

POLICIES
TO
TRANSFORM
S E O U L

L I F E

1



Seoul Labor Policy

Restoring Labor to Its Proper Place in Society

Jong-Jin Kim



서울연구원
The Seoul Institute

Seoul Labor Policy

Policies to Transform Seoul
Life 01

Seoul Labor Policy

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Restoring Labor to Its Proper Place in Society Seoul Labor Policy

The citizens of Seoul have an equal right to work in jobs according to their capability. The Seoul Metropolitan Government shall guarantee and protect the basic rights of labor, and strive to ensure and enhance job security and fair pay for citizens.

— Seoul Declaration of Civil Rights (October 19, 2011)

Since 2014, a group of scholars and labor union executives from Japan have visited the Korea Labour & Society Institute (KLSI) annually out of their interest in Seoul's labor policy. A series of issues had sparked their interest, including the “regularization” of the non-regular workers working for the Seoul Metropolitan Government (SMG) in 2014; the living wage issue of 2015; and the emotional labor issue of 2016¹. These visitors took interest in the labor and re-

lated policy issues in Seoul because the Japanese society was plagued with similar kinds of issues. Local governments in Japan hire non-regular workers and outsource some of their tasks and services to private-sector agents in much the same fashion as their Korean counterparts do.²

A key question raised by the Japanese visitors was how the Seoul Metropolitan Government managed to “regularize” non-regular workers and pay them living wages despite the limits to its budget and organizational capacity. They were also curious whether the SMG faced any serious objection from private-sector agents or existing regular workers in the process. Shigeru Wakita, a professor at Ryukoku University, has introduced the SMG’s living wage, emotional labor and labor reform policies to the Japanese readership with his translations. He was especially keen on learning about the new labor policy initiatives adopted by the SMG, and what background factors prompted their introduction.

The central backbone of the SMG’s innovative labor policy programs has evolved through a number of stages, from the Labor Policy Master Plan, introduced on April 29, 2015, to the Comprehensive Plan on Labor Policy, announced on April 27, 2016, to the Labor Innovation Plan, released on September 13, 2016. With these policy roadmaps, the SMG

became the first-ever local government in Korea to enact and enforce its own labor policy. Since the national legislature enacted South Korea's first labor law in the form of the Labor Standards Act (LSA) in 1953, labor has traditionally been the exclusive purview of the national government. Given the historical absence of local-level labor markets and policies in Korea, the SMG's attempts to introduce its own labor policy innovations have been met with favorable responses. They embody the progress and growth of local self-governance in Korea since the idea was first institutionalized in 1995. Before the SMG embarked upon this endeavor, all that local governments did in the name of labor policy in Korea was to provide administrative services involved in the creation of labor unions and handle practical tasks pertaining to the management-labor relations councils.

In fact, local governments in Korea have mostly regarded labor issues as secondary to economics and employment, delegating the handling of labor-related tasks to economic or industry divisions within local government organizations. That is why the employment and job policies of the metropolitan, provincial, and local governments in Korea are mostly handled by understaffed "teams" within economic or industry divisions. Civil servants specializing in economic or

industrial policies have always assumed much greater authority than those specializing in employment or jobs. The SMG's decision to put labor policy ahead of economic or employment policies and accord it importance of its own is therefore remarkable in the history of local governance in Korea.

Since the Asian Financial Crisis in the late 1990s, the labor market in Korea was made much more flexible, with a far greater number of people working in temporary or non-regular jobs than those in fully protected regular ones. Against this historical backdrop, the public sector has gained a newfound role of setting an example for hiring practices as a model employer. Accordingly, major local governments, including the SMG, have introduced a diverse range of new initiatives, including labor relations counseling, public education, labor issue training, the regularization of non-regular government workers, and the payment of living wages. As of August 2016, when this book was written, the local governments of Seoul and several other cities and one province adopted or were preparing to adopt these new labor measures. In this process, the SMG's innovative labor policy provides a benchmark for other local governments.

The SMG's labor policy is today associated with a number of bold changes, such as the regularization of non-regular

workers, a living wage for workers, and the appointment of “employee representatives” to the boards of public and semi-public organizations. However, we need to go beyond the surfaces of these new phenomena and examine the municipal ordinances, organizations, and programs that have made these changes possible. A remarkable characteristic of the SMG’s labor policy is the breadth of the organizational structure handling the city’s labor programs, including Workers’ Rights Centers, Youth Hubs, Working Mom Support Centers, and the Center for Caregivers for Seniors. Furthermore, the SMG’s labor policy continues to evolve with the active participation of a wide diversity of experts and stakeholders.

This book consists of six chapters. The first chapter starts by explaining the Won-Soon Park administration’s bold decision to convert the status of 9,098 non-regular city government employees into a regular and fully protected employees. The chapter also addresses the daunting reality that these non-regular workers previously faced, and the positive new developments they have been experiencing at work since their status changed. Chapter 2 focuses on the SMG’s part-time program for young people and living allowances for young people looking for jobs, and how these policy

programs have helped desperate young people struggling to earn living in this day and age of pervasive unemployment. Chapter 3 introduces the SMG's living wage program and employee representatives program, which were devised to mitigate the growing income inequality and induce a rise in the minimum wage. Chapter 4 introduces diverse support organizations that handle the SMG's labor policy programs throughout the city. Chapter 5 describes how the SMG awakened to the paramount importance of ensuring the safety of workers in the aftermath of the tragic death of a young temporary worker on duty at Guui Station. The sixth and final chapter examines the progress that Seoul as a City with Respect for Labor has been making toward becoming an exemplary society in which all workers' rights are respected.

The SMG became the first local government in Korea to announce its own master plan on labor policy, four years after it added the Labor Policy Division to its organization. The SMG's labor policy programs and practices carry great significance for the rest of local governments in Korea intent upon similarly enhancing the welfare of workers. The SMG intends not only to emphasize the distinctiveness of its labor policy programs compared to the national government's, but also to seriously focus on eliminating blind spots in the law

and implementing policy measures that actually cater to the rights and interests of the marginalized.

I sincerely hope that the SMG's labor policy initiatives, such as the reduced work hours, living allowances for young jobseekers, emotional labor regulations, and employee representatives, would shape and lead the public discourse on labor issues in Korea, just like in Germany and France. Sustainable and successful labor policy measures can come about only through a society-wide structure of discourse in which diverse stakeholders can participate. An ideal government not only enacts and implements good policies for citizens, but should also seek and garner citizens' consensus by setting a good example itself. Seoul has now set out to transform itself into a city where workers are respected and appreciated. The prospects of this endeavor will only become stronger and brighter when the SMG listens attentively to the diverse voices and concerns of all its citizens.

Jong-Jin Kim

September 2016

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CHAPTER 1



Respect for Labor: Workers' Rights in Seoul Today



서울연구원
The Seoul Institute

Making Life Fairer:

Regularization of Non-Regular Workers

The Seoul Metropolitan Government (SMG)'s decision to convert the status of non-regular workers into regular and fully protected ones, i.e., “regularize” them, exemplifies what a local government, determined to introduce meaningful changes in labor policy, is capable of doing. The SMG adopted progressive policy measures regarding the direct employment of workers, ensuring the full-time and continued service by them, and improving the quality of work for them (by introducing new titles, providing training opportunities, and strengthening maternity benefits, etc.). What prompted the SMG to introduce these radical measures for non-regular workers? What has led it to include even traditionally outsourced workers, such as the cleaning personnel and security guards,

in the range of workers to be regularized and directly hired by the government? Why, of all non-regular workers, did the SMG decide to start the regularization process with the cleaning personnel first? In order to answer these questions, we need to look closely into the process by which the SMG arrived at its decision to regularize non-regular workers.

After Won-Soon Park became the Mayor of Seoul in 2011, the SMG adopted the Seoul Declaration of Civil Rights (SDCR). Importantly for labor policymaking, the SDCR acknowledged the equal rights of all citizens of Seoul to work in jobs according to their capacity, and emphasized that the SMG have a duty to strive to protect the basic rights of labor, enhance job security, and ensure fair pay for citizens. The SDCR provides the bedrock upon which the SMG has built its labor policy vision and initiatives. The SDCR re-enumerates and emphasizes the constitutional rights of all citizens, including the three basic rights of labor mentioned above protected by Article 33 and the right to work (entailing job security and fair pay) protected by Article 32 of the Constitution.

The metropolitan administration plans established around the same period of time affirm the centrality of the SDCR to the subsequent labor policy measures that the SMG con-

ceptualized and introduced. The Hope for Seoul: Metropolitan Administration Plan, released in 2012, identified the establishment of “a new social culture respectful of workers’ rights” as one of the four urgent objectives of employment and economic policymaking, and proposed the regularization of non-regular workers, the improvement of working conditions, the strengthening of labor-management relations, the protection of rights and interests for vulnerable workers, the enforcement of strict work hours, and the sharing of jobs as the necessary policy changes. This plan is evidence that the SMG’s core labor policy initiatives were considered and introduced very early in Mayor Park’s first term.

The regularization of non-regular workers has since become the flagship policy project of the Won-Soon Park administration in the public’s perception. The idea was not entirely new. Around the same time, the national government was also preparing to introduce new measures to enhance the job quality and protection for non-regular workers in the public sector, while the leaders of a number of local governments in Korea also made public pledges to do something about the plight of non-regular workers. Won-Soon Park, too, won the mayoral by-election in 2011 mainly on the strength of his campaign pledge to regularize non-regular

workers. After Park was inaugurated as Mayor, the Employment Policy Division of the SMG assembled a task force on non-regular workers, which, with an external research agency, launched detailed fact-finding surveys and analysis on the status of non-regular workers.

Regularization of Non-Regular Workers and the Rise of *Gongmujik* Workers

The Korea Labour & Society Institute (KLSI) took part in the SMG's process of regularizing non-regular workers by conducting the Study on Basic Policy Measures for Improving Job Quality in the SMG. After researching and analyzing the up-to-date status of non-regular workers with a selection of research institutes, the SMG introduced the Plan to Improve Job Quality for Non-Regular Workers in Seoul's Public Sector on August 8, 2014. The core of the plan was its promise for the status change of non-regular workers working in full-time and continued jobs into regular workers. On May 1 of the same year, 1,133 contract-based non-regular workers working in such jobs within the city government's organization attended a ceremony held at the University of Seoul's main auditorium to celebrate the official change of

their status into regular employees of the SMG. After the ceremony, 236 non-regular workers were newly added to the list of employees to be regularized, and 1,369 non-regular employees finally signed new labor contracts with the SMG, making them regular employees.

No significant friction or resistance arose in the process of according better treatment to these newly regularized employees. One key problem, however, was to decide the names by which these employees were to be called at work. The KLSI's interviews, conducted in 2012, with the cleaning personnel dispatched by cleaning service agencies to work at the SMG and its various organizations supported the impression that the majority of these non-regular workers were "anonymous" and "invisible" to the rest of civil service. There were no official titles referring to the cleaning personnel. They were simply called by their last names alone, or even the much more informal "Excuse me." The cleaning personnel were also required to finish their jobs by very early in the morning, before other government employees or citizens began to arrive.

At the time, the SMG maintained a dual hiring structure, featuring two different channels for hiring, i.e., one for "civil servants" and the other for "non-civil servants." Non-

civil servants referred to the full-time workers that the SMG hired directly as well as temporary or contract-based workers dispatched to the SMG by outside job agencies. The regularization of these non-civil servants who had worked on a regular basis under a fixed-term (one or two years) contract raised the necessary question of how to classify and call them within the city government organization. The term, *mu-gigyeyakjik* (“employees with indefinite-term contracts”), used by the national government accorded job security and benefits equivalent to those of regular employees for contract-based workers, but also denoted the secondary and distinct status of contract-based workers. After multiple discussions involving the SMG’s task force and researchers, the term, *gongmu-jik* (“public service workers”), was finally adopted.³

After a series of studies on non-regular workers and the hard work of the SMG’s task force on the issue, the SMG finally announced on December 7, 2012, a plan to regularize, phase by phase, 6,213 non-regular workers that the city government hired via outside job agencies. The scale and breadth of the SMG’s plan to regularize these non-regular workers, which extended even to unskilled-job workers dispatched by outside job agencies, shocked the labor community and academia in Seoul. The brazen decision raised

a number of questions from the public, including why the SMG decided to regularize even indirectly hired unskilled workers, and how it could manage the financial burden and legal issues involved in the regularization of such workers.

Regularization of Non-Regular Workers Becomes Seoul Citizens' Third-Favorite Policy Pick

At a televised debate held a few years ago, one of the National Assembly members on the National Assembly's Environment and Labor Committee asked the question: "What should be done first about the labor problem in Korea?" Faced with this question, some might say the first problem that needs to be tackled is the low wage; some, the non-regular and precarious status of workers; some, the failure of the job system to provide social insurances for all workers; some, the "outsourcing" of dangers and hazards; and still others, the excessively long work hours. All these problems, however, stem from the same cause: namely, the hiring of non-regular workers. Citizens themselves seem to be aware of the gravity of the non-regular worker problem, as they picked the regularization of non-regular workers by the SMG as their third most favorite pick of all the 33 new policy proj-

ects undertaken by the SMG in 2013.

Non-regular workers emerged on the Korean labor market amid the storm of restructuring and economic reforms that ensued the Asian Financial Crisis in the late 1990s. Since then, non-regular workers has become a major social and economic issue, with almost half of the jobseekers in the Korean labor market now channeled into non-regular jobs, and non-regular jobs serving as the main cause behind the persistently low wage for unskilled workers and growing income inequality. Among the Organization for Economic Cooperation and Development (OECD) member states, Korea is also the country with the largest proportion of workers forced to leave or change their jobs within a year of starting work. The 8.39 million non-regular workers in Korea make up 43.6 percent of all wage earners (19.2 million).⁴

The 2.68 million non-regular workers found in the Korean public sector as of March 2016 made up 27.2 percent of all public-sector workers. Of these, 332,000 work in administrative bodies, such as the national government and its ministries, as well as local governments (including city halls and district offices), schools, and other public institutes.⁵ The increasing demand, from the public and policymakers alike, for putting a stop to the increase in the number of non-

regular workers indeed reflects the fast-paced growth of non-regular workers' presence on the Korean job market. These official statistics on non-regular workers in the public sector do not include the number of workers who work in various social welfare facilities, support centers, and the like that are run by private-sector or nongovernmental entities. It is nearly impossible to find objective and comprehensive official information on the reality of labor in Korea. It is the job of researchers and labor unions to discover and capture the reality of workers that is often eclipsed by official statistics.

The national government has made some sporadic efforts to mitigate the plight of non-regular workers so far. Since 2006, the Korean government has been updating master plans for improving the treatment of non-regular workers in the public sector, which culminated into the historic decision, in 2012, to regularize non-regular workers working in full-time and continued jobs.⁶ The decision reflects the Non-Regular Employee Protection Act enacted by the National Assembly in 2007, embodying a cross-partisan consensus. Nevertheless, the range of target non-regular workers to be regularized by the national government remains extremely narrow. The decision glibly hides the fact that 86 percent of all non-regular workers working for the national government

and its bodies work in non-full time and non-continuous jobs. The government's decision also neglects non-regular workers hired indirectly via outside job agencies. That is why the Korean government's campaign for regularizing non-regular workers has been criticized for lacking in substance.

Having made the decision to regularize non-regular workers by directly hiring them, the SMG increased its budget by KRW 7.78 billion in total (by KRW 6.23 billion at first, and additionally by KRW 1.55 billion). Regularizing non-regular workers will inevitably increase the SMG's budget for labor costs, including wages and fringe benefits. However, the operating expenses of every organization naturally increase over time, and the regularization of non-regular workers should not be approached only in terms of the additional burden it imposes on the fiscal resources. With less than KRW 10 billion, over 1,300 non-regular workers were able to escape their precarious state and enjoy the full protection and honor of being government workers. This decision has significantly improved the quality of jobs for workers as well as their satisfaction. With sufficient and systemic training according to the SMG's own rules and schedule, the skills of *gongmujik* workers will also improve over time, strengthening the quality of public services overall.

Moreover, directly hiring these workforces instead of outsourcing them has also helped the SMG to make budget cuts elsewhere. An analysis of the amount of cost the SMG spent on outsourcing janitorial labor in 2012 reveals that, by hiring the cleaning personnel directly rather than relying on outside job agencies, the SMG increased its cost by 16 percent (KRW 75.6 billion as opposed to KRW 65.8 billion). However, the SMG's decision to hire the cleaning personnel directly helped to make cost cuts elsewhere, by 71.7 percent in terms of the wage cost for outside job agencies and their service agents, 6.8 percent in terms of the social insurance cost, 0.8 percent in terms of the fringe benefit cost, 3.3 percent in terms of the administrative and operating expenses, and nine percent in terms of value-added taxes, while increasing profits by 4.4 percent on average. In other words, the SMG's decision to hire the cleaning personnel directly reduced the total labor cost by 39 percent or KRW 5.3 billion in a relatively short span of time. Directly hiring the cleaning personnel thus produced even more significant policy and economic results than converting the status of temporary contract-based workers into full-time regular workers.

Regularizing 2.8 Percent (9,098) of Non-Regular Workers in the Public Sector

The SMG introduced a comprehensive plan for regularizing non-regular workers that exceeded the national government's measures for improving the treatment of non-regular workers in breadth and depth. Having announced the First Plan for Improving the Job Quality for Non-Regular Workers in the Metropolitan Public Sector in March 2012, the SMG set out to include 79 more non-regular workers into its list of workers to be regularized as of April 8, 2012, which resulted in the official status change for 1,133 non-regular employees of the city government on May 1, 2012. On December 5, 2012, the SMG announced its second plan, promising to regularize the job status of 234 temporary contract-based workers who were not included in the list of workers to be regularized under the first plan.

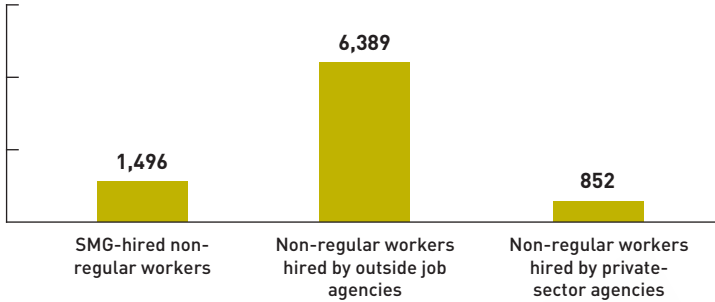
The SMG's regularization plans took the public by surprise because these plans sought to regularize even non-regular workers indirectly hired via outside job agencies. This was something that had never been attempted in the Korean public sector until that point. In developing these plans, the SMG sought to tackle and solve two core issues. First, the

SMG sought to change the job status of non-regular workers into regular and fully-protected ones in order to mitigate job insecurity. Second, the SMG sought to eliminate discrimination and unfairness, in terms of wage levels, fringe benefits, education and training opportunities, and working conditions, facing workers. Over the five years following the announcement of these plans, as of May 2017, the SMG regularized 9,098 non-regular workers, including 1,496 non-regular workers that the city government had hired directly and the 6,389 non-regular workers that had been outsourced. The regularization process proceeded in a phase-by-phase manner, starting first with the temporary contract-based workers directly hired by the city government, and extending onto the cleaning personnel, security guards, janitors, and others.

Meanwhile, the actual number of non-regular workers regularized by the SMG continues to rise if we count the number of non-regular workers previously hired by non-governmental or private-sector agents for SMG services (including 427 water meter readers and 425 agents working at the 120 Dasan Call Center), the 788 maintenance technicians whose contracts were extended to indefinite terms after the Guui Station tragedy, and the 134 workers newly hired in 2016.

Scale of Non-Regular Workers by Types Regularized by the SMG

Unit: number of persons



Note: The total number of workers whose job status was converted from 2012 to 2017, following the SMG's plans to regularize non-regular workers is 9,098 if we count the non-regular workers that had been hired by nongovernmental or private-sector agents (including the 427 water-works maintenance agents and 425 Dasan Call 120 Center agents) and the 788 safety facility technicians whose job status was converted in the aftermath of the Guui Station tragedy.

This figure accounts for 2.8 percent of all non-regular workers in the Korean public sector. The majority of non-regular workers regularized by the SMG were those affiliated with outside job agencies providing cleaning, security guard, and janitorial services. There are approximately 114,000 such non-regular workers indirectly hired via outside job agencies working in the public sector in Korea. However in most jurisdictions except for a handful (Seoul, Incheon, Gwangju, among others), job insecurity and discrimination still persist.

In November 2014, the National Human Rights Com-

mission (NHRC) of Korea urged the Korean government to include indirectly hired and outsourced non-regular workers into its plan for regularizing non-regular workers. Why did the NHRC recommend thus? There are mainly two reasons. First, the Korean government's plan to regularize non-regular workers would have had insubstantial policy effect unless outsourced non-regular workers, often victims of social exclusion and discrimination, were included. Second, the Korean government also had the additional responsibility to set an example for the private sector to emulate. The 30 largest corporations in Korea together hire 640,000 outsourced non-regular workers today. Reducing the number of non-regular workers hired by the public sector and these major corporations would have done much to reduce social inequality.

Starting with the Cleaning Personnel

Working in the Poorest Working Conditions

The most distinctive and important feature of the SMG's regularization plans is that they aim to regularize the job status of outsourced non-regular workers, including the cleaning personnel. Why did the city government decide to start this project with the cleaning personnel first? After all, the SMG had been using various types of outsourced workers, including security guards, janitors, parking lot personnel, and information personnel. According to the research done by the SMG's research team, the SMG relied on the services of 6,231 outsourced non-regular workers as of 2012, including 4,172 people working as the cleaning personnel, 731 janitors, 512 security guards, and 816 people working in other service areas. Because the cleaning per-

sonnel made up the largest proportion of these outsourced workers (67 percent), the SMG decided that it should begin its regularization project with the cleaning personnel first in order to ensure a substantial effect of its new policy. There were a number of other factors further prompting this decision: namely, that the vast majority of the cleaning personnel were women earning low wages and in their 50s or 60s whose job did not afford them any sense of security or stability.

There were also a series of social events leading up to the regularization of the cleaning personnel. Not long before the SMG launched its fact-finding survey into non-regular workers and drafted its regularization plan, the cleaning personnel at Hongik University generated much social controversy by organizing strikes and protests. Yeo-Jin Kim, an actress, helped to raise the public profile of this event by acting as a self-appointed spokesperson for the cleaning ladies on strike and left a deep impression on Mayor Park. Events like this convinced the SMG's policymakers that their initiatives for non-regular workers would not have the desired impact unless they first targeted and benefitted the cleaning personnel, often working in the poorest working conditions in Korea.

SMG's Regularization of Outsourced Non-Regular Workers

2012-2013	2014	2015	2016	2017
Direct employment (1,369)	Indirect employment: cleaning personnel (4,245)	Indirect employment: janitors, security guards (1,191)	Direct employment: office work (127) Indirect employment: safety maintenance (1,614)	Indirect employment: safety maintenance (552)
Total: 1,369	Total: 5,614	Total: 6,805	Total: 8,546	Total: 9,098

The SMG's Second Plan for Improving the Job Quality for Non-Regular Workers, released on December 17, 2013, and the Plan for Converting Cleaning Personnel into *Gongmujik* Workers, announced on November 5, 2014, reflect this awakening. The SMG first converted the status of the cleaning personnel from outsourced workers provided by outside job agencies to temporary contract-based workers directly hired by the SMG on two-year labor contracts. Then the SMG again converted the status of 4,245 of these workers into full-time and regular workers in 2015. The SMG also regularized janitors and security guards in 2016, and non-regular workers working in other areas of service are planned to be regularized by the end of 2017. As already reported in the media, the SMG also converted the status of 782 outsourced workers of Seoul Metro and Seoul Met-

ropolitan Rapid Transit Corporation into full-time regular workers after the death of a young safety technician at the Guui Station on May 28, 2016.⁷

The Guui Station tragedy, in fact, prompted the SMG to announce its Labor Innovation Plan on September 13, 2016. The plan lays down the SMG's decisions to regularize the city government personnel working in ongoing and full-time as well as safety-related jobs, to increase the number of regular workers working for private-sector or nongovernmental agencies handling the SMG's services, and abide by three main principles in hiring non-regular workers (on a short-term basis, for exceptional jobs, and only in minimal numbers). The SMG has introduced a guideline and program for previewing the need to hire non-regular workers, in addition to planning to reduce the proportion of non-regular workers in the city government organization and its affiliate institutions from five percent to three percent, and the proportion of non-regular workers working for private-sector or nongovernmental agents handling city government services from 14 percent to 10 percent, by 2018. The Labor Innovation Plan embodies the SMG's resolution to prioritize human life ahead of efficiency, to eliminate discrimination against workers, and to guarantee humane working conditions for all workers.

A Sense of Belonging Starts with ID Cards

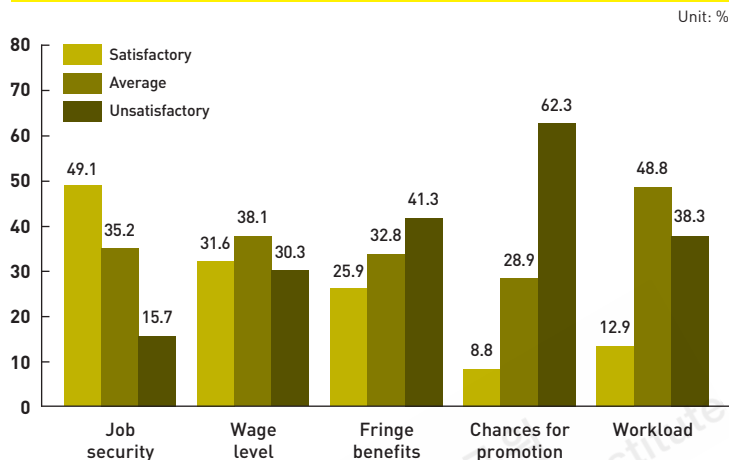
Why is it so important to abolish non-regular labor in the Korean job market? There are a number of reasons backed by ample objective evidence. Almost half (49 percent) of all non-regular workers in Korea today work in jobs purely for the purpose of earning their living, irrespective of their preferences for careers or even the quality of working conditions. There is also the so-called “one-third” rule applying to non-regular workers in Korea. A large portion of non-regular workers remain outside the reach of the Korean government’s social security services and benefits. Less than 35 percent of all non-regular workers enjoy the social insurances and other fringe benefits guaranteed by law. As of 2016, only 35 percent or so of non-regular work-

ers were given the four major social insurances. Only 38.7 percent received bonuses and allowances; 37.3 percent, education and training; and 35.5 percent, severance pay. In the meantime, only 25.9 percent enjoyed paid vacations and 20.3 percent received allowances for overtime work. In other words, only one-fifth to one-fourth of all non-regular workers in Korea enjoy the benefits and security of employment that regular workers receive.

Since the SMG declared its plans to regularize non-regular workers by placing them on indefinite-term labor contracts, there have been signs of progress toward reducing discrimination facing these workers. Workers on indefinite-term labor contracts now enjoy pay raises according to their seniority, earn living wages, regularly receive job-related education and training, and even have access to better lounges where they can take their breaks. The average amount of monthly wage these workers earned indeed rose from KRW 1.37 million in June 2012 to KRW 1.55 million in March 2016.

How has the SMG's decision to regularize its non-regular employees changed the workers' lives? An opinion poll was conducted on the employees whose job status was converted and it revealed some meaningful facts. The poll participants answered that regularization helped them most significantly

Improvements Made to Job Quality After Regularization



Note: 1) Sample: 508 cleaning workers, janitors and security guards working in seven SMG-invested public organizations.

2) Survey period: April 5 to 8, 2016; surveyed in person by researchers. (Raw data provided by the Seoul Labor Center re-analyzed.)

by reducing fear over job insecurity (49.1 percent) and improving the wage level (31.6 percent). Many of them, however, also answered that little satisfactory improvement was made in terms of fringe benefits (25.9 percent), workload (12.9 percent), or chances for promotion (8.8 percent). These answers indicate that the SMG's project is still in its early stage, and that there are other substantial improvements that need to be made aside from regularizing the job status of these workers.

In depth interviews with select workers provided additional insights into the true effect that the SMG's regularization decision has had on the lives of workers. A cleaning maid who has been working at the main Seoul City Hall for over two decades, and whom we shall refer to as Su-Jin Park, was interviewed in March 2016 about the biggest change that occurred to her life when her employer changed from an outside job agency to the SMG. She mentioned that the job status change had freed her from the annual anxiety, at the end of each year, over whether she would be able to retain her job the following year. She also mentioned that her wage rose somewhat and working conditions also improved. What really grabbed the interviewer's attention, while talking with the interviewee at a café at the rooftop park on the eighth floor of the city hall, was the ID card she was wearing around her neck indicating her status as a *gongmujik* worker of the city hall. Three years ago, cleaning ladies working at the SMG, like Park, were technically employees of outside job agencies and had to wear "entry permits" instead of employee ID cards in order to get around the building. Since the SMG announced its decision to regularize and directly hire the cleaning personnel in 2013, however, these women have been wearing their own employee ID cards.

Everyone other than the city government's employees is required to obtain and wear entry permits in order for them to enter and move about in the Seoul City Hall. These cleaning ladies, many of whom have worked at the same building for decades, used to wear entry permits along with the rest of one-time visitors. The city government had treated them as outsiders despite decades of their service. Imagine the kind of feeling these women must have felt when they were issued employee IDs like the rest of city government employees. Like all other working women, these women deserved to feel the sense of respect, belonging, and validation that people normally derive from their work. Yet it had taken them decades to receive this simple sign of acceptance.

In Korea, anyone can get into a good school or land a good job so long as he or she works hard and has the required sets of skills or competencies. However, the door to the regular and fully protected job status remains resolutely shut to the vast majority of non-regular workers, especially those who are technically hired by outside job agencies to work for some third-party organizations. Korea calls itself a free country that guarantees the equality of opportunity for everyone, but it is not a country where the equality of working conditions is guaranteed for everyone. Many la-

ment that Korea is regressing into a feudal society in which parents' socioeconomic status is inherited by their children, first in getting into higher-learning schools, and next on the job market plagued with pervasive discrimination and exclusion. Non-regular jobs have become the central channels by which social inequality has been inherited generation after generation in Korea since the Asian Financial Crisis of the late 1990s.



Change at Work, Respect for Workers

The SMG's decision to regularize non-regular workers has led to transformative changes at work. Prior to this revolutionary decision, unskilled non-regular workers at the bottom of the labor market hierarchy could hardly expect to have their rights respected and protected. It was customary for outside job agencies and their managers to require voluntary submissions of resignations from these workers around each time their labor contracts expired and needed to be renewed. Now that the SMG hires them directly, these workers no longer need to fear the tyranny of their labor contract managers. They are accorded the same respect and benefits as the rest of the city government employees. One of the first things that the Seoul Metro cleaning personnel received,

after their job status was converted, was a list of emergency contacts detailing the contact information of Seoul Metro's full-time employees. It was also after the regularization of their job status that these cleaning workers received job training for the first time in their lives.

"I received my first-ever job training in 20 years of working here. Now we decide who is to work where on a fair and rotating basis. I am truly enjoying working here."

— An anonymous cleaning worker in her 60s, working at the Seoul City Hall

"It began to occur to me that even we could now apply for and use things like sick leaves and maternity leaves."

— A researcher in her 30s,
working at a public research institute affiliated with the SMG

The regularization of non-regular workers at the SMG has also brought about significant improvements in working conditions. Non-regular workers had strongly requested for the renovation and improvement of their lounges and shower facilities, but the SMG and its affiliate organizations had refused to grant such requests, citing shortages of financial resources as reasons. Interviews with the cleaning personnel, however, revealed why they so desperately needed shower fa-

cilities. We would not allow our own family members to suffer that kind of fatigue and humiliation. Whether their labor contracts changed from temporary ones to full-time ones or their employer changed from some outside job agency to the SMG itself, all these workers had one thing in common: namely, that they had been utterly left out of the protection provided by the labor law, and that they continued to work at places that refused to respect their basic rights as workers and human beings.

These workers whose job status has changed were simply grateful for being given job training for the first time in decades, for being able to use sick leaves and maternity leaves, for being able to drink cold water from the water cooler whenever they were thirsty, for being given first-aid kits, and for gaining access to employee lounges equipped with working refrigerators, washing machines, closets, and shower booths. These were simple and basic amenities that should have been given to all workers, but that these workers were denied for decades.⁸

CHAPTER 2



Protection of the Rights of Part-Time Workers and the Allowances for Young Jobseekers

Not Privileges, but Rights:

Charter of Rights for Part-Time Workers

There is a growing concern today that the problem of social inequality has been entrenched in the Korean society so strongly that it is not only about differences in wealth and assets, but also irreversibly affects the quality of one's housing and living, education, ability to enjoy culture and the arts, and even health.⁹ Inequality is now passed down from generation to generation and it is becoming increasingly difficult for people to move upward along the ladder of social status through hard work only, without the support of inherited wealth and privileges. Some understand the phenomena and causes of today's social inequality in Korea as those of multiple disparities.¹⁰

In a society where multiple disparities rule, it is impos-

sible for individuals to catch up with others in other areas of social status if they fail to catch up with others in one area of social status. The chain of household income and wealth, leading to better opportunities for private education, to better chances to get into good universities, to better jobs in the labor market, and to greater income is extremely resistant to breakage. Reducing or eliminating inequality in any one of these parts of the chain will not be enough to reverse the cycle of inequality. In this day and age of multiple disparities, young people who are about to join the real world and the job market are often the greatest victims. The soaring unemployment rate among young people provides the evidence.

Young people in Korea today are not only susceptible to various violations of the labor law at work, but also often subjected to precarious and severely underpaid “transitional” state in the job market characterized by phenomena like “passion pay.”¹¹ Over the last decade, the ratios of young people working on a part-time or contract basis have more than tripled, while the ratio of young people in their 20s and 30s working in fully protected regular jobs has been dwindling rapidly. As of October 2015, 532,300 or 37.4 percent of young people living and working in Seoul worked as non-regular workers. Only the remaining 889,300 or 62.6

percent of young people in Seoul worked in fully protected regular jobs.¹² In other words, two out of every five able-bodied and working young persons in Seoul work in non-regular jobs. The ratio could well increase if we begin to count young people who are indirectly hired by outside job agencies to work for businesses or government organizations.

Arbeit, which is the common term that Koreans use to refer to part-time work, actually comes from the German word meaning “labor” or “work.” The Japanese were the first to appropriate and introduce this German term to Koreans. In the past, Koreans used to understand *arbeit* exclusively as part-time work. Today, the concept has broadened in the meaning to refer to even contract-based full-time work that lasts for more than three months.

People working in *arbeit* jobs today are understood to include everyone working in non-regular (temporary, hourly or day) jobs, for short contract periods (three to six months, usually as interns or apprentices), for short hours (part-time), and getting paid by hourly. If we use these four conditions of *arbeit* to count the number of young people, aged 15 to 34, working in *arbeit* jobs, Seoul has 155,000 such young people, 68.9 percent (90,000 or so) of whom work in those jobs while studying full time. The number and ratio of young people

forced to study and work at the same time has been rising steeply over the years.

The SMG began to pay attention to the plight of young people working part-time in 2013. Until then, the SMG's labor policy was focused solely on organized labor unions and the welfare of non-regular workers. In 2013, however, the SMG assembled, as part of the Workplace Division, a new task force specializing in part-time workers. Today, the Young People's Work Task Force handles the SMG's policy programs for part-time workers. The task force works with the Seoul Labor Center to carry out various public projects, including opinion polls and campaigns for raising awareness of part-time workers' difficulties. The SMG launched its policy programs for part-time workers first by introducing the Plan on Protecting the Rights of Young Part-Time Workers and Improving Their Working Conditions on September 14, 2013. Shortly afterward, the SMG released the Charter of Rights for Young Part-Time Workers in Seoul to protect the rights of young part-time workers.

The charter consists of a preamble and 26 articles detailing the rights of young part-time workers, employers' duties, and the obligations of the SMG. It is effectively the first document of its kind in Korea that strives to ensure

■ Charter of Rights for Young Part-Time Workers in Seoul: Preamble

Part-time work is often the first channel by which young people begin to work and earn compensations for the services they provide. To young people, part-time work should be of quality to stimulate their curiosity and passion, and of substantial value, capable of allowing young workers to learn and grow further as a person while enjoying working. All young people must be guaranteed the dignity, respect, and basic labor rights, enshrined in our Constitution, at work so that they could continue to hold and cultivate their hopes for the future of their lives and society.

However, it has become customary today for young part-time workers in Korea to be treated unfairly by their employers, to be humiliated and insulted by their employers or customers, and to be forced to accept sub-minimum wages and harsh working conditions without proper recess. Resolved to help young people in Korea to live a life with all their human rights respected, to enjoy working in safe and pleasant environments free of discrimination, to receive fair pay and treatment at work, and to actualize themselves through valuable work, we hereby declare the following Charter of Rights.

the protection of human rights and basic labor rights, including respect and humane treatment for young people at work. Labor has been traditionally regarded as the exclusive domain of policymaking by the national government. Few

local governments had paid much attention to the working conditions and rights for part-time workers. The 26 articles of the Charter of Rights for Young Part-Time Workers in Seoul decisively breaks this silence, by explicitly shielding young part-time workers against verbal abuse and emotional labor at work and even proclaiming these workers' right to refuse to be kind to abusive customers, just like the French labor law. Along with the release of the charter, the SMG also established the Seoul standard labor contract template and distributed copies thereof to its affiliate organizations and suppliers. With these actions, the SMG became the first local government in Korea to distribute and implement its own standard labor contract template.

From Albacheonguk to Youth Union: Gathering Collective Wisdom

Article 2, Chapter 3, of the Charter of Rights for Young Part-Time Workers in Seoul requires the SMG to establish a body for organizing discussions on policy and legal measures necessary to promote young part-time workers' rights and interests. The SMG, accordingly, set up the Young People's Rights Protection Council in 2013. Members represented

on the council include civil servants from governmental organizations as well as members of diverse nongovernmental organizations (NGOs). Participating organizations on the governmental side include the SMG, the Ministry of Employment and Labor (MOEL) Seoul Office, the Seoul Metropolitan Office of Education (SMOE). Nongovernmental participants include: the Korea Franchise Association, the Korea Association of Convenience Store Industry, and the Korea Food Service Industry Association, representing employers; the Youth Union and the Albayeondae, representing youth employees; the KLSI as a research organization; the Seoul Labor Center and the labor welfare centers of four boroughs in Seoul, representing a labor center; and Albacheonguk, an online company that helps jobseekers land part-time jobs. The council holds at least two regular and plenary meetings every year, as well as quarterly working-level meetings.

The SMG's policy projects for protecting young part-time workers' rights and interests in Seoul in 2013 involved a public campaign for raising awareness of signing proper labor contracts; free physical checkups for young people (at the Hongik University and Gangnam Subway Stations); and the screening of a SMG-produced video clip on labor law as part of training provided for employers associated with

the Korea Franchise Association, the Korea Association of Convenience Store Industry, and the Korea Food Service Industry Association. The policy projects launched in 2015 included the development and distribution of the copies of the Charter of Rights and a standard labor contract template; an online promotion campaign offering an introductory course on the law governing part-time work (for 360 registered participants); Part-Timers' Summit; the Part-Time Information Booths held on the campuses of five universities in Seoul; Rights Protection Booths for high-school part-timers at 10 high schools in Seoul; and the 6030 Concert.¹³ In addition, the SMG organized a public contest for video clips and print materials promoting the rights and interests of young part-time workers (receiving 67 entries and awarding 12) and launched the Quick Courier Service for the Delivery of Part-Time Contracts. In 2014, the SMG displayed banners and placards promoting the use of labor contracts for part-time work at 1,890 subway locations. In 2015, the city government again displayed and provided leaflets and other such materials on the basics of labor contracts, the minimum wage, weekly holiday allowances, and other such requirements of the labor law at 2,949 locations, including subway stations, kiosks, shoe-shining booths, and screen doors to

subway cars.

The members of the Young People's Rights Protection Council not only help the SMG shape and design its policy projects for young part-time workers, but also handle and administer the policy projects. Since 2013, Albacheonguk and the KLSI have been together surveying and updating the hourly wages offered by part-time employers by district and citywide regularly. In 2015, the members of the council together investigated the problem of the part-time workers working for delivery services and announced the findings of their investigation in the form of a forum. The findings of this investigation influenced the MOEL and the Korea Workers' Compensation and Welfare Service into initiating governmental efforts for improving the related policy measures, beginning in 2016. In the remaining half of 2016, the council conducted a fact-finding survey on the working environments for part-time workers in Seoul with the goal of unraveling the truth about part-time work for young people.

Part-Time Workers' Rights Safeguarders Launched

The Part-Time Workers' Rights Safeguarders were organized initially under the SMG's plan to launch a public center for receiving reports and complaints on unfair part-time work practices, following the declaration of the Charter of Rights for Young Part-Time Workers in Seoul in 2013. In 2014, these report centers were opened as part of the four labor welfare centers in Seoul, with one Part-Time Workers' Rights Safeguarder assigned to each. In 2016, however, the SMG decided to increase the number of the Rights Safeguarders to 100, and held two inauguration ceremonies, in May and September. In response to the internal criticism that these Rights Safeguarders were hired for only a short term (11 months in total) in 2015, the SMG also lengthened

the Rights Safeguarders' terms to 23 months beginning in 2016. The SMG recruited 44 volunteering Rights Safeguarders through its first recruitment campaign, and 30 more volunteers through its second campaign. With a few managers having been reassigned to other positions, there are currently 69 Rights Safeguarders working today.

The first project handled by the Rights Safeguarders was to survey the working conditions at retail shops within subway stations. The SMG arranged it so that the Rights Safeguarders would help prevent unfair employment practices against part-time workers, and that the Honorary Ombudsmen and the Officers of Labor Rights Protection would handle legal disputes. The 25 Honorary Ombudsmen affiliated with the SMG's Labor Policy Division would provide primary counsel, while the 15 lawyers and 25 labor relations attorneys working as the Officers of Labor Rights Protection would provide specific legal aid necessary for such actions as petitions, filing claims, and pressing administrative lawsuits. Since 2016, the SMG has been defending workers free of charge in cases involving infringements upon workers' rights, such as defaults on payments. Moreover, the SMG has also appointed the Neighborhood Labor Relations Attorneys to five districts with high numbers of small businesses and la-

bor disputes in order to provide professional advice on the basics of the labor law to local small businesses.

The SMG's Rights Safeguarders are significant in two respects. First, the system allows young people themselves to investigate working conditions and issues facing young people, organize public campaigns, and ensure the monitoring of working environments. As part of the SMG's New Deal Employment Policy, the Rights Safeguarders program has also created jobs for locals. Second, the program also provides valuable opportunities for participants to explore possible careers in the third sector outside the private labor market. Interviews with job applicants revealed that the majority of those who apply to become the Rights Safeguarders were interested in exploring their career options in social service and labor union activities. The SMG hopes that the Rights Safeguarders program would free applicants from the pressures of the labor market and enable them to explore various options for self-actualization.

**The Seoul Youth Activity Support Program:
Providing Monthly Allowances
for Young Jobseekers**

The conflict that arose between the national government and the SMG over the latter's plan to launch the Seoul Youth Activity Support Program only added to the despair and frustration that many young people today were experiencing already. The Ministry of Health and Welfare (MOHW) unilaterally cancelled the SMG's program without fully considering what today's young people, struggling with steep competition in the job market, truly needed. In the meantime, the Ministry of Employment and Labor (MOEL) announced its own program entitled the Jobseekers' Success Package (JSP). Effective as of September 2016, the JSP provides cash allowances for young and unemployed jobseekers from low-income households so that they could better

prepare for job interviews and focus on seeking jobs without worrying about their cost of living. Some have criticized the JSP as an unabashed attempt by the national government to steal and copy an innovative policy program introduced by a local government for today's struggling young people.

All the personal statements and letters submitted by the 6,309 applicants applying for support under the Seoul Youth Activity Support Program attested to the unprecedented depth of uncertainty and desperation young people faced today. The difficult reality facing people in their 20s and 30s is also confirmed objectively by statistics. The unemployment rate among young people willing to work, but unable to find jobs, has already risen to double digits. Young people today find the jobs they want after 11 months of job-seeking on average. Strapped for cash, young people start working in part-time jobs, but 17 percent of part-time jobs available for young people last for extremely short periods of time without offering proper holiday pay or unemployment insurance. Most critically, the number of not-in-education, employment, or training (NEET) young people amounts to 1.765 million, or 18.6 percent of all young people, in Korea today.¹⁴

“One applicant whose case I reviewed wrote that she had given up on pursuing higher education because her family was poor, and by the time she realized the importance of higher education after working in various jobs for years, it was too late for her to go back to school. Another applicant who was currently working as a part-timer at a convenience store, stated in his letter that, by receiving the monthly allowance of KRW 500,000 for six months, he could afford to work 80 hours less at the convenience store and therefore spend that time more valuably.”

— A reviewer, aged 32, working on the Seoul Youth Activity Support Program

“There was a strict limit on the word count of personal statements, and the process required, as the MOEL had requested, that each applicant clearly state what efforts he or she had been making to find jobs. Yet I found it odd that almost 80~90 percent of the applicants I reviewed answered that they planned to use the allowances provided under the Seoul Youth Activity Support Program to take courses or tutorials to improve their language proficiency test scores, obtain licenses, or otherwise prepare for the national examinations for civil service, police, or teaching. The lack of variety and imagination in young

people's ambitions was overwhelming. This is the real problem that should concern the government."

— A reviewer, aged 43, working on the Seoul Youth Activity Support Program

As of June 2016, young people were three times more likely than other generations (10.3 percent opposed to 3.6 percent) to be out of jobs. The Seoul Youth Activity Support Program represented a new orientation and resolve of local governance toward providing actual and substantial help for young people to overcome the obstacles facing them. There is growing criticism that the use of the employment or unemployment rates that are the conventional indicators of the job market is not enough to capture the full reality facing young people today. These indicators are measured, first of all, by categorizing young people enrolled in schools as economically inactive, and therefore turn a blind eye to the struggles that even school-enrolled young people experience as they try to find part-time jobs or improve their prospects for decent full-time jobs. The standard, "straight from school to work" model of the labor market and the employment process no longer reflects the increasing complexity of young people's employment experiences. The soaring unemployment rate of 20-somethings is a serious problem worldwide,

Comparison of the National Government (MOEL) and Local Governments (SMG and Gyeonggi Province) on Supporting Young Jobseekers

	Program title and budget	Targets	Eligibility	Amount of allowances	How allowances are to be spent
MOEL (Sep. 2016)	Career Exploration Package for Young People (formerly JSP) *KRW 143.8 billion raised for Youth Hope Fund.	Young people, aged 34 or younger, on National Basic Livelihood Security Program (NBLSP) payroll and in the two lowest income quintiles	Participation in MOEL's job-seeker training program mandatory (as evidence of willingness to look for work)	KRW 200,000 per month, for up to three months or KRW 600,000	Costs of transportation and lodging required for job-seeking or job interviews, costs of renting business suits, taking resume photographs, etc.
SMG (Aug. 2016)	Youth Activity Support Program *SMG's own budget	Young people, aged 19 to 29, who have held residence in Seoul for at least one year	Applicants who submit their applications, who are jobseekers with short-time work experiences (working less than 30 hours a week), who have been out of regular work for six months or more, whose household income falls into 60 percent or less of median income, who have a large number of dependent family members, etc.	KRW 500,000 provided in cash, for up to six months or KRW 3,000,000	Costs of job-seeking activities, taking job-related courses (language courses, programs for obtaining licenses, etc.), exploring career options and enhancing capabilities, etc.
Gyeonggi Province (2017)	Young Jobseekers Support Allowance *Gyeonggi's own budget	Young people, aged 19 to 34 (other details to be determined later)	Young people who come from low-income households, who have been out of work for extended periods of time, etc.	TBA	TBA

Note: In August 2016, out of 6,309 applicants, a total of 2,859 were selected for the SMG's Monthly Allowances for Young Jobseekers and in August 2017, out of 8,239 applicants, a total of 5,000 were selected to receive the allowance.

and we cannot effectively tackle the issue without first recognizing the status of NEET young people.

NEET members on the job market refer to young and unemployed people who are neither enrolled in regular education nor receiving occupational training. These can be subdivided between unemployed people who are seeking jobs, and inactive people who are not interested in seeking jobs. As of 2015, 1.09 million NEET people, or 9.4 percent of the entire NEET population, left the job market. The term “NEET” first began to appear along with “Status Zero” in England in the 1980s. The Seoul Youth Activity Support Program is a social welfare program for people out of jobs that specifically caters to young people who abandon job-seeking efforts either voluntarily or due to circumstances.

NEET people are marginalized from society and remain on the outskirts of the social security net, as their lack of employment experiences disqualifies them from even joining the social unemployment insurance. Although the Korean government invests over KRW 2 trillion in policy projects catering to young people every year, the unemployment problem among young people is getting worse. Of young jobseekers who manage to find jobs via the MOEL’s career support programs, only 45 percent maintain their jobs for

one year or longer, and only 46.7 percent find jobs with monthly average wage of KRW 1.5 million or more. The national government's career support programs not only lack sufficient budgets, but also fail to guarantee the quality of the jobs and training they offer via third-party or private-sector agencies. That is why European governments have introduced Youth Guarantee measures that not only incentivize businesses to hire more young people, but that also provide job opportunities and income for young jobseekers.



Looking for a Solution to the Unemployment Problem for Young People in the Youth Guarantee Measures

The governments of many countries worldwide have begun to prioritize the problem of unemployment among young people as an urgent policy issue, mainly out of the deepening concern for the future wellbeing of their respective societies. The SMG's policy programs supporting young people took their inspiration from the Youth Guarantee, first discussed by the OECD and the EU in 2013. The EU's Youth Guarantee measures on promoting the employment of young people are guided by two main objectives: namely, solving the current problem of high unemployment rates among young people, and enhancing the prospects for the employment of young people in the long run. The Youth Guarantee thus guarantees that all under-25 young people in

Europe are given continuing education, decent job opportunities, or opportunities for apprenticeships or internships for four months after they graduate from schools or lose their jobs.

The Youth Guarantee carries significant implications for policymakers. First, it accords much autonomy and flexibility to local governments, enabling them to modify and readjust national-level programs according to local conditions. Second, it emphasizes the fact that effective employment support and social security for young people requires extensive partnerships between the public and private sectors and a comprehensive approach rather than one-time policy events. Third, simple administrative services are ineffective in helping young people return to the job market after having left it for a long time. Fourth, the success of the Youth Guarantee measures relies crucially on the timing of intervention. And fifth, young people who finished school and joined the workforces when the business cycle was down are likely to have struggled for a long time to find jobs and are thus currently inactive on the job market. It is therefore important to identify this particular group of young people and thoroughly tailor all the available policy resources to their specific needs.

La Garantie Jeunes of France, popularly discussed in Korea, is a policy program that provides cash allowances of EUR 461.26 every month for every young person, aged 16 to 25, who has pledged to seek a job and/or participate in occupational training programs. The program also assigns different tasks for young individuals and groups in different regions, and provides a wide range of opportunities for them to explore career options and acquire training. Having run the program on a trial basis in 10 regions since November 2013, the French government expanded the program's application onto 81 regions in total as of August 2016. The program caters to undereducated young people who are not currently enrolled in regular training programs and who earn less than the earned income supplement (*revenu de solidarité active* RSA). The program benefitted 35,000 young people by the end of December 2015, and 46,000 in total as of the end of June 2016. Thanks to the amendment of the labor law in 2016, the program took effect nationwide starting in 2017.

The SMG's Youth Guarantee Package, inspired by the European examples, is a form of social security for young people. As with the French case, it is the first local government initiative that requires ongoing monitoring, evalua-

tion, and improvements in the future. Seoul's Allowances for Young Jobseekers is one of four programs making up the SMG's Youth Guarantee Package, which also creates jobs, provides housing support, and provides creative spaces for young people. Seoul's Youth Guarantee Package, too, prioritizes supporting young people in low-income households and young people who have been struggling for a long time to find jobs. However, it also provides support for all young people who work for less than 30 hours a week, considering that these part-timers have to work and prepare for full-time careers at the same time. The package has an established system of monitoring to make sure that the applicants who receive the cash allowances spend their money on appropriate purposes as stated in their applications.

The SMG's Allowances for Young Jobseekers have their more recent origin in the Agreement on the Job Policy for Young People that the SMG entered with the Seoul Youth Union. The agreement lays down provisions for the establishment of master plans to support young people, legislating a basic municipal ordinance on promoting jobs for young people, introducing mandatory requirements to hire young people, employment and entrepreneurship support for young people, a jobseeking support program, the introduc-

tion of new courses on labor law at the University of Seoul, the training of employers on labor law, research on the living wage, and support for young people's cultural and artistic activities. The Allowances for Young Jobseekers generated controversy in 2016, but they were already included in this agreement that the SMG willingly entered with young people in 2013, with the goals of facilitating the employment of young people by providing them with policy infrastructure, support programs, and better working conditions. The agreement has gone on to inspire the Basic Municipal Ordinance for Young People (2015) and the Basic Municipal Ordinance on Jobs for Young People (2015).

The SMG's Youth Activity Support Program raises the question of how we, as a society, should approach the difficulties that young people experience in their transition from school to workplace. The current debate on allowances for young people has sparked a wide spectrum of conflicts between opposing ideological camps, between generations, and even between young people with jobs and young people out of jobs. The SMG's Youth Activity Support Program nonetheless epitomizes the potential of local governments to eliminate the blind corners of the national government's social security programs and thereby to cater effectively to the

needs of diverse groups of people. The EU's Youth Guarantee, too, arose out of the growing need to expand the social security net to young, yet struggling, groups of people who face increasing unemployment rates, uncertainty, worsening working conditions, and precarious and transitional waiting periods of NEET on the job market.

The SMG's Youth Guarantee Package now forms a major part of local policymaking and governance that is clearly differentiated from, and effectively supplements the short reach of the national government's employment support policy. The thousands of 20-somethings that applied for the cash allowances from the SMG in July 2016 desperately needed policy support to help them get through these uncertain times. It is the duty of the Korean society to introduce new policies, spaces, and opportunities that can effectively help the future generation explore their career options. The Allowances for Young Jobseekers in Seoul are therefore aptly nicknamed as "bridge allowances," as they help young people cross the necessary bridge from adolescence to adulthood. In providing these allowances, we ought to acknowledge the fact that the protracted jobseeking struggle for young people, now out of the school system, presents them with a harsh challenge to their sense of dignity and self-respect.

Detractors' labeling of these allowances as sources of a moral hazard only serves to wound young people further. Conservative politicians and scholars who call the allowances an example of populism and criticize them for possibly causing a "sense of relative deprivation" compared to other municipalities should ask themselves what they have done for today's young people who are trapped in the cycle of unemployment and poverty. The SMG's Youth Guarantee Package holds value far beyond the cash allowances it provides. It gives young people the necessary breathing room. It counts as the first attempt, by society at large, to foster an environment in which young people can explore their options and regain their sense of self-respect. The national government's role is to encourage and reward the effective policy initiatives of local governments and help the spread of these initiatives to other jurisdictions. What is truly required now is therefore more amicable communication and partnership between the national government and local ones on devising more effective and timely policy programs. The SMG's Allowances for Young Jobseekers have thus raised the invaluable question of how the Korean society should change in the coming years.

CHAPTER 3



Transformation of Seoul: According Due Respect to Labor



The Seoul Institute

**Not the Market Wage,
But a Living Wage**

Minimum wages and living wages are two central subjects that raise much debates and controversies worldwide. In June 2016, Switzerland made headlines around the world with the referendum it held on whether individuals should be given a basic monthly income of KRW 3 million, which garnered “yes” votes from 23 percent of the voters. Searching for “living wage” and “minimum wage” on Google yields 3.5 million and 36.3 million search results, respectively. The sheer volumes of these search results attest to the centrality of these issues to the socioeconomic policy today. Although these concepts have become household ideas quite recently in Korea, they, in fact, have histories of over a century.

The societal debates on the minimum wage and a living wage in countries like the United States and the United Kingdom, whose governments follow pro-market and labor-weary policies similar to those of the Korean government, especially attract our attention. There are movements in the United States and the United Kingdom to raise the minimum wage to USD 15 (approximately KRW 17,000) per hour and GBP 9 (approximately KRW 15,000) per hour, respectively, by 2020. The United States was the first country in the world that introduced a living wage program in 1994. Even Germany, with its well-functioning industry-specific labor management institutions, raised the minimum wage to EUR 8.5 (KRW 11,000) per hour in 2015. The Minimum Wage Solidarity, a federation of various NGOs and labor unions in Korea, has also begun to campaign for raising the minimum wage in Korea to KRW 10,000 per hour.

An opinion poll conducted on 1,000 citizens in Seoul in May 2016 revealed that, while almost everyone (99.1 percent) knew of the minimum wage, only 49.9 percent of them were aware of the living wage in Seoul. A living wage used to be a generic concept used to refer to the level of wage necessary to maintain living in humane conditions. In the United States and the United Kingdom, the living wage is understood as

the minimum wage that workers need in order to support their families and satisfy their basic needs. This definition hardly differs from our understanding of the minimum wage today. Few today dispute that a minimum wage is needed to protect workers against exploitation involving unjustly low pays and also to mitigate income inequality. Major local governments in Korea have begun to introduce their own living wage programs recently precisely to address these concerns.

Why a Living Wage, and Not the Market Wage?

Despite the great controversies that have raged over the minimum or living wage worldwide, NGOs and labor unions have achieved remarkable progress over the last century or so. The International Labor Organization (ILO) and the European Union (EU) have both endorsed the minimum wage as a fundamental key to solving the low-wage problem. When the necessity of a minimum wage is accepted almost universally, one wonders why the debates over a living wage generate so much controversy in Korea today. In order to understand this phenomenon, we need first to accept the fact that the minimum wage in Korea, introduced, as elsewhere, to solve the underpaid labor issue, has not been living

up to its intended goal.

As of March 2016, 13.7 percent of all workers in Korea, amounting to some 2.64 million, failed to receive the minimum wage. Meanwhile, 31.8 percent of all hourly paid workers, amounting to some 440,000, earn less than KRW 7,000 an hour, which is only marginally over the minimum wage. The minimum wage in Korea exerts a decisive influence on the amounts of wages that low-wage workers receive in general. An opinion poll that the SMG conducted in May 2016 confirmed this impression. The overwhelming majority—76.2 percent—of the citizens who participated in the poll thought that the minimum wage of KRW 6,030 as of 2016 was not enough to sustain living. Almost half—48 percent—also thought that the proposed living wage of KRW 7,145 was still too low.

It was not until the late 1990s and the early 2000s that living wage programs were introduced in the United States and the United Kingdom, but the concept has been in circulation since the late 19th century. Exploitative wage levels for workers emerged as a serious social issue during the heyday of the industrial revolution, and numerous thinkers proposed a living wage as one of the necessary conditions to protect the dignity of these workers. The societal debate on

a living wage began to take place in the United Kingdom in the 1870s as part of the movement for improving the working conditions of miners. The American Federation of Labor (AFL) has emphasized a living wage as one of its main targets of lobbying since its establishment in 1886. It took more than a century, however, for the concept of a living wage to be materialized as a policy program, first in Baltimore in 1994 and next in London in 2006. Ever since, numerous countries, such as Canada, Australia, and Japan, have been adopting similar programs, culminating into a national law enacted by Parliament in the United Kingdom in April, 2016.

In many countries, local governments took initiatives in embracing a living wage, in the forms of local ordinances and administrative policies, with a view to raising income for workers. The movement toward embracing a living wage has also begun to spill over into the private sector, with major universities setting examples by paying their workers living wages. In Korea, too, there is growing support for a living wage accompanying the mounting criticism of the minimum wage as incapable of supporting the livelihood of many workers. The Living Wage Movement Planning Group consisting largely of labor and civil society organiza-

tions did much to raise the public profile of this debate by launching a society-wide campaign for a living wage in 2007 and 2008. The Federation of Korean Trade Unions (FKTU) then proposed to Won-Soon Park, running as a candidate in the mayoral by-election in Seoul in 2011, that, if elected, he support the legislation of a municipal ordinance on a living wage. During the general elections in the following year, candidates of the Democratic United Party also pledged to push for a living wage as their first and foremost issue of their labor policy agenda.

Of the local governments in Korea, Bucheon City was the first to adopt a municipal ordinance on the living wage in December 2013, followed by the Gyeonggi Provincial Legislature (August 2014) and the Seoul Metropolitan Council (February 2015). As of May 2017, 38.9 percent of all the 244 local governments across Korea, or 95 governments in total, had adopted local ordinances on the living wage, including Seoul, Gyeonggi, Incheon, Gwangju, Daejeon, Gangwon, Chungnam, Jeonnam, Jeonbuk, and Sejong. The living wage policy may have arrived in Korea quite late, but it has been spreading and growing rapidly.

8,197 won vs. 6,470 won

Living Wage in Seoul

Since the enactment of the first municipal ordinance introducing the living wage in February 2015, the SMG has been expanding and strengthening its living wage policy. Contrary to other local governments in Korea, the SMG applies the living wage policy not only to the employees it hires directly, but also to outsourced workers, and even to the office and technical workers hired by nongovernmental third parties running the SMG's policy services and programs in the latter half of 2016. The total number of workers paid the living wage by the SMG was 2,519 in 2016 and is 15,000 in 2017. The Living Wage Committee discusses and decides the amount of the living wage based on the living wage model developed by the Seoul Institute. The committee also annu-

ally surveys whether all the eligible persons are being paid the living wage and how the living wage can be improved and extended in an effort to eliminate the blind spots of the policy.

Backed by a municipal ordinance, a committee, and an internal task force, the SMG's living wage policy continues to expand its reach step by step. The SMG first began to pay the living wage to workers it directly hired. Then the SMG extended the reach of the living wage to outsourced workers and the workers hired by the third-party agencies running the SMG's policy services and programs. Now, the SMG is working to encourage the private sector to adopt and pay the living wage. In 2015, when the SMG first began to pay the living wage (then KRW 6,687 per hour), 1,039 workers benefitted in total, with a total budget of KRW 1.45 billion. In 2016, when the living wage was raised to KRW 7,145, and the budget was increased by KRW 1.0 billion 1,480 workers benefitted in total. The SMG set aside a total budget of KRW 2.45 billion for the living wage in the last two years.

What do citizens in Seoul think of the living wage? According to an opinion poll conducted in May 2016, 64 percent of respondents affirmed the need for the living wage. That the majority of citizens agree with the need for the

living wage indicates the extent and severity of income inequality and low wages in Korea. However, far more citizens (71.8 percent) thought that the SMG's living wage policy was effective only in the public sector rather than having a positive spillover effect on the private sector (which only 15 percent of citizens agreed). The SMG, therefore, faces growing pressure to not only raise the living wage, but also to support its spread into the private sector.

As a matter of fact, the SMG entered into a memorandum of understanding (MOU) on the living wage with the Seoul Metropolitan Council, the Seoul Metropolitan Office of Education, and the district offices in October 2015, obtaining their agreement on facilitating the spread of the living wage into the private sector. The SMG hoped that the memorandum would help establish its model of the living wage to become the standard for living wage practices throughout Seoul. As of 2016, five of the 25 self-governing districts of Seoul adopted the SMG's "absolute" living wage model, paying KRW 7,145 per hour. A number of district offices that entered into the memorandum of understanding with the SMG in 2015, however, still pay less than the SMG-stipulated living wage. The memorandum urged all the participants to make efforts toward paying the living

Living Wage Agreement to Ensure Basic Income and Improve Quality of Life

With the goal of promoting the spread, establishment, and consistent implementation of the living wage as a way to guarantee humane living for workers working at major public organizations in Seoul, the Seoul Metropolitan Government, the Seoul Metropolitan Council, the Seoul Metropolitan Office of Education, and the district offices of Seoul hereby agree to make efforts to realize the following:

Common duties

- ① All parties shall pay the workers under their respective purview the living wage that guarantees humane living.
- ② All parties shall make concerted efforts to improve the working conditions for their workers, including, but not limited to, converting the status of their workers from non-regular to regular workers.

wage and improving the working conditions for all the directly hired and outsourced workers.

The SMG's living wage experiment raises the fundamental question of how the wage for workers should be decided in our society. The SMG's decision to pay the living wage to its



Areas of cooperation for the living wage in the public sector

- ① All parties shall maintain the consistency of the amount of the living wage, the rationale for deciding that amount, and the scope and reach of the living wage.
- ② All parties shall cooperate to determine the appropriate amount of the living wage and develop appropriate models for deciding the amount.

Areas of cooperation for the living wage in the private sector

- ① All parties shall encourage private-sector entities to adopt the living wage by introducing incentives, such as preferential treatment and evaluations.
 - ② All parties shall organize joint campaigns for encouraging private-sector entities providing public services, such as universities and hospitals, to adopt the living wage.
-

workers embodies a conviction that the wage for workers, at least in the public sector, ought to be decided not by the sheer force of the market, but through the participation and discussion throughout the given political community toward guaranteeing a decent living for workers. The living wage,

therefore, provides a socially constructed alternative to the market wage, and often serves to supplement the minimum wage in societies plagued with serious income inequality. The fact that 2,685 private businesses in the United Kingdom, where the living wage policy was introduced later than in the United States, now willingly pay the living wage as of September 2016 speaks to the expandability and necessity of the living wage program.

What, then, is the amount of the living wage that can guarantee humane and decent living for workers? The 16 percent of the citizens who answered in the opinion poll of May 2016 that the current living wage of KRW 7,145 per hour is relatively high recommended KRW 6,500 per hour as the new living wage for 2017 (ranging from a minimum of KRW 3,000 to a maximum of KRW 8,000). The other 48 percent of the citizens who thought the current living wage was relatively low suggested KRW 9,500 per hour (ranging from a minimum of KRW 8,000 to a maximum of KRW 15,000). If the minimum living wage were to be based somewhere in between these two opposites, it would be between KRW 7,500 to 8,000 in 2017.

The SMG declared October 5, 2016, the Living Wage Day, taking inspiration from London, and announced its

new living wage for 2017 of KRW 8,197. The SMG has entered into memoranda of understanding with a number of private companies to adopt the living wage, begun to scout and support small and strong companies capable of paying the living wage, and also organized conferences with the officials of other local governments similarly paying living wages. The legally mandated minimum wage for 2017 in Korea was KRW 6,470 per hour, as opposed to Seoul's living wage of KRW 8,197. The Universal Declaration of Human Rights of 1948 specifically mentions that "Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity." The living wages paid by local governments in Korea today should be fair and just so that they can accord and protect this universal right of everyone to an existence worthy of human dignity. To this end, public administration should remain open to the voices and demands of citizens.

Setting an Example for Labor-Management Relations, SMG Frees Workers from the Fear of Dismissal

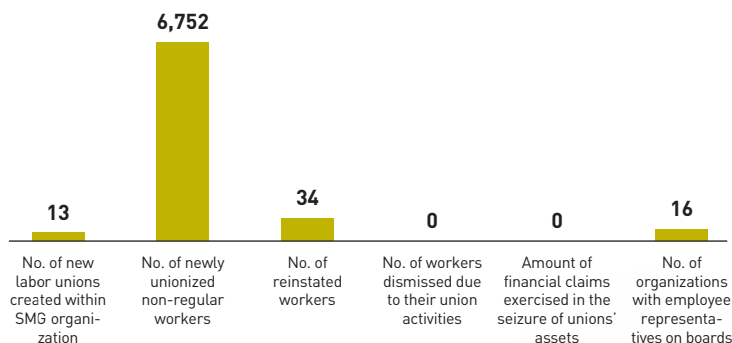
The word “labor union” strikes many in Korea as strange and uncomfortable. Middle-aged citizens tend to be open-minded toward the communities and unions of young people, such as the Youth Union and part-time workers’ unions, but are still quite weary of the Korean Confederation of Trade Unions and labor activism in general. The International Labor Organization (ILO), a part of the United Nations, holds that all workers have the basic right to organize and participate in labor unions in capitalist societies. Article 33 of the Korean Constitution, too, enumerates the rights to independent association, collective bargaining, and collective action as the basic rights of all Korean workers. Why, then, are Koreans so suspicious of labor activism and

unions?

Such weariness appears to stem from the fear not of labor itself, but of organized and self-appointed champions of labor activism and unions. The Korean media often portray labor unions in negative ways, focusing solely on the violence of their strikes, caricaturing these as struggles to get higher pay. Citizens who are not much interested in the intricacies of labor politics and who are also often denied access to the truth of labor activism are prone to disliking labor unions. Korean society has traditionally been hostile to groups that actively demand and advocate their rights. Few Koreans are aware of the necessity and benefits of labor unions. The Korean Constitution and labor law, however, recognize unionization as necessary to improving the financial wellbeing of workers and making working environments more humane.

Labor unions cannot ignore the societal mistrust indefinitely. Unions, too, have a duty to place checks and balances on the power of corporations and the state and also to participate in solving the problems facing local communities. Labor unions should function not only to promote the rights and interests of their members, but also to provide active solidarity for social progress in general. In other words, labor unions ought to take interest in the employment and social

Extending the Basic Rights of Labor to All Workers in Seoul



security of not just their members, but of all workers. The Korean Constitution guarantees citizens' right to work and working conditions that guarantee human dignity (Article 32). In agreement with the ILO's policy as well as the Korean Constitution, the SMG's labor policy thus provides a more participatory and egalitarian model of labor-management relations so as to protect workers' basic rights.

Since his inauguration, Mayor Won-Soon Park and his administration has been striving to make Seoul a leader in progressive labor policy, according respect to the voices of labor unions and individual workers. Over the last four years, 6,752 workers have become new members of labor unions active in 16 organizations under the SMG's umbrella. The

SMG actively encouraged workers, whether they are regular or non-regular, to seek and demand their basic rights as enshrined in the Korean Constitution. The unionized workers of the SMG make up only a fraction—0.059 percent—of all workers in Seoul, but their number is still significant. It is because almost 7,000 of them became newly unionized by joining existing unions or creating new unions of their own as their status changed from non-regular to regular workers. The fact that the vast majority of newly unionized workers used to be non-regular workers in the past attests to the sincerity of the SMG's resolve to make Seoul a capital of workers' rights.

Conflicts of Opinion Over Dismissal

From 2015 to 2016, the Geun-Hye Park administration and its supporters in the national legislature sought to introduce a cap on the wages and a new law making it easier to dismiss government employees on grounds of “under-performance.” The ostensible logic behind these legislative initiatives was to expel unfairly high wages and complacency caused by job security from the Korean civil service. Policy-makers worked tirelessly for almost a year to change the law

on employment rules so that it would become much easier for the government and corporations alike to dismiss workers, citing their poor performance. The current Enforcement Decree of the Labor Standards Act requires, under Article 15, each business with 10 or more full-time workers to establish and report predefined rules of employment on wages, fringe benefits, and hiring and personnel decisions. These businesses are required to draft these employment rules in consultation with employee representatives or unions. Should businesses wish to change these rules in ways that are disadvantageous to workers, they must obtain the consent of workers and/or their unions. Without such consent, the unfavorable changes of employment rules cannot be implemented.

The Park administration sought to change the law so that businesses can alter the rules of employment, which not only define the wages and working conditions, but also decide the discipline and dismissal of workers, just by informing workers or their unions rather than obtaining their consent. The changing of terms used by the Park administration—from “general dismissal” to “the dismissal of under-performing workers” and finally to “fair personnel decisions”—speak to the lengths to which this government went to hide its con-

tempt of workers. The goal was to frame the public opinion toward thinking that workers deserve to be fired easily if they performed poorly in their jobs. The Park administration unabashedly advertised its anti-worker policy in the name of “labor reforms,” in broadcast media, newspaper, websites, and even public facilities, such as post offices, KTX trains, and public buses in metropolitan cities.

The public buses servicing in Seoul, however, carried none of these government ads touting the easy firing of workers as a fair personnel policy. In Korea, the transportation divisions of metropolitan or provincial governments decide which ads are to be displayed on the public buses running in their respective jurisdictions. The transportation division of the SMG did not allow the public buses to display the Park administration’s ads as these ads could generate unnecessary controversies. The public buses of Gyeonggi-do, on the contrary, carried ads stating: “Fair personnel policies are the last safeguarders against dismissal from work.” The contrasting examples of the SMG and the Gyeonggi Provincial Government illustrate how local governments’ policies can shape and affect the public opinion. Since Won-Soon Park was inaugurated as Mayor of Seoul, the SMG has not fired a single unionized worker. Rather, in 2012, the SMG reinstated 34

Seoul Metro workers that had been unjustly fired by the previous mayoral administration for their involvement in union activities.¹⁵

The Park Geun-hye administration also tried to make large corporations and public organizations place caps on the wages for workers, citing the recession and the rising unemployment rate among young people as the main reasons. The Park administration forced public organizations to decide and report wage caps by December 2015, and even included the presence or absence of wage caps into the criteria for evaluating public organizations' performances. This flagrantly violates the Korean labor law that protects the autonomy of individual organizations to decide working conditions in consultation with workers. The SMG openly took a contradictory stance against the Park administration's decision, leaving the matter of wage caps to labor-management relations. With labor unions' agreement and concession, the SMG finally adopted wage caps, on the condition of creating 898 new jobs for young people. The months of discussions between labor and management at the 11 organizations belonging to the SMG led to a solution acceptable to both sides.¹⁶

Individual labor unions of the SMG and its organizations

may still harbor discontent toward the wage cap introduced under the SMG Labor-Management Agreement (on Creating Jobs) in December 2015, as such caps would not have been introduced without the national government forcing them. The Park administration's single-handed decision compelled many workers to give up portions of their wages. The SMG, however, sought to make use of the national government's decision as an opportunity for strengthening the communication and rapport between labor and management. With both sides recognizing their duty to work together to create job opportunities for others instead of insisting upon their interests only, the SMG was able to consolidate its effective model of labor-management governance. Both the unions and the management at the SMG's organizations used the discussions occasioned by wage caps to increase the number of newly-hired youth based on youth recruit quotas and support job creation for young people and retirees at social enterprises and cooperatives. As a result, the SMG and its organizations hired 3,988 employees in the first half of 2016 alone, and will hire 17,677 new employees in the public sector at large over the next five years. Specifically, 10,585 new jobs will be created through new policy programs; 898 new jobs will be created for young people under the wage cap

agreement; and 6,194 new employees will be hired due to natural turnover, such as retirement.

A total of 19 organizations affiliated with the SMG, including five in which the SMG invests and 14 to which the SMG has contributed capital and budgets, will carry out this new model of creating jobs in the public sector stage by stage over the coming five years. The job-creation model involves seven main objectives and 12 specific tasks. The seven main objectives include: (1) increasing the number of young people organizations are required to hire (two tasks); (2) introducing entrepreneurial and job search programs for young

SMG Labor-Management Agreement on Creating Jobs

Actions	Total	2016	2017	2018	2019	2020
Total	17,677	3,988	2,935	4,105	3,970	2,679
Creating new jobs through new programs	10,585	2,408	1,503	2,767	2,611	1,296
Creating new jobs based on wage caps	898	529	233	76	41	19
New hiring due to retirement, etc.	6,194	1,051	1,199	1,262	1,318	1,364

people and retirees (four tasks); (3) imposing wage caps based on labor-management consensus (one task); (4) devising plans for creating more jobs by reducing work hours (one task); (5) increasing the number of decent jobs, including jobs directly opened by organizations (two tasks); (6) organizing job fairs introducing job opportunities at all 19 organizations (one task); and (7) strengthening labor-management relations at all 19 organizations (one task).



**Guaranteeing Workers' Participation
in Management:
Employee Representative Program**

The SMG announced twice, in March and July of 2016, that it would appoint employee representatives to the boards of public organizations and institutions in which it invests. A municipal ordinance was proclaimed accordingly on September 29, 2016, and went into effect the following month. Officially known as the Employee Representative Program (ERP), the initiative now stands at the forefront of the SMG's labor policy that strives to guarantee workers' participation in management. Since the SMG announced the program, it has faced strong opposition from the Geun-Hye Park administration, the conservative media, the Korea Employers Federation (KEF), and the Federation of Korean Industries (FKI), all of which criticized the program for likely

interfering with business innovation and growth, causing stock prices to plummet, and violating businesses' right to management and personnel appointment. The KEF, in particular, listed over 20 reasons for why it thinks the ERP does not serve Korean interests.¹⁷

A main argument of the KEF is that, unlike continental Europe that is more open to workers' participation in management under the principle of stakeholder capitalism, in countries with free market economies, such as the United Kingdom, the United States, and Japan, that espouse stock market/shareholder capitalism, the European model of employee representatives contradicts the established legal system. Solving management-labor disputes through dialogue, however, is an important principle of labor relations and policy in any country. If the welfare of citizens and workers can be improved by adopting diverse advanced policy programs of Europe, there is no reason to stop adopting initiatives like the ERP.

First, the ERP forms a main channel via which workers can participate in the management of firms, with employee representatives officially and legally appointed to the boards of directors to represent workers' interests. It is far from the truth that such a management mechanism would compro-

mise the efficiency of firms, increase the rigidity of the labor market, discourage investment, or neutralize efforts at restructuring as the business community and the conservative media claim. Employee representatives make up less than one-third of the non-executive directors on any given board and occupy only one or two positions in most businesses and public organizations. The number of these employee

Features of the SMG's ERP for Public Organizations

Program title	Employee Representative Program (ERP)
Subject organizations	Public corporations, enterprises, and SMG-invested organizations (16 in total), hiring 100 workers or more each.
Number of Employee Representatives	One or two per organization (one-third or fewer of the allotted number of nonexecutive directors)
Appointment process	(Voting by workers) → Open recruitment → Review by the nomination committee → Official appointment by the Mayor
Electoral Management Committees	Form the board member nomination committees featuring members drawn from both management and labor, and coordinate and arbitrate disputes concerning voting on the Seoul Model Council.
Status of employee representatives	Employee representatives are to dissociate themselves from their labor unions during their tenure as members on the management boards.
Treatment accorded to employee representatives	Employee representatives are unpaid positions. They are paid allowances for attending board meetings, and given other privileges or benefits necessary for them to serve their functions.
Introduction	Effective as of September 29, 2016, after the municipal ordinance was proclaimed.

representatives is simply insufficient to cause such major changes to management. Rather, employee representatives can be an asset for both labor and management, allowing them to respond effectively together to growing uncertainty in the market.

Second, guaranteeing labor representatives' participation in the making of important management decisions has, in fact, become a global standard, practiced in not only continental Europe, but also in the United States and the United Kingdom. Under Council Directive 2001/86/EC ("supplementing a statute for a European company with regard to the involvement of employees"), the governments of 18 EU member states have mandated the appointment of employee representatives to the boards of public and private corporations of certain sizes, along with the operation of the representative bodies of employees. Even prior to the Council Directive, however, the German government mandated the appointment of employee representatives according to the joint decision laws of 1951 and 1976. The Swedish government did the same under the laws of 1973 and 1976 on the participation of employee representatives in boards of directors. The French government, too, mandated the appointment of employee representatives to state enterprises' boards in 1983, and to

the boards of directors of large private-sector companies in 2013. Contrary to the KEF's claim, the United Kingdom and the United States also legally and institutionally guarantee the participation of labor representatives in important decision-making by management.¹⁸

Third, measures and channels like the ERP that ensure workers' participation in management decision-making contribute to social stability and progress. The similar programs in Europe, initially introduced to address issues that directly concern workers' rights and welfare, such as the relocation of business facilities and layoffs, have evolved over time since the 1980s to encompass a widening range of issues. Occupational safety has emerged as a particularly important subject. The Guui Station tragedy could well have been avoided had there been established channels and mechanisms through which workers could communicate the difficulties they encountered on their jobs. Workers' participation in management can also serve the public interest in many other ways. The SMG's ERP is only the first step in serving workers' rights and the public interests systemically. Many other national and local governments worldwide have already adopted this and other programs for workers' participation in management decades ago.

According to the ILO's report from 2010, workers' participation in management is all the more important today due to the rising uncertainty over the future of the global market. Consent from labor unions and representatives is crucial if firms want to adopt practical new technologies and attempt innovations in organizational management for competitive advantage. Workers' participation in management decision-making is crucial to making this possible. Firms facing management crisis and therefore in need of fiscal support from the government also need to persuade workers to share the cost of restructuring. Programs like the ERP need to increase public discourse in order to gain legitimacy in public opinion. According to a report from 2015, both the public and private sectors in numerous countries of Europe actively adopted employee representatives. The SMG's ERP represents only a small change compared to the scope of similar programs being practiced in Europe and elsewhere.

SMG's Own Labor Policy:

A Trailblazing Experiment

The rise of progressive politics in the 20th century is what led local governments in numerous countries worldwide to introduce their own labor policies. European countries in particular, including France, the United Kingdom, Germany, and Sweden, have taken similar paths. A lesser known, but very significant, example to us Koreans is that of Vienna, the Austrian capital city. The electoral victory of the Social Democratic Party in the Austrian elections of 1918 led to the emergence of a series of progressive policies. Vienna's leading social policy programs include municipal housing, public transportation, public works, and the direct employment of workers by the city government. From 1914 to 1945, the Viennese government introduced a sweeping

range of public policies that significantly improved quality of life for local citizens, including unemployment benefits, public healthcare, public education, housing, social security. This era of extensive intervention by the city government in the lives of citizens is now remembered as Red Vienna.

As the 21st century rolled around, however, a growing number of major local governments in Europe and elsewhere began to focus more on serving the interests of workers and jobseekers, particularly paying attention to creating jobs and improving working conditions. They began to introduce a whole new category of customized policy programs catering specifically to the interests of those vulnerable in the job market in their respective cities. As the rise of the Wisconsin and Irish models of labor-management relations and employment suggests, the policy focus has been rapidly shifting from constructing a labor regime (emphasizing the government's role in the creation of jobs) to introducing an employment regime (emphasizing spontaneous interaction with the job market). As the unemployment problem and the need to create jobs have become the central issues on the national economic policy agendas of these countries, public works and employment-inducing programs have become major concerns of local governments in these countries, too.

Labor Policies and Main Focuses in Other Countries

Labor policies in general	Issue-specific labor policies	Protection and support organizations
<ul style="list-style-type: none"> • Munich and Hamburg, Germany <ul style="list-style-type: none"> - Minorities - Migrant workers, single-parent homes • Bremen, Germany • Wisconsin, U.S. <ul style="list-style-type: none"> - Creating jobs for locals - Improving quality of jobs 	<ul style="list-style-type: none"> • U.S. and U.K. <ul style="list-style-type: none"> - Living wage • Finland and Utrecht, the Netherlands <ul style="list-style-type: none"> - Basic income • Bremen and Wolfsburg, Germany • Bolzano, Italy and Paris, France • Gothenburg, Sweden <ul style="list-style-type: none"> - Reducing working hours and creating more jobs 	<ul style="list-style-type: none"> • Austria and Germany <ul style="list-style-type: none"> - Arbeitskammer (Chamber of Labor) • U.K. <ul style="list-style-type: none"> - People's Palace • U.S. <ul style="list-style-type: none"> - Worker centers

These local governments mainly focus, as part of their policymaking on labor, on creating local jobs and providing occupational training with direct and indirect support (whether legal, fiscal, or organizational) from federal or national governments. The main difference between the labor policy approaches of local governments in the Anglo-American free-market economies and those of local governments in the continental Europe's socialist-leaning market economies is the extent to which diverse stakeholders, particularly labor unions, participate in the making of local policies. This divide between the Anglo-American and continental European styles is arbitrary, however, as various local governments on

both sides, including Bremen in Germany, Gothenburg in Sweden, London, and Paris have adopted labor policies similar to those of the SMG today.¹⁹

As recently as five years ago, labor policy was almost exclusively the purview of the national government in Korea. The election of progressive-leaning and pro-labor mayors and governors in the intervening years, however, has opened the floodgate for local governments' initiatives in the area of labor policymaking. Nevertheless, as the Korean national government still retains a firm grip on much of the labor policy, local governments have little influence on deciding and altering working standards, working conditions, or supervision. The majority of labor policies adopted by local governments so far thus focus on labor relations in individual companies or industries. The presence of labor unions within these local governments' organizations, however, also present these governments with an increasing range of collective labor policy issues. The labor policies of local governments are inevitably tied to the existing administrative organizations.

In order for local governments to develop and implement their labor policies, they need to systematize the whole policymaking process. Local governments achieve the systematization of labor policies mainly in three ways: namely, as rule

Systematization of Local Governments' Labor Policymaking: Municipal Ordinances, Administrative Organizations, Support Structure

Local government		Local law in effect	Administrative organization	Support structure
Metropolitan /provincial	Seoul	Municipal Ordinance on the Protection of Workers' Rights and Interests	Employment and Labor Policy Officers (Employment Policy Officer, Labor Policy Officer, Social Economy Officer) → 5 labor policy teams, 3 labor relations teams, 3 labor welfare teams, 3 labor rights teams, and 3 labor protection teams	Seoul Labor Center (encompassing four borough-level workers' welfare centers)
	Gwangju	Municipal Ordinance on the Protection of Workers' Rights and Interests	Social Cohesion Steering Group (labor policy, non-regular workers, labor-management relations, etc.), Bureau of Employment (incl. Employment Policy Division)	Labor Center, Non-Regular Worker Support Center
	Chungnam		Economic Policy Division in the Office of Economic and Industrial Policies (encompassing seven divisions, including those for employment and labor welfare policies) → Planning to introduce a new labor-specializing division	Labor Counseling Center
Municipal	Ansan, Gyeonggi	Municipal Ordinance on the Protection of Labor Rights	Employment Policy Division in the Bureau of Economic Planning (encompassing seven divisions including the labor policy division)	Non-Regular Worker Support Center
	Asan, Chungnam	A draft for a Municipal Ordinance on the Protection of Labor Rights now under review	Social Economy Division in the Bureau of Economic and Environmental Policies (including the Social Economy, Social Economy Support, Neighborhood-Building, and Job Support Teams) → Planning to introduce the Labor Policy Team	Labor Counseling Center, Non-Regular Worker Support Center
	Seongnam, Gyeonggi	TBA	Labor Division (encompassing seven teams, including the Job, Labor Policy, and Labor Relations Teams)	Under review

Note: 1) The coalition government of Gyeonggi Province is planning to reorganize its labor policy administrative organization by introducing a new Bureau of Employment and Labor.

2) The Office of the Labor Policy Officer in the SMG consists of five teams and 17 employees, with an annual budget of KRW 53.57 billion as of 2015.

setters, as model employers, and as monitoring authorities. First, as a rule setter, each local government ought to ensure whether there are local legal grounds supporting the establishment of a comprehensive labor policy regime. The legislatures of Seoul, Gwangju, and Ansan, for example, have adopted their own municipal ordinances supporting the sustainable growth and progress of local labor policy regimes in the long run. Second, as a model employer, each local government ought to review whether it has appropriate policy measures and plans to perform its role. Third, as monitoring authorities, each local government ought to survey and determine whether there is a well-functioning system for monitoring if the specific programs of its labor policy are implemented as intended.

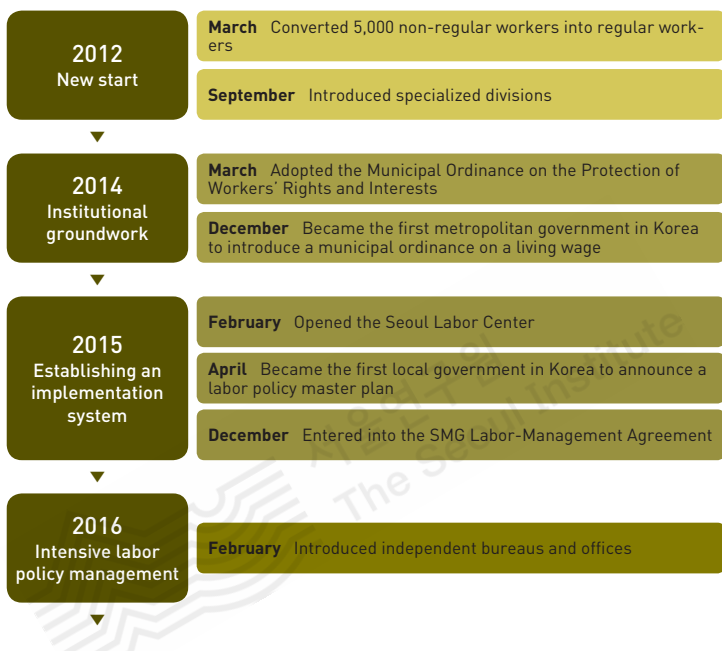
Becoming the First Local Government to Establish the Basis for Labor Policymaking

The SMG became the first local government in Korea to introduce an administrative organization for labor policy, featuring bureaus and divisions. The SMG was the first in Korea to set up the Bureau of Employment and Labor Policies (converted into the Office of the Employment and Labor Policy

Officer as of August 2016). On April 29, 2015, the city also announced the Labor Policy Master Plan, outlining all the diverse labor policy initiatives and programs it intended to implement. The SMG's labor policy initiatives should not be taken as exhaustive enough to represent what local governments can do for labor, but they do provide a good model for other local governments' reference. Examining the labor policy initiatives, administrative organizations, and support structures of the SMG and other local governments is therefore key to understanding how labor policy initiatives arise and spread at the local level.

The SMG has also adopted numerous municipal ordinances and committees (including the Workers' Rights Protection, Living Wage, Emotional Labor Workers' Rights Protection, Employment, and Young Part-Time Workers' Rights Committees) in order to ensure the sustainability of its labor policy regime. As required by the municipal ordinances, the SMG articulated the two overarching policy objectives, the four main policy tasks, and the 61 specific tasks in 16 categories as part of its Labor Policy Master Plan. On April 27, 2016, the SMG announced its Comprehensive Labor Policy Plan, representing an upgraded version of the master plan. In the plan, the SMG promises to transform Seoul into a capital city with

Development of the SMG's Labor Policy Regime



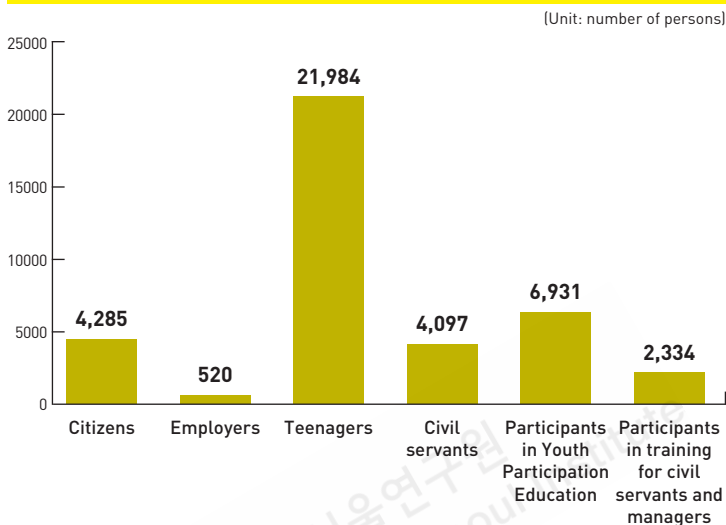
respect for workers' rights, making seven pledges, including eliminating infringement upon workers' rights, eliminating the blind spots of labor law and policy, expanding the reach of the living wage, and converting the status of more non-regular workers into regular ones. The seven pledges will

form the main process by which the SMG monitors the implementation and effectiveness of its labor policy measures.

In response to the Guui Station tragedy, the SMG announced 18 tasks of labor reform across five areas on September 13, 2016. The main features of the announcement include regularizing all workers involved in permanent and ongoing jobs as well as the jobs needed to protect the safety of citizens, strictly enforcing the three principles of hiring non-regular workers (short-term, exceptional, and minimal), and hiring non-regular workers only where it is necessary. The SMG also announced its plan to reduce the ratio of non-regular workers in the City Hall and other public organizations in which it invests from the current five percent to three percent by 2018. The SMG, moreover, intends to improve the labor policy regime so that non-regular workers who have been recently regularized would not be discriminated against in matters of pay raises and promotion, and also significantly improving the poor working conditions so that their human dignity is protected at work.

The SMG's model of labor policymaking introduced since Mayor Won-Soon Park's inauguration in October 2011 has gone on to set an example for other local governments to benchmark and emulate. The SMG's labor policy regime

Cases of Labor Education in 2015



indeed provides an excellent example for other local governments because it is backed by the necessary legal grounds (municipal ordinances protecting workers' rights, the living wage, and workers involved in emotional labor, among others); a systemic administrative organization (the Employment and Labor Policy Group, encompassing the Labor Policy, Employment Policy, and Social Economy Divisions as well as labor liaison officers and advisors); policy programs (master and comprehensive labor plans and labor reform measures); and a support structure (the Seoul Labor Center and the workers' support centers in four boroughs).

Another important and distinct feature of the SMG's labor policy regime is that it provides active labor education for teenagers, civil servants, and citizens at large. In 2015, the SMG provided labor education programs for 40,151 participants in total, including 30,886 enrolled in the Labor Academy and 9,265 in participation-type programs. These programs targeted 21,984 teenagers who will be workers in the future, 4,285 citizens, 4,097 civil servants, and 520 employers. The fact that the SMG emphasized the reinforcement of labor education for the public as the first and foremost task of its Labor Policy Master Plan indicates where the SMG's priorities lay in adopting its labor policy initiatives. The SMG made sure that the education programs would not focus on theoretical aspects only, such as the three basic rights of workers, but that they would also invite and feature active participation and debates among participants. While the labor education program has yet to make its entry into the regular public school curriculum, the SMG is determined to raise the public's awareness of, and sensitivity to, labor issues and rights as the civic education curricula many advanced economies promote.

CHAPTER 4



Protecting Labor at the Local Level: Centers for Workers



The Seoul Institute

Seoul Labor Center

and the Workers' Welfare Centers of Boroughs

Numerous local governments in Korea operate centers, either directly or via nongovernmental agencies, that support the rights and interests of non-regular workers. In the early days, these centers mostly came into being as a result of the initiatives by NGOs. Centers created and run by local governments, however, have begun to outnumber these NGO-run centers. There are 16 such worker support centers run by local governments or third parties designated by local governments in Korea today. Municipal governments have been more active in opening these centers than metropolitan or provincial governments. Whereas the first metropolitan worker support center came into being in 2014, the first municipal center predated it by two years. Municipal worker

support centers are run by designated third parties for an average term of three years in accordance with municipal ordinances.

Local governments around the world have introduced much more diverse organizations to support workers' rights and welfare. In countries like those in Europe, where labor unions and parties have been an important part of politics for centuries, workers have organized their own cooperatives and institutions to promote their rights and interests, such as *Folkhemmet* and *Arbeitskammer* (Chamber of labor). The Olof Palme Place in Sweden is another good example. Along with pubs in England, *circolos* in Italy, and other such places of gathering for workers, these centers have been the central backbone of local labor cultures and organizations since the 19th century.

Whereas, more organized and less spontaneous forms of labor organizations than the European examples have begun to crop up across the United States with the mobilization of labor unions' resources. Worker centers are spaces that provide support for unorganized non-regular workers. Catering mostly to migrant and low-wage workers, these worker centers are run on the basis of donations from private foundations and fees paid by members. As these centers are often

strapped for money and human resources, activists working here tend to be overworked.

Alternative spaces for workers have begun to emerge in Korea in the recent years, including cooperatives, people's homes, and centers serving local non-regular workers. Labor activism is on the rise in Seoul. The diverse nongovernmental groups and actors play significant roles in the design and realization of the SMG's key labor policy initiatives, such as support for non-regular workers, the living wage, and the employee representative Program. Catering to minorities, including underpaid workers, young people, women, and seniors, these workers' support centers are effectively the safe havens of workers' rights and welfare in Seoul.

The varied labor support organizations in Seoul today include workers' support centers (the Seoul Labor Center and the workers' welfare centers of boroughs) and specialized support centers (the Youth Hub, the Working Mom Support Center, and the Center for Caregivers for Seniors). Mayor Won-Soon Park, while he was running for the mayoral by-election, agreed to set up these centers in consultation with various labor groups, and the centers thus came into being after he won the election.

The Seoul Labor Center encompasses borough-level workers' welfare centers in four boroughs (Seongdong-gu,

Seodaemun-gu, Guro-gu, and Nowon-gu). These workers' welfare centers campaign for workers' rights, conduct research and surveys, help jobseekers land jobs, and organize diverse cultural and educational programs. They also provide the SMG's labor policy services to citizens directly. The Seoul Labor Center, at the top of the workers' support organization across the city, conducts research on relevant policy issues, provides legal counseling and remedies, and handles education and training for workers. These five centers supporting workers hold joint meetings and organize joint surveys and campaigns with respect to labor policy issues and programs, such as those for part-time workers.

The Korean Contingent Workers Center (KCWC) has been managing the Seoul Labor Center on behalf of the SMG since 2015. Professor Don-Mun Cho of Catholic University who is also co-representative of KCWC has been articulating and shaping the vision and long-term objectives of the Seoul Labor Center since its establishment. The Seoul Labor Center's scope of services and programs expands along with the expansion of the SMG's labor policy because it effectively serves as the central intermediary of the SMG's various labor policy programs and services. Recently, the center has taken on the SMG's job creation programs and Part-Time Work-

ers' Rights Safeguarders program, and also opened a shelter for migrant workers in Nonhyeon-dong.

The Seoul Labor Center has also conducted research projects on various policy issues, including the working conditions for migrant workers such as chauffeurs and quick courier deliverers, security guards working at apartment complexes, dressmakers, workers involved in emotional labor, and workers and jobseekers of minority backgrounds. The center has intervened in, and provided legal remedies, for minority workers in 20 cases (supporting 24 workers in total), and has also advised 140 people in four regions through its itinerary labor consulting program. The center has also held 196 sessions of labor rights education for 6,900 participants until now, mostly teens and young adults. The Mobile Law School, another feature of the center's labor law education program, has held 30 classes for 396 students in total in seven boroughs.

Helping Teens Learn about Basic Labor Rights and Providing Labor Consulting on Visit

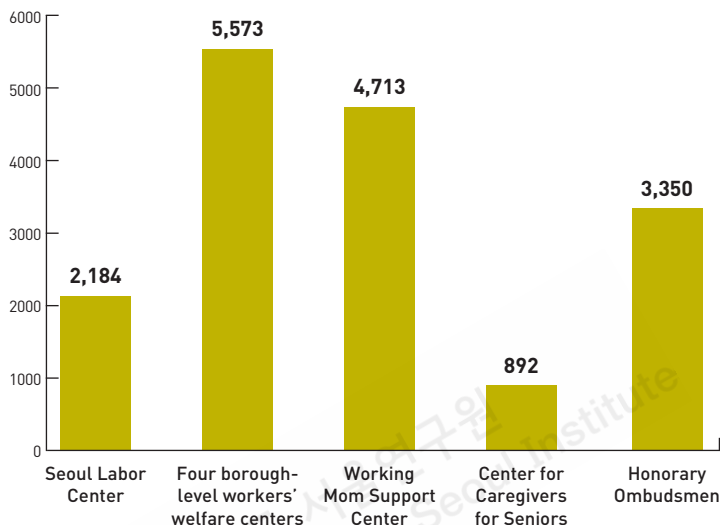
The workers' welfare centers in four boroughs also provide legal aid and counseling for workers, labor education, job-related support for minority workers, and research services.

In 2015 alone, a total of 49,127 citizens used these four centers, attending the classes for workers in emotional labor (35.2 percent), the Labor Law School (33.2 percent), humanities lectures (14 percent), legal aid and counseling sessions (11.3 percent), computer classes for minorities (5.7 percent), and opinion polls and public debates (0.6 percent). If the Seoul Labor Center specializes more in research and legal counseling, the workers' welfare centers in boroughs focus more on providing services aimed at the public at large, such as the Labor Law School program and other public lectures.

The Seoul Labor Center handled 2,184 cases of labor counseling and aid in 2015. These cases provide poignant testimonies on the reality of labor facing many workers. The majority of the cases involved employers hiring fewer than five full-time workers each, who were exempted from the Labor Standards Act in many different ways. Workers working at these small businesses, for example, are denied the additional wages (50 percent of their normal wages) even for working at night time or on holidays. These small businesses are also exempt from the law's requirement to provide maternity benefits or severance indemnities for workers. Workers working at these small businesses are therefore particularly vulnerable to the violation of their rights. The vast

Cases of Legal Counseling in 2015

(Unit: number of persons)



majority of the cases handled by the Seoul Labor Center thus involved disputes over wages, severance pay, unemployment benefits, disciplinary actions and dismissal. The cases on defaults on wage payments involved not only the delayed payment of due wages, but also the failure of employers to pay the legally stipulated minimum wage or fair wages for extended work hours.

Delayed payment of wages was the leading cause for which workers sought the Seoul Labor Center's legal coun-

selling and aid, followed by unjust discipline and dismissal, the lack of severance pay, and the lack of unemployment benefits. Discipline and dismissal were the top causes for seeking legal aid in 31.1 percent of regular-status workers and 34.5 percent of non-regular workers with indefinite-term contracts. Regular-status workers also sought out legal remedies with respect to delayed payment of wages (23 percent) and unemployment benefits (16.7 percent), while workers on indefinite-term contracts also frequently sought legal remedies with respect to delayed payment of wages (32.8 percent) and severance pay (25.9 percent). Delayed payment of wages was the main cause for seeking legal help in 77 percent of day-job workers, 46.5 percent of temporary workers, 44.7 percent of short-term workers, and 51.4 percent of special employees.

Spaces of Understanding and Communication: The Youth Hub and the Youth Zone

The Youth Hub in Seoul is a leading organization advocating the interests and rights of young people. Yonsei University has been managing the Youth Hub on behalf of the SMG since February 2012. The members of teams that participated in Haja Center and the Youth Union became the founding members of the Youth Hub. The Youth Hub has played a pivotal role in shaping and implementing the SMG's diverse policy programs for young people. It was the source and inspiration for such initiatives as the Seoul Youth Municipal Ordinance, the Youth Council, and the Allowances for Young Jobseekers. The Youth Hub today provides working and gathering spaces for a dozen or so policy advocacy groups for young people, including the Min Snail

Union and the Youth Union.

Youth Charm and Youth Network Gatherings

The Youth Hub mainly strives to enhance young people's successful entry into society by supporting extensive networking and solidarity-oriented activities among young people, encouraging them to take initiatives, and guaranteeing diverse opportunities for social and political participation. The mission of the Youth Hub is to build a basis for social cohesion and support for young people by finding solutions for bridging the intergenerational divide and strengthening social cooperation. The national government so far has treated young people as almost exclusively policy clients in need of more jobs. This has been the dominant trend since the Asian Financial Crisis of the late 1990s. All the national policy programs that have been introduced to serve young people since then focused on giving internship opportunities to young people, providing them with support in the job-seeking process, and setting mandatory quotas for hiring young people.²⁰ The Korean government, however, has overlooked the fact that the governments of many other advanced countries worldwide have been tackling the problems

of employment and quality of life for young people since the start of the new millennium out of a deep concern for the future society.

The SMG's policy for young people differs from the national government's by providing physical spaces, such as the Youth Hub and the Youth Zone, where young people can gather together for networking and interacting with one other. The services of the Youth Hub can be divided into three main categories: namely, career exploration (5 domain areas), independence and solidarity (6 domain areas), and social cohesion (6 domain areas). The Youth Hub conducts research

Youth Hub Programs					
Career Exploration		Independence & Solidarity		Social Cohesion	
Learning	Experience	Space	Activity	Issues	Under-standing
n-Number Youth Schools	Innovation Activists	Youth Administration	Youth Charm	Research	Cheongjeong Net
YLA	Seoul JOBs	Space Hwal	Youth Hwal	Linking resources	Internal and external relations
Activity training		Midaji	Dangsaja	PR and archiving	Youth Week

and gathers information necessary for policymaking on youth-related issues, supports the initiatives and activities of young people, provides capability-enhancing training for young people, undertakes innovative programs for enhancing young people's prospects for finding jobs, and supports the housing, debt reduction, and culture for young people. The Youth Hub strives to support young people's lives and help them discover and actualize their potentials by providing actual spaces they need.

The Youth Hub has epitomized the aspirations and capabilities of the SMG's youth policy initiatives. It has played an indispensable role in helping the SMG develop its Youth Policy Master Plan. The young people's groups, tenants in the Youth Hub, were also behind the design of the Allowances for Young Jobseekers that have recently become a hot social topic. When the space was first launched in 2012, its initial name was the Young People's Employment Hub, and has been changed into the Youth Hub in 2014. The initial name indicates the central focus of the SMG's youth policy at the time—that is, on creating and supporting jobs for young people. Over time, however, the Youth Hub has evolved to provide support for a comprehensive range of issues affecting young people's lives, including jobs and training.

The Youth Hub's n-Number Youth Schools Program

	2013	2014	2015
Direction	Youth School (100 days)	n-Number Youth Schools (100 days)	Field Youth Schools (9 months)
Participation	Core courses -159 participants -215 applicants, 189 admitted	Core courses -578 participants -982 applicants, 660 admitted	1,292 participants -Core courses: 169 participants -291 applicants, 192 admitted -Open courses: 1,123 participants

Note: The Youth Hub's n-Number Youth Schools Program provided 17 level-by-level courses across six categories from the Field Youth Schools.

One of the major programs of the Youth Hub is the n-Number Youth Schools Program. Introduced to enable young people to escape the fierce competition for survival on the job market at least for a period of time and to explore their career options in a serious manner, the program provides education and training over a wide range of topics, including the humanities, social innovation, and urban renewal. The program, which started with 159 participants in 2013, quickly grew in popularity, drawing in 578 participants in 2014 and another 1,292 participants in 2015. The Youth Hub also encourages young people to participate

actively in building and managing their own communities. The Youth Hub provides financial and administrative support for community projects proposed by youth groups, consisting of three members or more each. Whereas 112 teams of 600 or so applicants received support in 2013, the number of participants quickly soared to 239 teams of 1,300 or so members in 2014, and to 229 teams of 1,260 or so members in 2015. The chosen teams attend monthly meetings to share their progresses and strengthen their networking. The number of young people's voluntary associations and initiatives for diverse issues, including welfare for disabled people and environmental protection, has been on the notable rise in recent years.

Besides the Youth Hub, the Youth Zone allows young people to address and solve youth-related issues on their own. Located at the entrance of the alleyway leading to the Seoul Foundation of Women and Family in Daebang-dong, the Youth Zone provides a more intimate, local and community-oriented space than the Youth Hub. The Youth Zone provides programs for enabling young people to solve common problems (debt, livelihood security, space support for youth policy activities, and joint planning projects of youth NGOs), for encouraging a wide range of youth activities and sup-

porting young people's growth (the Seed Activities, local culture programs, educational support), and for organizing cooperation among young people (energizing collaboration, the Open Youth Membership, community projects). In particular, the Zero Debt Project for Young People is significant in that it addresses issues that affect young people other than employment, such as the significant amount of debt that young people incur as they struggle to complete their education.



Supporting Working Women: Working Mom's Support Center

The Working Mom Support Center (WMSC), located near Konkuk University Hospital in Gwangjin-gu, is an important support and advocacy organization for issues pertaining to women workers in Seoul. The Seoul Women Worker Association has been running the center on behalf of the SMG. The main areas of focus for the WMSC are protecting workers' basic rights, protecting maternity at work, and improving working conditions for working women. Major services on offer include general counseling services, daycare service for the children of working women, support for women's empowerment at work, support for working women's networks, and public campaigns. The center introduced, in 2015, a comprehensive counseling program

focusing on the three core issues affecting working women: namely, workplace relations, family relations, and personal issues. In 2016, the WMSC also launched the 120 Dasan Call Center, providing a hotline for women struggling with various work-related issues. The center is opening branches throughout Seoul, starting with one in Geumcheon in July 2016, another in Eunpyeong in 2017, and the third one in Nowon in 2018.

Although the WMSC was established in 2012, it has been seeing a dramatic increase in the number of women seeking its counseling and advice since February 2016 because that was when the 120 Dasan Call Center opened, providing an important hotline (120+#5) for working women. Mayor Park had promised to open up such a telephone center on October 12, 2015, during his discussion over dinner with the representatives of working mothers which was held as a part of SMG's Job March at the time. The call center embodies the SMG's efforts to help women who face much discrimination and unfairness at work due to pregnancy, childbirth, and family care. Of the counseling cases handled by the WMSC over the last four years, 81 percent concerned difficulties women experienced at work. Of these work-related counseling cases, 83 percent involved the issues of maternity

and childcare leaves.

“I took my childcare leave from work, and was scheduled to return to the same workplace in August. With my scheduled return to work approaching, I tried to log into the company’s intranet system using my ID and password, only to find out that my account had been deleted altogether. I called the company, and the president indicated that he wanted to talk to me in person. When I showed up at the café where we were supposed to meet, the company president was there with the head of the sales division. They told me that I no longer had a job to return to in August. I worked in that logistics company for 13 years straight. I never imagined I would be forced to leave like that.”

— A woman who was advised by her employer to resign from her job two months before her scheduled return to work after taking a childcare leave

“I was only four months into my new job at this new workplace when I discovered that I was pregnant. When I told the management about this, my bosses told me to resign, since they would not be able to find a temporary substitute for me with ease. I did not want to quarrel with the company over this issue, so I was persuaded

to take unemployment benefits instead of a maternity leave.”

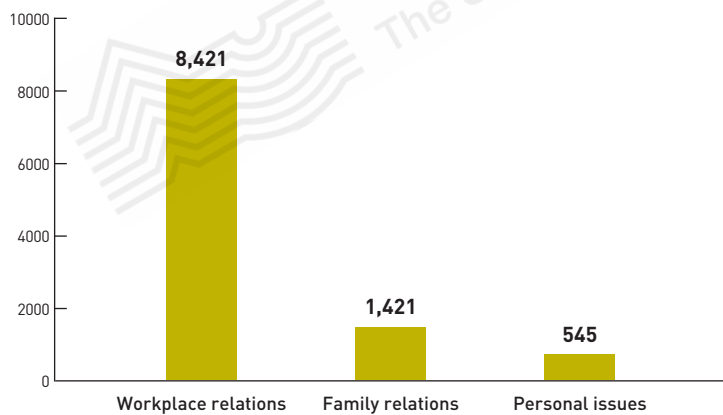
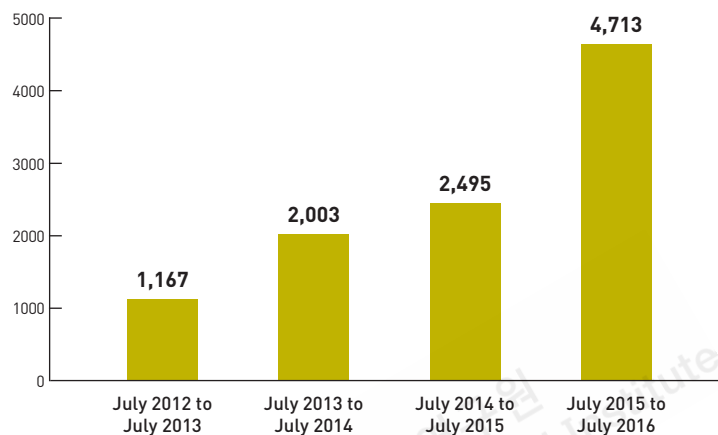
— A woman who was advised by her employer to resign from work
when she reported her pregnancy to management

A feature article published recently in a newspaper generated some controversy when it divulged that a large and well-established corporation in Korea tried to force a woman employee to resign from her post when she shared the news of her upcoming wedding with her colleagues. This kind of unabashed discrimination against women about to get married, pregnant, or give birth to children is the norm rather than an exception. The counseling cases that the WMSC handled in 2015 suggest that the maternity leave guaranteed by law is only illusory for a vast majority of working women. The Korean law aspires toward protecting working mothers at work, but almost no workplace in Korea respects working mothers. The WMSC and the counseling service it provides form a rare source of help and support to which desperate women could turn in times of need.

The WMSC also supports local communities of working mothers. There are parenting communities in eight boroughs in Seoul (Gangseo-gu, Guro-gu, Dongjak-gu, Mapo-gu, Seocho-gu,

Counseling Provided by the WMSC (2012-2016)

(Unit: number of cases)



Source: Internal documents of the WMSC (August 2016).

Yongsan-gu, Jongno-gu, and Jung-gu) supported by the WMSC. These parenting communities are growing into centers for local communities, and strive to enhance sense of community and solidarity needed to create a healthy environment for children. Working mothers in Korea are so overworked that they often neglect the issues of social community and neighborhoods. These parenting communities provide a welcome relief for overworked working mothers and enable them to contribute to their communities. These local community centers together held 85 meetings in total at the WMSC from May to October 2015, further strengthening social cohesion of these working women in their workplace, home, and neighborhoods.

Protecting the Rights of Professional Caregivers: Center for Caregivers for Seniors

The Center for Caregivers for Seniors (CCS) is located right next to the Seoul Innovation Park near the Bulgwang Subway Station. In the vicinity are two other major social support organizations of the SMG, i.e., the Social Economy Support Center and the Youth Hub. The CCS supports professional caregivers working in Seoul. The Institute of Health and Welfare Resources has been running the center on behalf of the SMG since November 2013, with Gyeong-Sook Choi overseeing and shaping the mission of the center since its very first days. The CCS has recently launched the Good Care public campaign, raising the public awareness of the importance of quality caregiving services.

The CCS advocates the rights and interests of professional

caregivers who serve important roles in Korean society, but whose welfare is often neglected. It also launches health-themed public campaigns and projects, provides occupational training for caregivers, and helps caregivers find jobs. The center aspires toward providing a comprehensive range of services and support needed by this particular occupation, from job-seeking support to occupational training, to health management and to rights advocacy. Having been established in Eunpyeong-gu in November 2013, the CCS opened its first branch in Geumcheon-gu in August 2016, and intends to open up additional branches in 2017. The main areas of the CCS' services include work-related counseling (issues professional caregivers experience at work), job support counseling (helping caregivers find jobs), health counseling (helping caregivers tend to their health issues better and also apply for workers' compensations), and legal counseling (improving professional caregivers' treatment and rights under the Labor Standards Act).

The occupational training programs that the CCS offers include skills for caring for bedridden patients with senile dementia, hospice care education, communication training, and writing lessons. The course on protecting caregivers' rights involves teaching caregivers about their basic labor rights, tips for preventing and handling sexual harassment,

and the benefits of forming and joining cooperatives. The health programs for caregivers at the CCS include stretching exercise classes designed to prevent musculoskeletal dysfunction, stress management classes, and psychological counseling. In 2015, the CCS provided diverse programs and projects, including those for enhancing the capabilities of caregivers (improving their health, occupational skills, leadership skills, and awareness of cooperatives), raising the public awareness (the Good Care Campaign), advocating caregivers' rights (providing work-related counseling and job support counseling, organizing job fairs, publishing newsletters and distributing the "rights notes"), and enhancing the center's own functions (for policy research, public relations and networking).

The important and beneficial impact that the CCS has on caregivers' wellbeing and local communities is observed not just in statistics, but also in the self-reports of caregivers who have benefitted from its services. The CCS provides useful services and programs for professional caregivers who tend to be elderly women and work in poor conditions. By participating in the CCS' programs, professional caregivers report that they were able to regain a sense of self-esteem and learn important tips for maintaining good relations with others. Because caregiving often involves emotional labor, caregivers

who experience difficulties in relations with others are likely to feel tired of their work. The CCS helps these caregivers to restore their sense of self-respect and hope in their work, confirming the substantial contributions that a local government's policy resolve could make to the welfare of people in particular occupations.

Older workers in Korea are mostly concentrated in precarious and underpaid jobs, and are often isolated from positive social relations and also neglected by the social security system. Caregiving has been regarded almost exclusively as a domain of private life and family relations until now, leading the entire society to turn a blind eye to the value and difficulty of services provided by professional caregivers. The growing number of families with both spouses working full-time, single-person households, the elderly population, and single-parent homes due to the transformation of the industrial structure, have all raised the demand for professional care services dramatically, pushing society-led caregiving policies, but the care market system still leaves professional caregivers quite vulnerable. The true socialization of care services should start by acknowledging that society as a whole bears the responsibility to provide services for people in need of care. The right to care giving and receiving should

be respected and protected irrespective of the socioeconomic status or means of each individual. The creation of support organizations like the CCS may not be enough to change the whole society dramatically, but they do mark the first meaningful step for us to become a more caring society.



CHAPTER 5



Seeking Answers in the SMG's Labor Policy



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The Guui Station Tragedy and the Shift of Focus onto Life and Safety

Although the SMG made labor a central and foremost issue on its policy agenda, it was unable to prevent the tragic death of a very young worker at the Guui Station on May 28, 2016. The Guui Station tragedy revealed the blind spots of the SMG's policy for regularizing non-regular workers. Amid the celebrations and praises of the regularization policy, the grave implications of "outsourcing danger" were neglected. In truth, the SMG and its affiliate organizations were reluctant to dig too deeply into this problem. The metropolitan transit authorities in Seoul had turned a blind eye to all three preceding accidents involving the malfunctioning screen doors at subway stations. The national government's approach to outsourcing of danger only in terms of admin-

istrative and financial efficiency also helped to gloss over the reality of vulnerable non-regular workers.

In response to the Guui Station tragedy, the SMG assembled a committee to investigate the facts of the accident. The committee, consisting of 14 experts on safety, labor issues, and civic activism, was chaired by Ji-Hyung Kim, a former Supreme Court Justice. I was invited to join the committee as a member. On my first day as a committee member, on June 8, 2016, I visited the scene of the accident at the Guui Station and Konkuk University Hospital where the main incense altar had been set up for the victim. Thousands of people had visited the subway station and the incense altar already. There were countless Post-It notes posted on the screen doors of Platform 9-4 at the Guui Station along with chrysanthemum flowers. Almost all the Post-It notes were mournful. "It sure looks very narrow between the screen doors. I cannot imagine how much it must have hurt you to be stuck here. Please rest in peace," read one note. Another read: "How painful it must have been, how scary it must have been, how much you must have cried, and how lonely it must have been for you. I am sorry that I wasn't there to help you." There was also another note: "Please eat something nicer than cup noodles where you are now." The

backpack that belonged to the young man who died in the accident had contained a cup of noodles, which the victim appeared to have intended to eat for lunch the day he perished in the accident.

Innumerable citizens came forward to mourn the death of the 19-year-old victim. The spread of sorrow among citizens sparked the demand to put an end to the endless outsourcing of danger and death to vulnerable young people. Citizens took to the street, organizing their own candlelight vigils and street marches, because the death of a 19-year-old forced them to face the reality of the Korean society and economy. The victim, like his coworkers, worked tirelessly at his job all day long, often skipping meals, for the low monthly income of around KRW 1.5 million. Looking deep into the rules of employment specified in the report by the Guui Station Truth Investigation Committee, the outside job agency outsourced by Seoul Metro treated employees as if they were emotionless robots undeserving of respect or care. Its code of conduct required employees to “keep good faith and know their places, and apply themselves responsibly and loyally to their work.” It also threatened to dismiss employees on various grounds, including “unfriendliness to customers and/or repulsive appearance, attitude, odor, or habits.”

The Guui Station tragedy, in fact, was an outcome of the national government's decade-long policy on outsourcing various jobs, particularly the dangerous and menial ones. Seoul Metro, the main local government enterprise in charge of managing the subway services in Seoul, reduced the number of workers on its payroll by over 20 percent in 2008 by outsourcing jobs to third-party outside job agencies. It did so under the march of the Lee Myung-bak administration's campaign for "upgrading" the public sector by maximizing management efficiency. The Ministry of Strategy and Finance (MOSF) announced a series of "upgrading plans," pushing for the restructuring, streamlining, and privatization of many public functions, from August to December that year. While Oh Se-hun, Park Won-soon's predecessor, was Mayor of Seoul, the SMG and its public enterprises proceeded to undertake sweeping restructuring under these upgrading plans, with Seoul Metro firing 2,000 workers overnight.

The SMG and its public enterprises at the time began restructuring with a view to reducing its labor force and the cost of business.²¹ A more appropriate reform of Seoul Metro and Seoul Metropolitan Rapid Transit Corporation (SMRT), however, should have begun by asking what the true ob-

jectives and functions of the public subway system should be and how the public subway system could best serve the public interest. Seoul Metro and SMRT are transportation companies. Their public accountability in terms of their mission is to transport citizens to their destinations in the most efficient, affordable, and safe manner possible. The primary function of Seoul Metro and SMRT is therefore to maintain all the facilities and devices in their best and safest conditions possible as well as to transport citizens to their destinations.

Interestingly, during the restructuring of Seoul metropolitan subway system, the number of office and administrative workers in the company headquarters (in pay grades 1 through 3) increased, while the number of drivers, vehicle technicians, facility technicians, and maintenance workers was reduced drastically. The number of people working on site at subway stations also plummeted. The chronic short-handedness in maintaining and keeping these subway stations safe eventually culminated into the tragic death of an under-trained 19-year-old who had just started working in the subway system. In other words, the rush to maximize business efficiency had led to the outsourcing of even the most crucial tasks like safety inspection and maintenance of screen doors

on subway station platforms to under-trained and underpaid workers.

The Outsourcing of Danger and the Rising Number of Major Accidents

Seoul Metro, in fact, had begun outsourcing the safety inspection and maintenance tasks to outside job agencies in 2006, two years before the Lee Myung-bak administration's efficiency policy rolled around.²² Neither of the two companies from which Seoul Metro outsourced the safety inspection and maintenance tasks—Eunseong PSD, the company that was founded by a former executive of Seoul Metro and that had hired the victim, and Yujin Metrocom that had started out as an ad agency—specialized in the maintenance of screen doors on subway station platforms. With decision-makers solely focused on minimizing the cost and nothing else, these companies lacking expertise won the bid to perform the safety inspection and maintenance tasks on behalf of Seoul Metro. This decision led to a number of fatal work-related accidents .

The indiscriminate outsourcing of danger inevitably culminated into an increasing number of major accidents. A

significant number of major accidents that took place in Seoul metropolitan subway system over the last eight years involved these outside job agencies and their workers. Most of the victims who lost their lives in these accidents were non-regular workers hired by these outside job agencies.

Accidents involving the malfunctioning or maintenance of the screen doors on subway station platforms took place every year in a four year period (at the Seongsu Station in 2013, at the Doksan Station in 2014, at the Gangnam Station in 2015, and at the Guui Station in 2016). Three of these accidents resulted in the deaths of non-regular workers performing maintenance jobs hired by outside job agency on behalf of Seoul Metro. The regular-status workers of Seoul Metro, who were also hired to inspect the safety of these screen doors and other facilities, escaped these accidents unscathed. The fact that many of the serious accidents occurred to non-regular workers from outside job agencies clearly confirms the outsourcing of danger.²³

Prioritizing Lives and Safety Above All Else

The Guui Station tragedy prompted the SMG to end the outsourcing of dangerous jobs pertaining to the lives and

safety of citizens and established a direct employment system with clearly defined responsibilities. The direct employment of workers, however, is not a solution to every problem. Direct employment may improve the security of the job status, but it does not guarantee the safety of working environments. The SMG is still struggling to find a system that integrates the employment and management of the personnel of all its organizations and also effectively assigns workers and communicates commands and instructions. The SMG is also looking for legal and policy measures to ensure the safety of workers in a sustained and effective manner and prevent the outsourcing of safety-related tasks. In other words, the solution lies not in the direct employment of needed workers, but in enhancing the safety of workers in working environments.

The SMG has recognized this, and resolved to use the Guui Station tragedy as an opportunity to re-design the working environments and tasks facing many underpaid workers working long hours in the public sector. In particular, the SMG plans to promote a healthy work-life balance by introducing proactive measures to prevent accidents at work and limit the number of working hours, whether for the workers it directly hires or for the outsourced workers.

In cases where it is necessary to outsource workers, the SMG will ensure joint participation by both the workers it directly hires and the outsourced workers, in the promotion of the occupational safety and health of their workers at work. The SMG has announced plans to adopt a number of policy alternatives that have been proposed so far to improve workers' safety, such as the Honorary Occupational Safety Supervisor Program, giving greater discretion to workers involved in dangerous and risky jobs to decide to cease working in poor working conditions, and guaranteeing workers' participation in the management's decision-making.

The SMG hopes that the Guui Station tragedy will awaken the entire society to the precarious conditions under which many non-regular workers work today. The SMG considers it its most important duty to maintain the memory of the tragedy, and use that memory to continue to improve efforts for minimizing danger and risks to workers. The SMG has already used the Guui Station tragedy as an opportunity to introduce a number of public safety measures, including the Civic Safety Supervisor Program, a new governance structure involving the participation of labor, management, and the SMG on safeguarding the safety of workers, and the declaration of May 28 every year as the

The Republic of Korea's Constitution states: "All citizens shall be assured of human dignity and worth, and have the right to pursue happiness." The constitutional guarantee of human dignity and the right to the pursuit of happiness for every citizen implies that all workers, as citizens of this country, also have the right to work in healthy and safe environments that protect their physical security and enable them to lead healthy lives. Accordingly, Korean lawmakers have enacted and begun to implement the Occupational Safety and Health Act with a view to establishing the legal standards necessary to ensure and improve the safety and health of all working people. Workers' rights to human dignity and health, however, cannot be protected solely with such statutes. It takes the entire nation, our entire community, and both labor and management to accord respect to, and protect, that right.

In recognition of the supreme value of workers' basic rights to human dignity and health, we hereby declare the following:

- Labor is a process of self-actualization. Therefore, employers must, as a matter of necessity, ensure the safety of all employees as part of according respect to their rights to human dignity and helping to improve quality of life for workers.
 - All workers must be able to exercise their rights to safety in work-
-

ing environments against their employers, demanding that their employers maintain and improve safeguards against the hazards and risks that threaten workers' safety.

- Employers must prepare systemic and permanent measures for protecting safety as part of guaranteeing workers' basic rights to life and physical security. Our entire national community must make concerted efforts to this end.
- Any and all information regarding the possible risk factors to workers' safety and health must be shared with workers themselves and the national community at large unless there are legitimate reasons preventing such disclosure.
- Where risk factors and threats to safety in working environments violate workers' basic rights to life and physical security, employers and our entire national community must work together and make their best effort to remove such risk factors immediately and effectively and restore safety to working environments.

July 28, 2016

Citizens' Safety Day so that the SMG can review and evaluate, annually, the progresses it makes with respect to improving safety.

The SMG, moreover, has also announced its resolve to pay more attention to people working in vulnerable positions and poor working conditions, including interns and apprentices hired by the SMG and its public enterprises as well as private-sector or nongovernmental agents. The SMG plans to monitor whether these workers are being exploited with too little pay, whether they are forced into taking on dangerous jobs despite their lack of experience and skills, and whether they are compelled to tolerate unfair labor contracts and practices under the pretext of "learning."

Seoul Makes Labor a Central Issue in Its Policy Agenda

During his two terms as Mayor of Seoul, Mayor Won-Soon Park has successfully established labor as a central and integral part of local policymaking and administration. Under his leadership, the SMG has established an extensive organizational system supporting labor policy initiatives, complete with municipal ordinances, administrative parts (bureaus and divisions), and support organizations (centers). The ILO defines labor administration as the activities of public administration that the state performs to carry out labor policies. The ILO emphasizes that labor administration forms a key part of each given government's policies for solving social problems, and that labor administration should focus on introducing and applying labor laws and policies in

line with global labor standards.

Let us return to the SMG's labor policy and administration. As emphasized by this book, the SMG strives toward restoring and according due respect to labor. It has launched diverse policy initiatives to revolutionize the currently polarized labor structure, abolish discrimination and unfairness against workers, prioritize the lives and safety of workers, guarantee humane working conditions, and usher in a more egalitarian culture for workers. Mayor Park launched his "Job March" in 2015, promising to create not only more and better jobs, but also good jobs for citizens. The march involved the mayor visiting 99 sites and fields of work in order to find the most viable policy solutions. On the first day of his march in October 2015, the mayor spent several hours with young people at their locations of part-time work and explored possible solutions for helping young part-timers.

On the second day, Mayor Park attended a debate on working conditions. In this debate focusing on how to reduce working hours and create decent jobs, the mayor participated as an active discussant, sharing the philosophy behind the SMG's labor policy. He then went on to meet young people in various groups, including students enrolled at occupational high schools, university students, and young

people looking for work, and heard their opinions on what changes are needed to ensure humane working conditions and stable jobs for young people. On the third day, Mayor Park met with mothers who have quit working to raise a family and mothers who continue to work while raising a family in order to understand the difficulties women experience at work. On the fourth day, Mayor Park visited seniors working in unskilled jobs and people struggling with financial needs. The mayor's "Job March" has been shaping the SMG's new labor policy since October 2015.

The central emphasis of the SMG's labor policy is on workers and not efficiency. The SMG has experimented with diverse labor policy initiatives over the last five years. Of the 330,000 or so non-regular workers working in Seoul's public sector, 9,098 have seen their status change from non-regular to regular-status workers under the SMG's policy. The newly regularized workers make up only 2.8 percent of non-regular workers, but included numerous workers trapped in particularly precarious situations, such as those hired by outside job agencies and third-party organizations on behalf of the SMG. In the meantime, 13 new labor unions came into being, mostly organizing non-regular and newly regularized workers. The members of these newly created unions make

up only 0.059 percent of all organized workers in Seoul, but no one has been fired by the SMG or its affiliate organizations over the last five years for their association with labor unions. The SMG rather reinstated 34 workers who unjustly lost their jobs under the previous mayor's administration due to their union activities. Seoul is rapidly becoming a capital city of respect for workers, as it has aspired, because it fully respects and protects the basic rights of labor enshrined in the Korean Constitution.

The SMG's labor policy experiments present us with the question of how we want our society to change. The SMG's labor policy initiatives like direct employment and management of safety inspection and maintenance workers, the employee representative Program that guarantees workers' participation in management, the introduction of a living wage opposing to a market wage, the Charter of Rights for Young Part-Time Workers and the Allowances for Young Jobseekers that help struggling young people maintain hope, the safeguards for protecting the rights of workers involved in dangerous jobs and young people working part-time, and the appointment of the Workers Protection Officer, exemplify what local governments, with determination to solve labor problems, can achieve. The SMG also organizes an

extensive range of support agencies that implement its innovative policies, such as the Seoul Labor Center, the Youth Hub, the Working Mom Support Center, and the Center for Caregivers for Seniors, performing roles and functions similar to workers' cooperatives, *folkhemmet*, and Olof Palme Place of Sweden found in Europe. All these centers have become backbones of expanding local culture and organizations through which workers organize themselves and protect their own rights and interests.



Taking the First Step Toward Reforming Labor

Since the latter half of 2016, the SMG has launched its project for reducing working hours. Having started the project first with the Seoul Credit Guarantee Foundation and the Seoul Medical Center, the SMG intends to expand the scope of the project to all organizations under its charge.

Seoul Model for Reducing Working Hours

The Working Hour Reduction Project is a key local government policy measure for reducing the inequality of working time experienced by workers. In August 1936, the French government made a paid two-week vacation mandatory for every worker. Whereas the length of the legally

mandated vacation has been extended consistently over time in France, Koreans are still guaranteed only a 15-day paid leave a year, under the Labor Standards Act that was enacted in 1953. Most workers in Korea try to take satisfaction in the three-to-four-day summer vacations they could take. One can hardly get the impression that the Korean society treats workers in a humane and just manner. The Universal Declaration of Human Rights (1948) also enumerates the right to rest (Article 24) right after the right to work (Article 23). Proper rest is crucial to the concept of human dignity. The SMG's project to reduce working hours, therefore, tests whether it is possible to improve the work-life balance for workers and let workers work in a more humane way without letting the economy lose its vitality.

Restoring Human Dignity to Work, Emotional Labor Law and Policy

In January 2016, the SMG proclaimed the enactment of the Municipal Ordinance on the Protection of the Rights of Workers in Emotional Labor. Like the municipal ordinance on the living wage, this municipal ordinance represents an entirely local-level legislative initiative not found in the laws

Municipal Ordinance on the Protection of the Rights of Workers in Emotional Labor

Chapter I. Preamble

- Article 1. Purpose
 - Article 2. Terminology
 - Article 3. Scope of Application
 - Article 4. Respect for the Rights of Workers in Emotional Labor
-

Chapter II. Duties of the SMG

- Article 5. Planning the Improvements of Working Conditions for Workers in Emotional Labor
 - Article 6. Conducting Surveys
 - Article 7. Providing Education on the Rights of Workers in Emotional Labor
 - Article 8. Evaluating and Advising Upon Business Practices
 - Article 9. Establishing and Promulgating Guidelines
 - Article 10. Distributing Best-Practice Manuals
-

Chapter III. Duties of Emotional Labor Workers and Seoul Citizens

- Article 11. Creating Organization-Specific Manuals
 - Article 12. Lounges in Organizations
 - Article 13. Display of Public Signs at Workplaces
 - Article 14. Creating and Managing Workers' Complaint Centers at Workplaces
 - Article 15. Restrictions
 - Article 16. Protective Measures
 - Article 17. Duty to Report Protective Measures Taken and Frequent Violators
-

Chapter IV. Creation of the Emotional Labor Worker Rights Committee and Rights Protection Center

- Article 18. Creation of the Emotional Labor Worker Rights Committee
 - Article 19. Duties and Management of the Emotional Labor Worker Rights Committee
 - Article 20. Actions against Frequent Violators of Restrictions
 - Article 21. Creation of the Emotional Labor Worker Rights Protection Center
 - Article 22. Budget Support
-

Note: Municipal Ordinance on the Protection of the Rights of Workers in Emotional Labor (MO 6101, proclaimed on January 7, 2016).

made by the national legislature. Modern society treats human labor like any other tradable commodity. Workers, particularly those working in customer service, are forced to endure humiliation and insults so that customers feel like kings. Excessive emotional labor speaks to the shallowness of capitalism and how it denigrates human dignity. The new municipal ordinance on emotional labor represents a meaningful step toward restoring human dignity to work and workers. It embodies the SMG's conviction that work should be a source of self-fulfillment for workers and not just income. In the latter half of 2016, the SMG announced its comprehensive plan for emotional labor. With this, the SMG has taken its first step toward reconstructing labor by restoring the value and respect that labor truly deserves.

Endnotes

1. The 22 members of the Japanese labor research organizations that have been visiting the KLSI since 2014, out of interest in the SMG's labor policy, are: Akihiko Tanaka (professor of sociology, Ryukoku University); Shigeru Wakita (professor of law, Ryukoku University); Yoshikazu Hamabata (associate professor of social welfare, Rissho University); Koshiro Kawasaki (lecturer, Ryukoku University); Tomonori Seno (doctoral candidate in law, Ryukoku University); Mieko Takenobu (professor of sociology, Wako University); Takashi Shiraishi (chair, the Working Poor Research Society); Yoji Kanbayashi (researcher, Local Self-Government Research Center); Nobuyuki Honda (former secretary-general, Minatogu Workers' Labor Union); Hiroyuki Yamashita (chair, Koshigaya Local Public Service Network); Hak-Su Oh (senior research fellow, Japan Labor Policy Institute) et al.
2. Kim, Jong-Jin (2015), *Current Status and Characteristics of Non-Regular Workers of Public-Sector Local Governments in both South Korea and Japan*. Available on the KLSI's blog at <http://www.klsi.org/blogs>.

3. The current movement among non-regular workers of public schools nationwide in Korea to give their status a new name, *gyoyuk-gongmujik*, was inspired by the use of the term *gongmujik* in the SMG in 2012.
4. A KLSI analysis on the raw data for Statistics Korea's supplementary survey on the economically active population in March 2016 (<http://www.ksli.org>).
5. System for Improving the Employment Status of Non-Regular Workers in Seoul's Public Sector (<http://public.moel.go.kr>).
6. Whereas the national government regards work that lasts for 11 consecutive months or longer as "ongoing and full-time" work in its Comprehensive Plan for Non-Regular Workers in the Public Sector, the SMG applies a shorter, nine-month, threshold to the definition of ongoing and full-time work.
7. On June 30, 2016, based on its survey of the 19 organizations in which it invests (not counting Seoul Metro) out of 21 affiliate organizations, the SMG announced its plan to adopt the direct employment and management of the VMS repair and maintenance workers working for the Seoul Metropolitan Facilities Management Corporation, the paramedics and operators of the ambulances for the local emergency centers of the Seoul Medical Center, and the tunnel and underground ramp-way maintenance workers.
8. The SMG's own survey of the 42 public organizations in Seoul hiring 466 members of the cleaning personnel in total from May to July 2016 revealed that the employee lounges, where the cleaning personnel can take breaks, were located in the basement in 74 percent of the organizations. Thus, the SMG has decided to improve the working conditions

and lounge facilities for the cleaning personnel until 2017.

9. Shin, Gwang-Yeong, 2013, "Generations, Classes, and Inequality," *Inequality in Korean Society*, Hanul: Seoul, pp.133-158.
10. "Multiple disparities" refer to the presence of overlapping and multiple sources of inequality, such as income, assets, housing, and education, that interact together to trap people in the unending cycle of poverty. Multiple disparities involve self-sustaining mechanisms of inequality by which the diverse factors of inequality continue to interact with and re-inforce one another. (Jeon and Shin et al., 2016, p.26).
11. "Passion pay" is a neologism that has been coined in Korea to refer to the incredibly low levels of pay for which young and inexperienced workers trade their services under exploitative employers. Many employers in Korea often require over-achievements from novice workers, such as apprentices and interns, as a condition for their full and regular-status employment. Most problematically, passion pay often accompanies other types of violations against the Labor Standards Act in addition to paying sub-minimum wages.
12. Based on an analysis of the raw data of Statistics Korea's Local Employment Survey from October 2015.
13. The Part-Timers Booths Near You, a special program organized by the SMG to raise young people's awareness of the basic rights of part-time workers, took place on the campuses of five local universities, i.e., Kookmin, Dongkuk, Sejong, and Yonsei Universities and Hanguk University of Foreign Studies, from October 25 to November 4, 2015. The 6030 Concerts, designed to raise young people's awareness of the minimum wage and the key features of labor contracts, took place at high schools,

such as Sinil, Geumcheon, Hyomun, Nowon, Baejae, Songgok Tourism, and Changmun Girls' High Schools, in November and December 2015.

14. The ILO includes in the concept of “NEET” not only people who are presently out of work and education, but also people who have been unemployed (whether for short or long terms), people who are unable to look for work (young people caring for invalid family members, young people with dependent family members, sick or disabled young people), socially isolated people (people who are unwilling to seek jobs or education), opportunity explorers (people who are actively seeking opportunities for better jobs or training), and people who stay out of the job market voluntarily (for the purposes of traveling, doing art, performing music, self-teaching, etc.).
15. The 34 workers that had been fired by the affiliate organizations of the SMG include the 16 Seoul Metro labor union members that had participated in the anti-privatization labor strikes of 1999 through 2004, and another 18 labor union members of the Seoul Metropolitan Rapid Transit Corporation that had engaged in labor strikes and other such activities since 2001.
16. The Seoul Model Council is at the center of the new model of governance on labor-management-government relations, established on August 9, 2000, according to the Seoul Model Agreement pursuant to Article 3 of the Act on Support for the Progress of Labor Management Relations and Article 2 of its Enforcement Decree, Article 7 of the Municipal Ordinance (of Seoul) on the Creation and Management of a Labor-Management-Government Council, and Article 5 of the Operating Rules for the Seoul Labor-Management-Government Council. Initially

established with five participating organizations and six more added in the latter part of 2015, the Seoul Model Council now counts 11 member organizations.

17. Lee, Hyeong-Jun (2016), "Why Businesses Should Not Be Specimens of Experiments," *Issues and Prospects of Introducing the Employee Representatives Program*, submitted to the offices of Lee, Yong-Deuk and Kang, Byeong-Won, members of the National Assembly's Labor and Environment Committee, pp.83-90.
18. In the United Kingdom and the United States, workers can participate in the decision-making of companies not via board meetings, but via shareholders' general meetings. In other words, employee representative in these countries can exercise his/her votes on the major issues affecting his/her companies, such as merger and acquisition and the appointment of board members, by sharing in the ownership of his/her companies.
19. Examples include the Good Jobs Project of Bremen, Germany (sanctioning employers that refuse to pay the minimum wage), the living wage program in London, the basic income policy of Utrecht, the Netherlands, and the working-hour reduction policy of Bolzano, Italy.
20. There are no laws enacted by the national legislature regarding the rights and interests of young people in Korea, except for the Special Act on Promoting the Employment of Young People. There are, however, numerous laws catering to children, teens, seniors and women, such as the Act on Support for Gender Equality in Employment and Work-Family Balance, the Child Welfare Act, the Youth Act, and the Seniors Welfare Act.
21. Plan for the Management Innovation in SMG-Invested Organizations (Officer of Financial Analysis Report 3840, June 4, 2007); Announce-

ment on Plans for Management Innovation in Local Government Enterprises 2007 (Ministry of Interior, May 2, 2007); Announcement on the Evaluation of Local Government Enterprises (March 31, 2009).

22. “The PSD tasks should be outsourced to businesses specializing in maintenance services. Until the techniques involved in the PSD tasks are standardized and/or specialized businesses with competency emerge, the outsourcing of these tasks should be done under private contracts with chosen businesses for the time being (approximately two years). Competitive contracts should be introduced after the PSD management organization and personnel, including capable supervisors, are fully developed and depending on conditions then.” “Platform Screen Door Management Plan Review Report” (August, 2006).
23. According to the Ministry of Employment and Labor’s statistics, 37.7 percent of 1,134 workers who died in work-related accidents in 2012 were those hired by outsourcing agencies or subcontractors. The ratio of these workers hired by outsourcing agencies or subcontractors among 955 workers killed in work-related accidents rose to 40.2 percent by the first half of 2015 (Yonhap News, July 16, 2016). Considering the fact that four out of every 10 workers killed in fatal accident in Korea were hired by outside job agencies, it is not too far-fetched to infer a link between the outsourcing of danger and the drive for maximizing business efficiency.