

Empowering 'the bottom' of supply chains to establish corporate responsibility

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1. Introduction

In recent decades, the growing global value chains (GVCs) which account for 80 per cent of global trade, have profoundly changed the lay of the land around labor movement. While trade unions in developed countries have suffered from restructuring and relocation of industry, workers in developing countries have been pushed to a 'race to the bottom'. Faced the increasing power of lead corporations that exert a high level of control over workers in GVCs across borders, transnational labor movement was again requested.

As an example, Corporate Social Responsibility programs and more recently International Framework Agreements led by Global Union Federations have got a lot of attention. Nevertheless, these attempts often reach the limits of the top-down approach. Although lead corporations agreed with the respect for workers' rights at the international level, it was frequent cases that the agreement was not carried out at locals.

In addition, workers in developing countries as well as those in developed countries are vulnerable to the threat of relocation. Since 1980s in Asian countries, particularly, the debt crisis and subsequent introduction of structural adjustment policies drove countries into competition for GVCs. Many governments in Asian countries instituted incentives to be parts of GVCs, and policies for labor flexibility and restraint on labor rights became the essential measures. The threat that "capital can moves anytime" forced workers to endure poor working conditions and disregard for labor rights.

This paper explores two questions which were not fully addressed so far: Firstly, how movement from the bottom or at locals can be organized to secure labor rights along with the abovementioned top-down approach; and secondly, how movement can challenge state's policies and ideologies that institutionalize the avoidance of corporate responsibility and unbalanced power distribution between capital, labor and society.

By reviewing Korean workers' fights against Samsung Electronics, this paper attempts to answer those questions. Samsung Electronics is a key player in global electronics industry which well represents the distinct features of GVCs. Also, it has the overwhelming significance in Korea's

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economy and society, as Samsung Electronics' revenue alone equals roughly 20 per cent of the value of Korea's GDP.

While labor movement in Korea was referred to as 'social movement unionism' in late 1980s and early 1990s, unions have faced various challenges after the economic crisis of 1997. This paper illustrates how Korean labor movement responded to those challenges in the following chapters.

2. Korea's Labor Movement and Asian Transnational Corporations

2.1. Eruption of 'social movement unionism' and crisis

In the wake of the massive labor protests of 1987 (Koo 2000), a new independent and democratic trade union movement, one with very high levels of rank-and-file militancy, emerged in Korea to challenge the government-controlled industrial relations system and traditional company unionism that had dominated the country since the Korean War in 1950.

The eruption of labor movement in South Korea as well as South Africa and Brazil was characterized as 'social movement unionism' by which Waterman and Webster conceptualized the features of unionism in the Third World (Waterman 1988; Webster 1988). Scholars noticed that these labor unions embraced the high level of rank-and-file mobilization, the involvement in broader issues beyond workplace and a deep coalition with social movement groups (Scipes 1992; Seidman 1994; Moody 1999).

In response to the independent union movement's advent, Korean capital began to adopt a 'new management strategy' in the early 1990s. While employers agreed on a pay raise for regular employees, large corporations took a lead in the reform of wage system to increase competition between workers. In many large corporations and public undertakings pay systems based on service year were rapidly changed into performance-based pay system. At the same time, firms increased the level of automation and precarious employment to replace regular employees. In the early 1990s, precarious employment has spread to jobs which regular employees disliked or regarded as peripheral. As the new hiring of personnel decreased and the intensity of work increased, regular workers did not oppose the use of precarious employment at that time. (Yun, 2007)

On the other hand, large conglomerates (*'Chaebol'*) have reorganized production networks at home and abroad. Chaebols formed vertically integrated production networks with multi-tiered subcontracting in Korea. Conglomerates such as Samsung Electronics and Hyundai Motors moved abroad aggressively and integrated developing countries into their global production networks in the first half of 1990s.

Many domestic small and medium-sized enterprises (SMEs) were left behind this trend or became subcontractors of GVCs, and this resulted in a decrease of union presence in SMEs. Unions formed in large corporations also lost their power, in particular, in newly built establishments of Chaebol, although they maintained somehow union membership at core.

The economic crisis of 1997 became a turning point where capital regained the overwhelming power to control over labor. Regular employees have been rapidly replaced by precarious workers through redundancy, restructuring, outsourcing and so on. For example, triangular employment relationships have spread across all industries, which is often referred to "in-house subcontracting". In this arrangement, a worker enters an employment contract with a contractor ('subcontractor'), but works for a principal company ('subcontracting company') in a workplace of the principal company. As such, new jobs have been created mostly only in precarious employment and precarious workers have become the core workforce.

To implement restructuring programs of the IMF and to save large corporations, Korean Government pushed ahead with neo-liberal policies and repression of labor rights. Government policy and regulations for facilitating greater labor flexibility have helped foster a significant increase in labor flexibility. The revised Labor Standards Act (1997) reintroduced 'flexible working time' which had been abolished after the Great Labor Protests of 1987. Government legalized redundancy and temporary agency work in 1998, which had been restricted under labor laws until then, and kept being suspended by the power of organized labor.

Moreover, state adhered to repression of workers' collective rights with a few exceptional liberalization of trade union monopoly. For example, strikes against redundancy, restructuring or Government's policy are banned. Workers joining 'illegal' collective actions are penalized under the criminal laws, and are claimed enormous amount of damages for a reason of 'obstruction of business'. Collective actions against user-enterprises or lead corporations are

effectively restricted.

As a result, capacity of labor movement has decreased quantitatively as well as qualitatively. Union membership has declined since 1989 when it reached a peak of 19.8 per cent, to the point where it fell to 11.1 per cent in 1997. So far, it remains stagnant around 12 per cent (Kim 2015). Moreover, a gap of union presence is huge, depending on the firm's size and employment types. While union membership at firms with 300 or more employees is 47.7 per cent, that of firms with 100 or less employees which hire 79 per cent of total workforce, is merely 1.2 per cent in 2013 (Park et al. 2014). Similarly, union membership among precarious workers who account for 45 per cent of total workforce, is 2.1 per cent, whereas that of regular employees is 20.9 per cent in 2015 (Kim 2015).

2.2. Samsung and global value chains in Asia

With the increasing cost of labor and competition in global market, Korean Chaebol increased foreign direct investment mainly towards developing countries in Asia in the mid-1990s. For example, Samsung Electronics moved aggressively into Asia's developing countries including Indonesia, Malaysia, Singapore, China, Vietnam, and India, in the first half of the 1990s. Samsung Electronics' domestic and overseas subsidiaries together employed some 319,000 workers at the end of 2014, with roughly 99,000 workers employed in South Korea and 169,000 employed in other Asian countries (Samsung Electronics Sustainability Report 2015). Samsung Electronics has moved its low value added products such as white goods to production lines in Southeast Asia and China, while high value added products and core technology are kept in Korea (Chang 2006). The vast majority of products produced in Korea are semiconductors, LCD panels and other central electronic components. Among others, semiconductors became the first major export product for Korea by 1992, and the amount of export product by Samsung Electronics accounted for 19.1 per cent of total export from Korea in 2012 (The Bank of Korea).

The domestic production and supply for Samsung Electronics is made up of five layers. The first layer is composed of Samsung Group's subsidiaries, and the second layer is made up of transnational electronics component suppliers such as Qualcomm. The third and fourth layer comprises suppliers to which Samsung Electronics outsources parts production for cost

or production capacity reasons. The final layer in the supply chain is composed of small and medium-sized suppliers located in industrial complex. As these companies supply low-cost parts, Samsung Electronics frequently switches among them, exacerbating price competition (Han et al. 2013).

Although the top end of GVCs of Samsung Electronics has been produced in Korea, this does not mean that working conditions of Korean workers are better off. The important basis of Samsung's management is a risks-and-cost transfer towards the bottom of GVCs and workers as well as its brutal and systematic 'No Union' policy.

The effectiveness of Samsung Electronics' no union policy is evident in the fact that union membership in electronics industry is only 3.5 per cent. Excluding a union of the LG Electronics which is another Korean based TNC, less than one percent of all workers in the electronics industry are union members (Han et al., 2013); there were around 350 union members in Samsung Electronics' domestic supply chain until the unionization at Samsung Electronics Service in July 2013 (Cho 2014).

3. Organizing and fights of workers in the 'Samsung Republic'

3.1. Workers suffering from occupational disease at Samsung Electronics

3.1.1. Employment and working conditions

Samsung Electronics have its own production lines of semiconductor in Korea, whereas American based TNCs such as Apple do not. As many researches about electronic industry showed, Samsung also prefers female and vulnerable workers who are easily controlled and replaced by others (Hossfeld 1994; Ferus-Comelo 2006). Samsung has done most of its recruiting for new employees through girls' high schools in the provinces. Around 90 per cent of production workers at Samsung Electronics factories, some 21,000 workers, were female in 2011 (Kim 2014).

In addition, Samsung Electronics uses a large number of in-house subcontracted workers within its own factories in order to maintain labor flexibility. According to a survey by the

Ministry of Employment and Labor conducted in 2010, roughly 12 percent of the workers at Samsung Electronics factories, some 8,000 workers, were employed through in-house subcontractors (Ministry of Employment and Labor 2010).

Base pay of production lines at Samsung is very low, around legal minimum wages, even for directly employed workers, but various bonuses and benefits based on performance and productivity are provided for employees. This merit-based pay system encourages competition between workers, teams and divisions. Fierce competition and subsequent long working hours and a panoptical surveillance system pressure female workers to quit as they are older. The average service years of female employees were 8.2 years in 2015 (Samsung Electronics Business Report 2015).

To make matters worse, production workers are prone to the chemical hazards. Thousands of chemicals for manufacturing chips have been used, but the names of the chemicals were not disclosed. The Government has sided with Samsung management by saying that the information about the toxic chemicals is a 'trade secret' of the company. It is only recently that protective devices have been installed, but workers are often forced to turn them off in order to keep up with the production rate (Kong 2013). Due to 'No Union' policy, dangerous working conditions have been concealed, and victims of occupational diseases were invisible.

3.1.2. Organizing workers

In March 2007, Yu-mi Hwang who had worked at Giheung Factory of Samsung Electronics for less than two year and died from blood cancer in her 22 years old, was reported by a progressive media. The family claimed the Workers' Compensation to the Government in June 2007, asserting that her illness was caused by dangerous working environments at Samsung, which were scarcely publicized until then. After her father had strived to uncover the truth of her illness, a coalition called 'Support for Health and Rights of People in Semiconductor Industry' (SHARPs) was formed to advocate on behalf of victims of occupational disease at Samsung Electronics in November 2007. The SHARPs was composed of labor unions, human right groups, occupational safety and health (OSH) groups, progressive political parties, and workers' organizations against Samsung's repression of labor.

The SHARPs demanded the recognition of Yumi's case as the occupational disease and the thorough investigation to the Government, and attempted to attract reports from other victims. In 2008, five more cases were reported, and the SHARPs supported the lawsuit of the six victims against the Government which refused the workers' claim based on the result of the study and investigation which was in favor of Samsung's assertion that those illnesses had not result from working environments at its factories.

The SHARPs diversified the struggle into the sit-in protest, petition, victims' story-telling and international solidarity, and extended the agenda to labor rights in the electronic industry for several years. Since the SHARPs launched the labor rights campaign, more stories and struggle of victims and their families gathered, and one of them was Joo-hyun Kim who committed suicide after suffering from overwork and subsequent occupational illness at Samsung LCD plant in 2011. The bereaved family and the SHARPs struggled for 97 days, demanding Samsung's responsibility on the "suicide from overwork". The SHARPs also organized more than 1,000 citizens for the civil society's funeral of Yoon-jeong Lee, the brain cancer victim of Samsung semiconductor in 2012.

In June 2011, the leukemia of two former Samsung's employees was recognized as occupational diseases by the Seoul Administrative Court, and these are first cases where victims won. Even though the Government appealed to the High Court against the Administrative Court's decision, with violent suppression of the victims' sit-in protest, it could not any more side with Samsung management blindly. In 2012, lawmakers of the opposing parties attempted to make a special subcommittee on Samsung issues in the National Assembly, and the Government announced the result of its study on the working environment of semiconductor manufacturing plants, which showed that the carcinogens could be produced as by-products even in the normal process of work.

In 2012, for the first time, the Government recognized two cases of the workers' compensation, one of that was aplastic anemia and the other was breast cancer from Samsung semiconductor. In January 2013, Samsung Electronics notified the SHARPs of its "intention to meet the leukemia victims and bereaved families and find a solution to the problem through dialogue." For the first time in five years, negotiation between Samsung Electronics and victims, the bereaved and the SHARPs began in March 2013. The SHARPs demanded that Samsung apologize to victims, compensate them and have publicly verifiable

prophylactic measures in place. While the vice-president of Samsung Electronics Co. Ltd. has finally made a public apology to the victims of a leukemia cluster at its chip plants and promised compensation for them in May 2014, Samsung refused independently confirmed preventive measures.

In July 2015, the Mediation Committee, which was formed upon an agreement between Samsung, the bereaved and the SHARPs in December 2014, announced a set of recommendations. The highlights included:

- Samsung should donate KRW 100 billion (US\$85.8 million) to forming an independent entity to compensate the victims and to work as an “ombudsman” for Samsung’s workplace safety practices;
- The entity should categorize 12 occupational diseases into three types to compensate the victims depending on the level of causality between the victim’s working conditions and contraction of the disease.

Showing its dissatisfaction with these recommendations, Samsung abruptly said it would launch the KRW 100 billion fund and reject the recommendation for an ombudsman in August 2015. In September 2015, Samsung unilaterally launched a ‘Compensation Committee’, and the bereaved and the SHARPs began again their protests.

The SHARPs has been active for advocating victims and the bereaved and demanded that Samsung take responsibility for occupational safety and health and stop its labor repression policies. Up to September 2015, 293 cases of serious occupational disease at Samsung Electronics and its subsidiaries have been reported to the SHARPs. In 106 cases, the victims (mostly young workers in their twenties and thirties) died. The work of the SHARPs has made the labor and health rights of Samsung Electronics workers a national issue. It has succeeded in bringing the issues into the public arena, and opened a fissure in Samsung’s long-standing repression of workers’ rights.

3.2. Subcontracted workers at Samsung Electronics Service

3.2.1. Employment and working conditions

Samsung Electronics Service is a subsidiary of Samsung Electronics, and its main business

is providing repairing service for consumers of Samsung Electronics. Samsung Electronics Service employ two types of service engineers: 270 regularly employed engineers and 8,406 subcontracted engineers.

Subcontracted engineers enter into an employment contract with a “Great Partnership Agency”(GPA) of Samsung Electronics Service. While the GPAs formally make an exclusive “service contract” with Samsung Electronics Service, the former are in practice subordinate to the latter. For instance, Samsung Electronics Service offers offices, equipments, parts of electronics and uniforms to GPAs for free. Samsung Electronics Service makes an inspection of business of GPAs every year, and allocates “service area” to GPAs.

Samsung Electronics Service, establishing a consortium with GPAs, recruits service engineers and executes job training for new recruits for three months. Only those who finish this job training can enter into an employment contract with a GPA, and only those who pass the regular exam of Samsung Electronics Service keep working.

GPAs input data regarding personal information, service records and skill level of workers into the “Integrated Computer System” of Samsung Electronics Service. When a customer rings the Samsung Electronics Service Call Centre, the Computer System finds available service engineer. The engineer visits home of the customer to repair electronics, and input details into the Computer System when he completes service. Samsung Electronics Service provides the GPAs with a contract price, which is composed mainly of remunerations of service engineers² and managers of a GPA.

In addition, it is Samsung Electronics Service that sets up the detailed standards of valuation and offers service engineers an incentive or imposes a penalty. For example, service engineers should act on manuals which give instructions on from how to provide service for customers to personal appearance of the worker. Also, Samsung Electronics Service imposes a penalty on service engineers and orders them to submit an improvement plan, when he was not awarded a perfect score by a customer or a “mystery shopper”³. If a service engineer

² If a service engineer visits customer's home and repairs a TV set, for example, his remuneration is calculated by multiplying the working minutes (30 minutes) by rates per minute (225 Korean Won). Here, the working minutes and rates per minute are in advance standardized by Samsung Electronics Service, and thus the real working time including time for driving to customer's home and time for responding to customers' inquiry is not paid.

³ A 'mystery shopper' is a tool used externally by market research companies, or internally by companies themselves to measure quality of service, or compliance with regulation, or to gather specific information about products and services. Mystery shoppers perform specific tasks such as purchasing a product, asking questions, registering complaints or behaving in a certain way, and then provide detailed reports or feedback about their experiences.

takes a certain amount of penalties, he has his pay curtailed, and the GPA of the engineer would have its service contract terminated by Samsung Electronics Service.

3.2.2. Organizing workers

As discontent over working conditions among service engineers increased, a few workers' members of the Labor-Management Council demanded a lunch break, an 8-hour workday and overtime pay in 2012.⁴ Samsung Electronics Service terminated a service contract with the GPAs where workers' members demanded the improvement of working conditions, and those GPAs closed down their business soon afterwards. Samsung Electronics Service let other GPAs re-hire service engineers except those workers' members.

Dismissed workers publicized their demands and unfair labor practice of Samsung Electronics Service on the Internet and on the Social Network Service among service engineers. Also, the workers consulted the Korean Metal Workers Union (KMWU), and requested support from labor-friendly members of the National Assembly. This effort bore a fruit as a forming of their own union - Samsung Electronics Service Workers' Branch of the KMWU – in July 2013.

From the beginning, the union has publicized that Samsung Electronics Service had the real power to decide their working conditions, and has attempted to bargain collectively with Samsung Electronics Service along with the GPAs. At the same time, the union made effort to build alliances with various social movement groups. The Samsung group has stuck to the 'union-free' business policy for decades, and a lot of attempts to form a union have been violently smashed by the management of the Samsung group. To protect union members from suppression by the Samsung group, the union built a solidarity committee with social and political movement groups, and that committee actively did a campaign for workers' rights at Samsung group. The union also supported other workers' fight, for example, demanding that Samsung Electronics should compensate workers who had worked at semiconductor production lines for the occupational disease.

⁴ The Act on the Promotion of Workers' Participation and Cooperation stipulates that a labor-management council shall be established at each business or workplace employing more than 30 people on a regular basis. The council shall be composed of the same numbers of members representing workers and employers. Matters regarding settlement of workers' grievances, administration of working hours and recess hours and so on, require consultation by a council.

While the union and the solidarity committee filed a complaint against the illegal use of temporary agency workers, the Ministry of Employment and Labor determined that the service contract between Samsung Electronics Service and the GPAs did not amount to illegal use of temporary agency work, in September 2013. Encouraged by this determination, Samsung Electronics Service kept refusing to collectively bargain with the union, and oppressed union members by terminating service contracts with the GPAs which they belonged to.

Against this policy, the union went on a strike and held sit-ins in front of the headquarters of Samsung Electronics since January 2014. Amid the growing labor repression, two union members committed suicide to protest against Samsung Electronics Service in October 2013 and in May 2014. Eventually, the union achieved a basic agreement on securing the right of union activities and rehiring dismissed workers and on wage increases in June 2014. Although the formal party of this agreement was a representative of the GPAs, it would be impossible without the approval of Samsung Electronics Service. This is the first case which workers at the Samsung group concluded a collective agreement with the management.

3.3. Workers at small and medium-sized enterprises

3.3.1. Employment and working conditions

As earlier explained, small and medium-sized enterprises (SME) at industrial complex in Korea exist in many cases at the bottom of a production chain, in which large corporations such as Samsung Electronics, exist at the top. At Seoul Digital Complex in the southern Seoul, for example, approximately 200,000 workers work there, but the union density is less than 1 per cent. In 2009 present, the share of firms of four or less workers amounted to 46.4 per cent, and that of firms of between five and nine workers was 25.6 per cent (Future of Workers 2011).

Seoul Digital Complex was the first industrial complex which was developed for an export industry in 1960s. After the late 1990s, traditional manufacturing sector has decreased at the complex, whereas new industries such as IT, business service, logistics and shopping malls have replaced them. In 2009 present, workers in IT sector accounted for 26 per cent, which

was followed by those in manufactures (21 per cent) and those in wholesale and retail sector (13 per cent) at the Complex (Sohn 2012).

While appearances of the Complex have been changed from traditional factories to offices and apartment-style factories, working conditions have not much been better off. The result of survey conducted in 2011 by the campaign alliance, called 'Future of Workers', revealed poor working conditions at Seoul Digital Complex: over half of workers were precarious workers (52.0%), and the amount of average monthly wages was 1,923,000 Korean Won, which was less than those of whole workers (2,026,000). The average working hours were 47.1 hours per week, and one in five workers worked for over 52 hours per week. The amount of average hourly wages was 4,391 Korean Won, which was close to the minimum wage in 2011 (4,320 Korean Won). Workers paid less than the minimum wage amounted to 13.8 per cent (Future of Workers 2011).

3.3.2. Organizing workers

After the economic crisis of 1997, some unions have attempted to organize workers at SMEs and to develop organizing strategy beyond individual workplace. The Southern Seoul Local of Korean Metal Workers Union ('*Nambugeumsok*'), for example, formed an organizing campaign alliance ('Future of Workers') with the Seoul Regional Centre of the KCTU (Korean Confederation of Trade Unions) and various social movement organizations in February 2011, aiming at organizing workers at Seoul Digital Complex.

The *Nambugeumsok* has organized workers mainly in metal industry in southern Seoul over 20 years, but faced challenges that enterprises as well as workers moved frequently and temporary agency workers and low-wage workers rapidly increased. It meant that organizing workers at enterprise level was no longer effective. The union, thus, pursued a region-wide approach to organize workers beyond enterprise-level: Firstly, the campaign alliance conducted a massive interview survey on working conditions at the complex in April and May 2011, and collected basic contact information (mobile phone number, e-mail address etc.) of workers. This survey also helped the *Nambugeumsok* to raise a public-awareness on the union among workers and to understand common interests among workers who worked in unfamiliar sectors.

Secondly, the 'Future of Workers' attempted to develop 'common interests' among workers who were scattered across various industries and whose employment status was generally precarious. The issue around a statutory minimum wage was as such. Under the Minimum Wage Act (MWA), a statutory minimum wage is applied to all kinds of businesses or workplaces which employ one or more workers except a domestic worker, a seafarer and a worker with a very limited working capacity due to a mental or physical handicap. The Minimum Wage Act states, "The minimum wage shall be determined taking into account the cost of living of workers, the wages of similar workers, the labor productivity and the distribution of income, etc" (Article 4 paragraph 1). In practice, however, the level of the minimum wage have been set very low, mainly considering economic conditions such as inflation rate and the "ability of employers to pay" particularly in cases of small and medium-sized enterprises.⁵

Since the Korean Confederation of Trade Unions (KCTU) took part in the Minimum Wage Council in 2000, debates about fixing a minimum wage were vitalized. The KCTU has demanded on the minimum wage increase and have been campaigning vigorously to improve the minimum wage system after 2000. Noting that the minimum wage has played a role as the "standard" wage rate as regards a majority of workforce,⁶ the KCTU named the minimum wage campaign "National Wage Bargaining" and made that the key action program after the economic crisis of 2008. Along with this national campaign, the 'Future of worker' conducted a survey on workers' demand for higher minimum wage, publicizing the trends that the statutory minimum wage functioned as a "standard" hourly wage rates at the complex. Under the campaign slogan, "Have the Minimum Wage Fixed by Our Hands!" , the campaign alliance attempted to put forward "the needs of workers and their families" as an important criteria on fixing the minimum wage.

Thirdly, the 'Future of Worker' attempted to develop a regional collective agreement which could improve working conditions of all workers at the Complex, whether union members or

⁵ The minimum wage is annually set by the Government following the proposal of the Minimum Wage Council which is comprised of representatives of workers and employers and experts who are deemed to represent public interests on a basis of equality. While the Minimum Wage Council seems tripartite and independent in theory, in practice experts take the lead in fixing the minimum wage rate, which have been strongly influenced by the Government policy.

⁶ According to a research, among workers whose wage was calculated by the hour, those paid close to the minimum wage amounted to 32.7 per cent, while those paid the minimum wage or less formed 23.8 per cent (Kim 2013).

not. Through a massive interview survey as abovementioned, the 'Future of Workers' noted that in most cases the Labor Standard Act (LSA) was not observed, and such an example was constantly forced extra work without paying overtime allowances. The alliance launched a campaign, called "No More Free Overtime", in October 2011. They have distributed regularly campaign materials, provided legal advice and education programs and held cultural event for workers. This campaign was enlarged in the second half of 2012, demanding the observance of the LSA and effective labor inspection at the Complex. The 'Future of Workers' operated a hot line for reporting a breach of the LSA, filed complaints against employers who did not observe the LSA, and gathered signature for the observance of the LSA at the Complex. This endeavor bore fruit as a tripartite agreement among the regional centers of the KCTU, employers' associations, the local government and local office of Ministry of Employment and Labor in May 2013, which endorsed an operation of hot lines for reporting unpaid extra work and negligence of issuing an employment contract, educating on labor laws for workers and employers, establishing the Seoul Center for Workers' Health, and offering incentives to enterprises where the LSA are well observed.

Through these campaigns, The *Nambugeumsok* has collected contact information of roughly 1,500 unorganized workers, organized about 200 new union members, and held various meeting of grassroots. Also, the 'Future of Workers' has conducted distribution of campaign material every week, issued a monthly bulletin of the 'Future of Workers', and held a regular education program on labor laws and rights of health and safety at the Complex since the second half of 2012.

4. Lessons

4.1. Demands and agenda of movement

Lead corporations retain the power of control over the whole GVCs and working conditions in them, without having a form of contract. The purchasing practices of lead firms which demand lower prices and higher speed of delivery from their suppliers have created highly competitive conditions and become drivers of the use of precarious employment all

over the GVCs (Stephanie Barrientos et al. 2011b).

Under this pressure, labor movement need to focus on policies to reduce competition among workers. In the case of Samsung Electronics Service, the union has made an effort to install a base wage system and to reduce the extent of performance based wage system. In the case of Samsung semiconductor factories as well, it was the control system based on competition that made the whole production system insensitive to occupational health and safety issues. This is the reason the SHARPs enlarged their agenda to labor rights.

In addition, providing workers with universal platform for labor rights need to become a top agenda, as work of the 'Future of Work' showed. A higher minimum wages and an observance of labor laws were very simple, but powerful leverage to improve working conditions, irrespective of employment status or union membership. These demands could strengthen a base of workers' associational power and could build a physical ground of solidarity with the unorganized who are a majority of labor in GVCs.

4.2. Collective representation and empowerment of the grassroots

As traditional industrial relations institutions have established under the limit of the scope of the standard employment relationship and corporate boundaries, the unbalanced distribution of risks and insecurity towards workers in GVCs was hardly challenged. Without addressing this unbalanced relations of power, precariousness in the emerging work arrangements cannot be effectively protected.

Facilitating collective bargaining with the 'user-enterprise' or the lead corporations is the most effective way for resolving the question- who the employer is and what responsibility the employer must take – which becomes critical but difficult issues related to GVCs.

Despite the low union density and various impediments to organizing precarious workers and bargaining collectively with user-enterprises, unions have made progress in representing precarious workers and in increasing union presence in GVCs. In particular, the unionization of precarious workers was built up on a common discontent with their working conditions, the social network across an enterprise level, the voluntary fight by the rank-and-file, and the effective support from the existing unions. It is the organizing strategy based on labor market interests and the pursuit of multi-employer bargaining beyond an enterprise that is found in

other countries, too (Heery et al. 2004; Fine 2005).

Korean cases show that labor market interests such as higher minimum wages or universal platform of workers' protection could serve to enhance the bargaining power of unions when efforts to mobilizing union members as well as the unorganized are made, and more importantly when low-wage workers themselves become an active agent in this movement.

Given that more and more workers are dependent on the rule of fractured labor market rather than a particular employer, collective representation in the labor market should be protected as much as that evolved in a particular workplace or enterprise is. Securing collective rights including a strike as well as collective bargaining with the user-employers or leads corporations should be put on the table. This means that political involvement and building sustainable alliances for correcting unbalanced distribution of power is essential.

4.3. Building alliance for battles in political arena

Government policies and legislations often play an important in increasing precarious work as much as employers' strategies do. The location in the labor market, in particular, gender has frequently become the agenda which justifies precarious employment as a norm (Vosko 2011). On the premise that women are the first caregiver and the second bread earner, female dominant jobs become more easily precarious and devaluated by policies which often pursue a quantitative development of jobs.

Collective representation of women and other vulnerable groups in labor market can and must challenge this discriminative ideology and policies. Unfortunately, existing unions which are traditionally based on male and regular employees, are frequently blind to a bias against gender and nationality. In Korea, women and precarious workers formed their own unions independently, and their organizational spirit gave an impulse to building more egalitarian culture in labor movement. From this we learn that disparity among workers should be addressed and empowering precarious workers as an active subject is critical as regards collective representation and inter-organization relations.

Government policies and legislations have also encouraged unbalanced power relations between capital and labor, by penalizing workers exercising freedom of association beyond corporate boundaries. For example, triangular employment workers are not allowed to

conduct collective actions at the contracting company (a principal) workplace, even though this is the actual place of work. The courts, for example, have penalized union members who demanded collective bargaining with and joined collective actions against a contracting company, ruling that such union activity is an “obstruction of business” under criminal law statutes. While a user company can exert the power to terminate a contract, which results in dismissal of workers, collective actions against the user company are banned.

Current regulations that limit industrial relations into corporate boundaries and associate an employee status with freedom of association have motivated employers to increase precarious work. It is urgently requested realizing freedom of association for precarious workers beyond employment boundaries, in order to counter to the power of user enterprises.

Korean labor movement has challenged this regulations and policies through organizing precarious workers and building a coalition with various social movement organizations for a decade. It is noteworthy that an effort to build a ‘reciprocal’ or ‘deep’ coalition in which common interest and long-term vision are created and participation of the rank-and-file and horizontal relation between groups are encouraged (Tattersall and Raynolds 2007), was made in abovementioned cases.

In conclusion, demands as to reducing competition among workers, providing workers with universal platform for security irrespective of employment status and protecting workers against transfer of risks from capital should have to become a priority in terms of union strategy as well as movement to contain the corporate power.

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