

Introduction

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It is common knowledge that every country's system of employment-industrial relations is in certain ways unique because it is shaped by a distinctive national history, culture, economy, and set of political-social institutions (Kerr et al., 1960; Kaufman, 2004; Bamber et al., 2015). Nonetheless, partly because no person can fully learn and comprehend all these distinctive features, and also because Western/Northern Hemisphere countries have played such a dominant role in economic and knowledge development over the last two centuries, the historical experience and contributions to employment-industrial relations (EIR) knowledge and practice of many of the world's 200-plus nations, particularly smaller and/or non-Western countries, tend to get overlooked or telescoped into a Western and often Anglo-American/European frame of reference. This incomplete and ethnocentric way of understanding EIR applies with particular force to the Republic of Korea, also known as South Korea or simply Korea.

Korea is a small but highly populated country occupying the southern half of the Korean Peninsula. For perspective's sake, Korea is only 20 per cent as large as the US state of California and one-third as large as Germany, yet has over 50 million people. Korea is also poor in natural resources and in the early 1950s most of its industry and infrastructure were destroyed in the Korean Civil War (aka Korean War). Yet, in roughly six decades, Korea transformed itself from an impoverished Third World nation with a GDP per capita of only \$300,¹ or 9 per cent of the US level, to an affluent advanced nation with GDP per capita of \$30 000 – 50 per cent of the US level and nearly equal to Italy and above Spain (Schneidewind, 2016; Betts, Giri and Verma, 2017; Stubbs, 2017). Korea is now home to some of the world's most famous and technologically advanced multinational corporations and is one of only eight nations in the world that has few natural resources yet is a major exporter of goods and services to the rest of the world. Justifiably, the Korean transformation has been called the 'Miracle on the Han' (River).

Many people inside and outside Korea credit the nation's economic

renaissance to the leadership of military strongman President Chung-hee Park. Park came to power in a military coup in 1961, governed for several years as a dictator, and then won successive elections as president until 1979. Park remains a controversial figure in Korea, particularly for human rights abuses and tight restrictions on civil liberties, but is widely credited as the architect of Korea's launch phase of export-led economic transformation. The subsequent dictatorship of President Doohwan Chun (1980–88) increased political repression but continued the nation's export drive, led by family-run industrial giants called *chaebol*. Seven other presidents have followed President Chun, including current President Jae-in Moon, and the country has continued its upward climb to the ranks of the world's affluent and industrially advanced nations, while at the same time preserving and strengthening democratic governance institutions and civilian leadership, restoring and maintaining an independent labor movement, and making progress on legal protection of core labor rights.

Yet challenges persist. While an aging population and gradually increasing participation rate of women may be common to other emerging economies, Korea's labor market is incredibly static: older workers prefer to retire after working for a single employer; seniority pay and promotion systems still dominate in a majority of firms; and work systems follow cultural practices that make them highly inefficient. For the first time in Korean history, a mandatory retirement age of 60 was introduced in 2016. College graduates are now experiencing long terms of unemployment, while vocationally trained high school graduates find jobs easily. The Confucian paradigms have been upended.

It is against this backdrop of unique historical events and experiences, interplay of traditional Confucian cultural values and modern globalized consumer society, and economic transformation from poor to affluent country that the story of Korea's parallel transformation in employment and industrial relations is set. The objective of this commemorative volume is to give everyone, both inside and outside Korea, the most up-to-date and inclusive portrait of Korea's EIR system, practices, outcomes, and contributions and accomplishments. While unique Korean features are highlighted, the chapter authors – representing Korean authors as well as global co-authors and reviewers – have incorporated a wide breadth of research and experience from other nations to give a truly integrative picture.

The subject of this volume – the historical development, current situation, and noteworthy features and accomplishments of Korean employment and industrial relations (KEIR) – can be interpreted and told in different ways. As editors of the volume, we have given the authors of

individual chapters and overviews considerable freedom to present their stories of employment and industrial relations, and KEIR in particular, as they think best. The questions we pose in this book look at the historical precedents of KEIR to ascertain its future. Thus, the last part of this book contains chapters relating to major future considerations.

To prepare ourselves to speculate about the future directions of KEIR, we must start from the beginning. Part I begins with an examination of the development of modern employment and industrial relations from a global perspective as it applies to Korea (Chapter 1). We then examine the history of Korea and its industrial and employment relations (Chapter 2), highlighting key events and actors that have shaped the reality today.

In Part II we begin an examination of that reality from the perspective of management (Chapter 3) and labor institutions (Chapter 4). We also examine key questions for Korean human resource practice (Chapter 5) such as: What has happened to the seniority-based wage system and promise of lifetime employment imported from Japan? Has the recognizably US administrative style that took over during the post-war period remained? Which style of HRM has proven more effective, or has Korea adapted its own style? We further examine employment relations practice in the public sector (Chapter 6). Public officials in Korea were allowed to organize trade unions as of 2006, and as of 2017 two-thirds of public employees are union members. Compared with shrinking union density in the private sector, public sector unions are expected to play a greater role in the labor movement in Korea. In the final chapter of Part II we look at new and evolving forms of labor representation (Chapter 7).

Part III considers the challenges facing Korea and the new voices emerging in society and the workforce. We examine the Korean labor market in some detail (Chapter 8), before examining the widespread use of contingent workers (Chapter 9), a phenomenon that has quickly overtaken Korea's labor market. Especially in Korea where at-will employment is non-existent, non-standard workers are perceived negatively and suffer from low wages, job insecurity, and discrimination. Issues of human resource development in Korea (Chapter 10) are next examined, followed by the closely related subject of the growing proportion of Korean women who are working in the labor market and problems of disparate treatment and gender inequality (Chapter 11). Women in Korea are more educated but hold fewer job positions in higher-level management, professional, and scientific occupations compared to other industrialized countries.

Part IV of the volume examines key changes occurring in Korean employment and industrial relations across multiple dimensions. A

thorough review of Korea's legal system and laws governing employees comes first (Chapter 12). The legal network protecting employees and their collective rights has grown, but it remains the case that labor leaders are still sometimes arrested for questionable or specious violations of labor laws while unfair and illegal labor practices go unpunished. Next, we look behind the stereotype and examine current statistics on strike activity in the country (Chapter 13). Despite a persistent reputation for having difficult industrial relations, the current average number of strikes in Korea is relatively low (around 100 per year), although their duration is relatively long. Next, we look into a particularly widespread alternative form of representation, the Korean works council (Chapter 14). Unlike many other countries, works councils have a long legislated history in Korea, and are mandated at workplaces with 30 or more regular workers. Although work councils have been viewed negatively by trade unions for many decades, they are assumed to have the role of representing workers' collective interests, especially at workplaces without unions.

Finally, Chapter 15 summarizes the history of social dialogue in Korea and presents future directions for representation. Social dialogue in Korea dates back to 1996 when then President Young-sam Kim established the Presidential Commission on Industrial Relations Reform (PCIRR). However, despite being in operation for over 20 years, the Commission has been abandoned by one major national union and ignored by the National Assembly and government, and has yet to achieve any meaningful breakthroughs.

Our intent in this volume is to present a full and in-depth portrait of both the historical development and current status of Korean employment and industrial relations in order to make this fascinating subject more widely available to the global community, progress beyond certain limiting or stereotyped perceptions and understandings, and identify an agenda of actions and reforms in employment relations for the Korean people and government to more deeply consider. Open dialogue among the stakeholders in employment-industrial relations about shared and conflicting interests, institutional strengths and weaknesses, and implementing mutual-gain practices and policies for growth and development is a hallmark principle of this field of study and practice. This volume is presented to the Korean nation and international community of researchers, policy-makers, business people and institutional representatives in this spirit and hope for positive impact.

NOTE

1. All \$ amounts represent US dollars unless otherwise noted.

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