers for hire, express delivery motorcycle riders and food delivery workers(riders) have already established trade unions, engaging in collective bargaining and signing collective agreements with local employers' associations or individual companies. However, the legal status of these unions has mostly been secured through local governments, and the central government is relatively passive. The revised labor union law submitted to the National Assembly does not grant dependent self-employed contractors the right to establish unions. The number of platform workers are increasing while issues surrounding wages (commission fees), working conditions and labor safety are becoming social issues. At the very least, it is necessary to actively promote measures that give them the right to voice their opinions on wages and working conditions through labor unions.

2. Industrial Relations in 2020—Outlook and Challenges by Issue

The first issue is related to the rate of increase in minimum wage and improvement method of institutions. Since the minimum wage is still a main policy tool for increasing wage levels of low-wage workers, the amount of increase in the minimum wage to be applied in 2021 is of particular interest. Increased attention is expected on the discussion to reform the minimum wage determination system. Currently the related bill is pending at the National Assembly, which calls for two-tier decision-making process. However, some suggest that rather than dividing the Minimum Wage Commission into two committees, it would be desirable to retain the existing structure and contrive a standard indicator for minimum wage discussions.

The second issue is related to the conversion of non-regular workers to regular status in the public sector. Although the government successfully converted most

of the target total to regular status of in Phases 1 (central government agencies and public institutions) and Phase 2 (local government-contributed or invested institutions and subsidiaries of public institutions), issues such as employment through subsidiaries or limited improvement in the working conditions and treatment for converted workers are being continuously raised. There is also controversy over those subject to conversion and methods for Phase 3 (private agencies entrusted with public service obligations) which started since February 2019. Such controversy and conflict are likely to continue in 2020.

Third, basic labor rights issues including the ratification of the ILO Fundamental Conventions need to be examined. As the amendments to the related laws are still pending at the National Assembly, the deliberation of the bill is unlikely to take place until April at the general elections. Meanwhile, the survey results and follow-up measures regarding the paid time-off system will also draw attention.

The fourth issue is related to the role and function of the ESLC. Although the ESLC announced the launch of its second term, its driving force appears to be relatively weak without the participation of the KCTU and due to replacement including the resignation and dismissal of three labor representatives. The remaining challenge is to see what changes will be implemented by the second ESLC when President Moon enters the second half of his presidency.

The fifth issue is reforming the wage system in the public sector. The government plans to reform the wage system of public organizations to reflect the value of jobs while shifting away from seniority-based pay. It will reflect the individual characteristics of each public institution and introduce the new system step-by-step based on labor-management agreement and autonomy. The related discussions will be led by the Committee on Public Institutions under the ESLC, which was launched in November 2019. The labor circle has viewed the government's announcement of the wage system reform as an attempt

to introduce a job-based wage system on the basis of evaluation and performance differentials and have opposed these reforms. However, attention is drawn to how future discussions on providing sustainable public organization wage systems (wage system reform, improving the peak wage system) will progress.

The sixth issue is on establishing industrial relations at a supra-enterprise level. The promotion of supra-enterprise level collective bargaining, such as industry-level bargaining, and expansion in the scope of collective agreements, which were specified in the current government's campaign pledges, still remain unfulfilled. Since it has been confirmed that the expansion of the basic labor rights and the establishment of a collective bargaining system that is centralized with a coordination mechanism has positive effects on narrowing existing gaps in the labor market, it is necessary for the government to put forth efforts to materialize those pledges. It is also important for all stake-

holders of labor and management to materialize efforts to develop industrial relations. Assuming compliance with basic labor laws, employers should go beyond the workplace level and take the lead in shaping and developing industrial relations with supra-enterprise level unions, ready to discuss policies and agenda for reducing inequality in industrial, employment policies and the labor market. The trade union circle will have to analyze why the industry-level collective bargaining experiments have failed over the last two decades and come up with measures to resolve inertia. To this end, it may be necessary to reconsider existing structures of annual negotiations, the two- and three-tier bargaining structure, as well as strike tactics. Furthermore, the focus of struggles should shift away from distribution of wages to addressing the problem of time poor, the right to work safely, the expansion of social wages and expansion of social safety nets in order to actively consider the expanding role of trade unions.

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