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Building worker power for day laborers in South Korea’s construction industry

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Abstract

This article examines how unions build worker power for day laborers in South Korea’s construction industry to interrogate the relationship between informality, the construction industry, and organized labor. Drawing upon in-depth case studies of three regional branches of the Korean Construction Workers Union (KCWU), we find that each branch cultivates distinct forms of worker power—associational, structural, and symbolic power—to hold capital accountable. Construction day laborers organize despite the regulatory challenges that informalize their employment conditions in the context of widespread legal and illegal outsourcing. We argue that the crux of informality is capital’s ability to bypass existing labor laws and regulations through the elaborately multitiered subcontracting structure. Our case study shows multiple approaches to addressing capital’s attempt to elude its responsibility around and through legal loopholes through union power-building strategies, rather than demanding stronger public intervention from the state. Each form of worker power has enabled the KCWU to secure and enforce creative collective agreements that establish some uniform standards regarding job quality and job security, although their scope of influence varies.

Keywords

Construction industry, day laborers, informal workers, South Korea, unions, worker power
Introduction

Day labor in the construction industry is one of the oldest and most enduring forms of informal work, performed by workers who labor in the shadows of industrial welfare regimes without formal employment contracts, the protection of labor laws, or social security provisions. Yet, in contrast to the popular image of rootless day laborers who wander haphazardly from site to site, many of today’s construction day laborers are integrated into complex supply chains that rely on a multilayered network of subcontracted intermediaries to supply labor on demand (Pun, 2016; Swider, 2015; Weil, 2005; Yun, 2017). In South Korea’s construction industry, the vast majority of workers are employed on a daily or temporary basis and work in a spectrum of unregulated activities alongside formally employed workers (Yun, 2017).

The co-presence of formal and informal labor on the same job site calls attention to the regulatory challenges characterizing informality in the context of widespread outsourcing, privatization, and financialization. Rather than exist as a separate and detached sphere, informality operates in tandem with formality, enabling capital to shirk responsibility for adhering to labor and welfare regulations, despite the legal obligation to do so. As Portes and Haller (2005: 408) emphasize, “By definition, informal economic activities bypass existing laws and regulatory agencies of the state.” In South Korea, many day laborers slip through the cracks of labor regulations designed for formally employed workers due to the lack of written contracts and the high thresholds for unemployment insurance and pensions (Yun, 2017: 18). In the United States, the growth of the informal worker population since the 1980s is linked to the rise of a “gloves off economy” in which employers “either evade or outright violate the core laws and standards that govern job quality” (Bernhardt et al., 2008: 2).

Similarly, in China, despite the presence of socialist laws that guarantee labor rights and social protection, informal work has increased drastically in the context of three decades of economic liberalization, particularly in the country’s booming construction industry (Kuruulla, Lee, and Gallagher, 2011; Pun 2016; Swider, 2015).

Given the myriad obstacles to securing basic legal rights and welfare protections, scholars and practitioners repeatedly emphasize the need to examine creative and flexible approaches to organizing informal workers (Bonner and Spooner, 2011; Chun and Agarwala, 2016; Eaton, Schurman, and Chen, 2017; Gallin, 2001; Mosoetsa, Stillerman, and Tilly, 2016; Webster, Britwun, and Bhowmik, 2017). A growing body of literature examines the creation of alternative and hybrid organizational forms—such as worker centers (Fine, Grabelsky, and Narro, 2008), cooperatives and NGOs (Chun and Kim, 2018; Rosaldo, 2006), and community- and place-based associations (Theodore, 2015)—that can overcome the barriers of organizing informal workers with limited experience with unions, fragmented workplaces, and intersecting oppressions along race, gender, and migration status. Given capital’s success in eluding regulatory control, scholars also highlight the importance of strategically targeting the state, rather than employers (Agarwala, 2013; Rosaldo, 2016). Agarwala (2013) finds that in India construction worker unions have developed an innovative model to improve informal workers’ jobs and livelihoods by leveraging their power as citizens rather than workers. Interestingly, this model does not challenge flexible production structures by making conventional union demands for job security and minimum wages; rather, it consists of state-mandated, sector-specific “welfare boards” that provide health care, pensions, education scholarships, and marriage and death subsidies to informal workers.
Creating novel organizational forms and targeting alternative entities such as the state have garnered important victories for informal workers, not only in India but also for informal recyclers in Colombia (Rosaldo, 2016), informal transport workers in Tanzania (Rizzo, 2013), home-based care workers in the United States (Delp and Quan, 2002), and domestic workers around the world (Fish, 2017). Yet, when it comes to employer-directed collective action strategies, we still have much to learn about creative practices and organizational experiments occurring within unions. This lacuna is not surprising, given the resistance of bureaucratic organizations like unions to change. However, scholars documenting union innovation, including within the construction industry, point to notable shifts, including the extension of membership boundaries to formerly excluded groups of immigrants, the channeling of union resources to support training and service provision to non-union workers in informal jobs, and the role of social movement leaders in changing union cultures and practices (see Fine, Grabelsky and Narro, 2008). Curiously missing, however, is attention to what many labor scholars consider the bread-and-butter activities of unionism—namely, waging workplace strikes and negotiating collective bargaining agreements.

Not surprisingly, informal workers rarely strike, not only because of the ease in which they can be hired and fired but also due to the practical difficulties of identifying an appropriate bargaining entity. Construction day laborers work in a variety of jobs that involve a wide range of intermediaries, including individual foremen, team leaders, equipment and machinery owners, labor-hire companies, specialty contractors, and principal contractors. As informal work becomes prevalent in sectors with a history of union representation and capacity, forward-thinking unions can adapt creatively to flexible production systems. The key to success, it would seem, is to develop the kind of leverage that can raise and enforce minimum standards across an entire supply chain. As with workers in the formal sector, this means cultivating forms of worker power that can secure concessions and regulate working conditions (Lévesque and Murray, 2010; Silver, 2003; Wright, 2000). Yet unions representing informal workers face the additional challenge of figuring out how to do so in the context of multiple layers of subcontracting designed to confound regulatory control.

Building on the indispensable conceptual framework of worker power first outlined by Erik Olin Wright (2000: 962) and then elaborated by Beverly Silver (2003:13-14), we examine how informal workers’ unions cultivate worker power to pressure firms located higher up the chain to take responsibility for improving labor conditions. Given the relational and conditional nature of worker power, we focus on the importance of organizational resources and strategic capacities that enable informal workers’ unions to exercise various forms of worker power in the context of regulatory constraints and opportunities, including: (1) associational power, which derives from the strength of workers’ collective organizations and collective actions; (2) structural power, which derives from workers’ strategic location in economic systems, be it industrial assembly lines or construction supply chains; and (3) symbolic power, which is a less stable and noninstitutional form of associational power that derives from the contested arena of culture and public debates about justice (Chun, 2009: 18).

Our findings draw upon a case study of the Korean Construction Workers Union (KCWU) and its efforts to challenge employment violations and raise standards in the residential construction industry. The KCWU is an ideal empirical case, given its founding in 2007 as a single industrial union that strives to represent all construction site workers outside industrial plants, including day laborers. The empirical analysis, which focuses on three regional branches of the KCWU’s Site Workers Division, utilizes field research conducted...
between September and October 2015 and in July 2016 in Seoul, Daegu, Busan, and Ansan, including participant observation at KCWU union offices and construction sites as well as ten in-depth, semi-structured interviews with current and former KCWU officials.\textsuperscript{1} Our findings show that regulatory changes in the nation’s construction industry created an opportunity for unions to target specialty contractors located higher up in multilayered contracting chains as “real employers.” However, their ability to secure and enforce collective agreements beyond the legally stipulated bargaining process differed according to the specific forms of worker power that day laborers exert in complex, interdependent fields of action.

Steel fixers and formwork carpenters utilized strength in numbers, strong internal solidarity, and a high degree of militancy against a tightly coordinated network of firms in the Daegu-Gyeongbuk region to secure region-wide collective agreements, utilizing the \textit{associational power} of workers organized with an ability to act collectively. Strategically positioned casting workers and formwork carpenters engaged in selective work disruptions against a more loosely coordinated network of firms in the Busan-Ulsan Gyeongnam region, capitalizing on the \textit{structural power} of workers enmeshed in coordinated production processes and tight labor markets. In the Central-Western Gyeonggi region, which consists of highly mobile firms and a dispersed workforce in the region’s smaller-scale market, union staff members led public shaming campaigns aimed at temporarily shutting down production at firms targeted for workplace violations, a form of \textit{symbolic power} rooted in the moral force of public dramas. Each form of worker power enabled unions to create new regulatory environments to improve the conditions of informal work—with varying levels of effectiveness—in ways that worked around, not through, existing rules and laws. In other words, rather than treat legal exclusion as a foregone conclusion, unions used the double-edged quality of laws and state mechanisms to create a space of political contestation that pressured firms dependent on informal labor to address collective demands (Lee, 2007).

In the sections that follow, we contextualize South Korea’s residential construction sector and the use of informal workers in complex, multilayered supply chains. Next, we discuss the relationship between informality and unionism, outlining how which day laborers’ unions developed essential resources and strategic capabilities to tackle multilayered contracting chains. Then, we analyze the power-building strategies of three KCWU regional branch unions, paying close attention to how variation across job types, regional labor markets, and collective action strategies influenced the specific forms of worker power that unions exerted to secure collective agreements with targeted employers. We conclude by discussing the importance of theorizing informality as a contested space in which informal workers can develop creative and flexible disruption strategies to hold capital responsible for improving the conditions of informal work.

**Informality and Multilayered Subcontracting in South Korea’s Construction Industry**

In contrast to the small-scale nature of the residential construction sector in places like the United States (Belman and Smith, 2009), South Korea’s residential construction industry is dominated by the construction of high-rise, mega-apartment complexes (\textit{ap’ti’\textquotesingle\text{u} tanji}) that house almost half of the country’s population.\textsuperscript{2} A multilayered network of firms and intermediaries carries out the work of completing large-scale, capital-intensive building projects (see Figure 1). At the top of chain are some of the world’s most profitable multinational firms, such as Hyundai Engineering & Construction Co. Ltd. and Samsung C&T Corporation, that secure lucrative building projects. As “general contractors,” these...
firms operate more as managers than actual builders, since they contract out virtually every stage of the building process to “specialty contractors” (Weil, 2005). Under the Framework Act on the Construction Industry (revised in 2008), specialty contractors must be formally registered and are legally required to hire workers in direct employment contracts. Fiscally, registered specialty contractors must also demonstrate possession of adequate funds to complete the terms of contracts before the start of the building process, including labor costs. The bidding process to secure specialty trade contracts, as with all other construction contracts, is highly competitive and often contingent on delivering the most cost-effective services in the most time-effective manner.

[Insert Figure 1 about here]

Despite clearly outlined procedures that prohibit outsourcing beyond specialty contractors in specific building trades, specialty contractors rely on a vast network of unauthorized intermediaries to supply cheap and skilled labor for tightly organized production schedules. Intermediaries range from small teams led by a single individual (e.g., team leader) to predatory labor brokers known by industry insiders as oyaji and sidakke oyaji, terms rooted in the exploitative and discriminatory Japanese colonial labor system (see Kawashima, 2009: 50).4 Until 2009, labor brokers operated legally under the “execution participant system,” which allowed unlicensed individuals to function as labor supply subcontractors and hire informal day laborers.5 Despite legal prohibitions, labor contracting beyond the third tier of subcontracting continues to thrive due to the ongoing use of labor brokers. In building structure work, oyaji and sidakke oyaji are commonly paid by the volume or the amount of work completed by the subcontractor and operate at the fourth and fifth tiers of outsourcing, although they often hold honorary titles in specialty contractor firms to give the appearance of legality. The majority of informal day laborers depend on individual foremen or team leaders who are well connected to labor brokers like an oyaji or sidakke oyaji to secure gainful employment, even if it is on a day-to-day or finite basis.

Pervasive subcontracting and outsourcing in the construction industry has resulted in a climate of rampant employment violations and hazardous occupational health and safety conditions (see BWI and KFCITU, 2018). Construction workers’ average wages are already disproportionately low in relation to the overall workforce, and workers experience additional financial hardship due to chronic wage delays and unpaid wages (Yun, 2017: 16). Excessive working hours and high rates of industrial accidents are also an industry norm. Average daily work hours well exceeding the legal standard of eight hours per day, particularly during periods of work intensification associated with production schedules and deadlines.

These poor and dangerous working conditions correspond with a workforce that is highly age- and gender-segregated and increasingly reliant on vulnerable groups of migrant labor. Native-born South Korean men in their forties, fifties, and sixties represent the majority of the workforce in regional construction labor markets around the country. Korean Chinese (coethnic) workers, known as Joseonjok, represent the largest segment of migrant construction workers. They are able to enter the country more freely in comparison to non-ethnic Korean workers through visas they acquire as temporary migrant workers and as skilled overseas Korean migrants which allow them to work in the construction industry (see Lee and Chien, 2017). Yet the numbers of non-ethnic Korean workers from China, Vietnam, and other parts of Southeast Asia are also growing, as prime and specialty contractors
continue to rely on labor brokers, both domestically and transnationally, to supply cheap and skilled labor.

Informality, Power Resources, and Construction Day Laborers’ Unions in South Korea

The relationship between unions and informality is complicated. The prevalence of informality in labor markets around the world reveals dilemmas about the future of labor unions and their ability to establish and enforce industry-wide employment standards. Breman and Van der Linden (2014: 932) argue that, in the current regime of informality under financialized global capitalism, many industrial unions are confused and debilitated by capital’s “refusal to adhere to decent labour standards and social security arrangements.” Unions in the construction sector have also been complicit in the flourishing of informal work (Erlich and Grabelsky, 2005; Rabourn, 2008; Weil, 2005). For example, building and construction trades unions in the United States did little to prevent “unscrupulous contractors from routinely violating wage and hour laws, worker compensation agreements, and safety and health regulations” as the predominantly non-union and immigrant workforce skyrocketed in thriving residential construction markets in the 1980s and 1990s (Fine, Grabelsky and Narrow, 2008: 38).

We still have much to learn about cases in rapidly industrializing nations in which the growth of construction unions has occurred in the context of widespread informality. In South Korea, organized labor’s history is more recent and compressed, as unions face the challenges of dismantling the nearly century-long legacy of colonial and authoritarian labor repression while simultaneously building strong collective labor organizations in today’s era of global neoliberalism and financialized capitalism (Shin, 2013). Day laborers in South Korea’s construction industry began unionizing en masse in the late 1980s, in conjunction with the explosion of democratic unionism around the country (Yun, 2017: 19). Democratic unions rapidly expanded just before the liberalization of the national economy in the 1990s, when the state and capital mounted new offensives (Koo, 2002) and construction unions grew despite the Asian financial crisis in 1997 in the absence of an established social security regime.

Democratic unions’ efforts to build associational power mainly took the form of strengthening what Lévesque and Murray (2010: 338) call “network embeddedness,” strong linkages among unions and other organizations, including other unions, community groups, and social movement organizations. In South Korea, day laborers, like formal sector workers, focused on forging strong horizontal and vertical linkages between and across construction sector unions. This process began in 1998 with the establishment of the first day laborers union, the Seoul Day Laborers Union, and culminated in 2007 with the formation of the KCWU, which is affiliated with the premier industry organization, the Korean Federation of Construction Industry Unions (KFCITU). The KFCITU, in turn, is affiliated with the Korean Confederation of Trade Unions (KCTU) and the Global Union Federation, the Building and Wood Workers International (BWI). By linking individual unionized day laborers on local construction sites to national and international organizations, the KCWU gained the kind of material, human, and programmatic resources that strengthened their organizational infrastructure as well as enhanced their sense of collective identity, shared history, and solidarity with the broader labor movement (Lévesque and Murray, 2010: 336–340).

While day laborers’ unions in South Korea developed strong and well-connected organizations, they still faced the challenge of representing the needs of informal workers
employed in highly transient jobs by exploitative intermediaries. During the 1990s, membership in the National Association of Construction Day Laborers Unions peaked at 30,000 workers, but membership levels were difficult to sustain as unions became consumed with the day-to-day problems that day laborers faced around chronic unpaid wages and workplace accidents. Union leaders, many of whom had close ties to the nation’s militant democratic labor movement, also became concerned that they were devolving into a service model of unionism (Yun, 2017: 27). To overcome these challenges, day laborers’ unions needed to figure out another way to deal with widespread violations plaguing informal construction work.

**Building Strategic Capacity and Leveraging the Law**

Construction unions in South Korea began fine-tuning their capacity to identify strategic targets and secure precedent-setting collective agreements in the aftermath of the 1997 Asian financial crisis and in response to the industry’s turn toward informalization, particularly in the equipment and machinery subsector. Lévesque and Murray (2010: 341) describe “strategic capabilities” as the “aptitudes, competencies, abilities, social skills and know-how” that enable unions to convert organizational resources into effective worker power. With key support from the Swedish Trade Union Confederation and the Swedish Confederation of Professional Employees (LO-TCO) and the International Federation of Building and Wood Workers,7 construction unions regrouped as the newly formed KFCITU in 2000 and began a concerted effort to tackle widespread violations in multtiered construction supply chains. According to Jin Sook Lee, who served as the international director of KFCITU at the time, “the main focus of the trade union project was to support the local union’s efforts to train organizers, site delegates, and key leaders on issues of organizing, trade union representation, and trade union education” (email communication, 17 April 2017). Training and education also focused on the industry’s complex subcontracting and outsourcing practices and figuring out how construction workers in different jobs were similarly but differentially affected across exploitative, multitiered supply chains.

During the early 2000s, the KFCITU experienced early and decisive successes unionizing formally employed construction workers, namely, tower crane operators, as well as concrete mixing truck drivers, dump truck drivers, and excavator truck drivers who lost direct employment due to their conversion to “independent contractors.” Yun (2017: 14) describes a “massive shedding of labor, particularly among construction equipment operators,” since the 1990s by firms seeking to cut costs and avoid unions in the context of neoliberal restructuring and financial crises. Formally employed workers also experienced deteriorating wages and working conditions, sparking a new wave of union organizing that exposed the vulnerabilities of construction supply chains to well-coordinated workplace strikes. For example, the first nationwide general strike by unionized tower crane operators in 2001 lasted twenty-eight days and “paralyzed entire construction sites” (Yun, 2017: 22). Tower crane operators can be found on every residential construction site and are directly employed by construction equipment rental companies, but, much like day laborers, they experience chronic delayed and unpaid wages and high accident rates. Tower crane workers used their structural power to negotiate directly with the Korean Tower Crane Cooperative, which consisted of 140 member companies. Unionized tower crane operators waged strikes in 2003 and 2007 that won Sundays off, eight-hour workdays, and forty-hour workweeks for the first time for construction workers.
Another crucial victory occurred in 2007, this time in the legal arena. Article 29 in the Framework Act on the Construction Industry (FACI) permitted the legal use of labor subcontractors by specialty contractors under certain conditions. Well aware that this legal loophole legitimized the widespread practice of unauthorized layers of subcontracting, the KFCITU fought vigorously for its removal. That same year the KFCITU secured additional revisions to the Labor Standards Act (LSA) that outlined a financial mechanism for firms higher up in construction supply chains to take responsibility for unpaid and delayed wages. Yun (2017: 29) explains:

if a subcontractor other than a contractor prescribed in the FACI fails to pay wages to a worker he/she has used, the direct upper-tier contractor shall take responsibility for paying the wages of the worker of the subcontractor, jointly with the subcontractor (newly inserted Article 44-2). Also, according to the revised LSA, if a main contractor subcontracts the construction work, resulting in two or more tiers of contractors, the worker may demand the main contractor to directly pay an amount equivalent to the wages the subcontractor should have paid to him or her (newly inserted Article 44-3 paragraph 2).

While legal exclusions and loopholes still remain, revised industry regulations created a new regulatory framework that unequivocally identified specialty contractors as the legal employers, whether or not they operated as actual employers in practice. For unions, this regulatory change created new opportunities. On the one hand, unions could follow the fiscal paper trail and identify registered specialty contractors as legal employers, explains Pak Inch’ŏl, a union executive at the KCWU headquarters (interview, 8 September 2015, Seoul). On the other hand, the revised law allowed unions to rebuke specialty contractors that rely extensively on intermediaries to complete construction projects as mere “paper companies” that engage in “illegal” subcontracting (interview, 8 September 2015, Seoul).

With critical regulatory changes in place, the newly established KCWU was poised to face the strategic challenges of organizing day laborers directly by creating a single union comprised of both formal and informal construction workers. The KCWU currently operates four divisions: the Tower Crane Division, which has extremely high levels of union density; the Construction Machinery Division, which organizes machinery operators such as dump truck drivers and ready-mix concrete truck operators; the Electricians’ Division, which organizes outside-line electricians; and the Site Workers Division, which is the subject of our study and consists almost entirely of day laborers such as formwork carpenters, steel fixers, casting workers, demolition workers, scaffold builders, welders, plumbers, and bricklayers, among others.

Building on its knowledge and experience of using targeted workplace disruptions to win new types of collective agreements for tower crane operators, the KCWU Site Workers’ Division launched a national strategy to target specialty contracting firms located higher up the supply chain to raise standards for day laborers. The national strategy, to be implemented by each regional branch, entailed the negotiation of “creative” collective bargaining agreements with regional representatives of the Korea Specialty Contractors Association, which is a statutory employer body according to FACI. The collective bargaining process was creative in the sense that unions sought regional employer representatives with whom they could collectively bargain beyond the short duration of the individual firm’s construction project and beyond the legally stipulated bargaining process outlined in the Trade Union and Labor Relations Adjustment Act (TULRAA), which requires collective agreements to be negotiated between two clearly defined parties, one representing the employer and one
representing employees. It also required branch unions to figure out how to implement a national strategy in specific geographic labor markets and with different groups of day laborers.

Comparing Union Power-Building Strategies in Three Regions

We turn our attention to the power-building strategies of three regional branch unions in the KCWU’s Site Workers Division: the Daegu-Gyeongbuk region (hereafter Daegu), the Busan-Ulsan Gyeongnam region (hereafter Busan), and the Central-Western Gyeonggi region (hereafter CW-Gyeonggi). We focus on the process of building distinct forms of worker power for informal workers to highlight the critical importance of turning power resources into strategic capabilities (Lévesque and Murray, 2010: 336–340).

Silver (2003: 13–15) highlights this critical distinction when she emphasizes the difference between the forms of power that workers theoretically have and the “actual use of that power to struggle for better working conditions.” Building on Wright’s lucid formulation of worker power (Wright, 2000: 962), Silver found that workers’ capacity to exercise different forms of power depended on world-historical shifts in the economic and political structures of capitalism. Yet her emphasis on macro-level conditions rarely acknowledged the significance of meso-level organizational practices and specific legal environments for exerting worker power. Few studies have also examined how informal workers cultivate structural power by innovating strike and collective bargaining practices, focusing more on the importance of developing symbolic power to compensate for their lack of leverage and lack of collective labor rights (Chun, 2009).

In each regional case, we find that branch unions possessed varying forms of worker power, shaped by differences in the types of job and firms in a particular geographic labor market. Varying levels of employer organization at the regional level also influenced branch unions’ capacity to negotiate regional collective agreements by shaping the kinds of power-building strategies unions cultivate to force concessions from key employers. Table 1 summarizes the power-building strategies of each regional union, which is discussed in further detail in the following sections.

[Insert Table 1 about here]

KCWU’s Daegu Branch and Associational Power

All interview participants in and outside the KCWU identified the Daegu branch as the strongest in the Builders Division. According to one union leader, the Daegu branch has a strong “grip” on work sites (hyŏnhchang changaknyŏk) through its highly mobilized grassroots membership (interview, 8 September 2015, Seoul). Union teams are routinely dispatched to “stop” work at large-scale apartment complexes, where the majority of construction in the region takes place, when firms do not abide by wage standards and working conditions set by regional agreements. The Daegu branch was also the first to successfully negotiate a collective agreement with a regional employer body, which it has renewed every year since 2008, due in large part to the tightly coordinated Daegu Steel and Concrete Council (ch’ŏlk’on hyŏphoe). This employers’ body exerts pressure on firms across the regional supply chain to abide by the terms of informal regional agreements.

The Daegu branch’s strong associational power can be traced to a militant strike waged by approximately 800 steel fixers in 2004, who at the time were organized under the
umbrella of the Korean Federation of Construction Industry Trade Unions (KFCITU), since it predated the formation of KCWU as a single industrial union. Steel fixers had experienced widespread wage arrears and the continuous reduction of their wages since the 1997 Asian financial crisis. An experienced union organizer helped organize steel fixers to engage in militant collective action, which laid the foundation for a much larger strike, launched two years later, of 2,500 steel fixers and formwork carpenters. Nam P’il-gyu, a former union official in Daegu who organized both strikes, vividly described the scale of union disruption during the 2006 strike, which not only halted construction on small- and large-scale sites for thirty-two consecutive days but disrupted everyday life in the city:

It was like a liberation army independence situation. I think about 88 troops of riot police were dispatched in Daegu. There were two subway struggles, we called the “Whac-a-Mole” struggle, in which more than 1,000 people went down into a subway station and came up another exit. The police could not follow us because they would block the traffic. By the time the police got their lines together and traffic organized, we came up from another subway station.

We paralyzed the entire city (interview, 15 September 2015, Daegu).

Rank-and-file union members sustained the strike in the face of tremendous police counteraction, generating enough pressure to help the union secure its first region-wide collective bargaining agreement with an employer body representing specialty contractors in 2006. However, the agreement was later invalidated because the execution participant system, which was still in effect under the Framework Act, did not hold specialty contractors solely responsible as legal employers. By the same logic, the union leaders who led the strike could not benefit from legal protections for union activities that took place outside TULRAA, leading to the arrest of thirty-three union officials and members.

Changes to the Framework Act in 2008 gave the union legal footing to target specialty contractors and pressure them to engage in annual collective bargaining negotiations. The union’s reorganization as part of a single industrial union in 2007, driven in large part by the successes in Daegu, also provided a more effective structure to take on employers at the regional level. However, TULRAA only recognizes an agreement between the union and individual companies, not the regional council that represent employers on de facto grounds. Therefore, the regional union branch engages in a two-pronged strategy: an actual power-building strategy that targets regional employers through an informal regional bargaining process and an official process in which the KCWU signs identical agreements with individual employers, the majority of whom bargain with the union indirectly through the Daegu Steel and Concrete Council.

[Insert Figure 2 about here]

This informal bargaining process commences each year when the branch union notifies the Daegu Steel and Concrete Council of its intent to bargain. The council is a subsidiary of the Korean Specialty Contractors Association (the statutory employer’s body under the FACI), but it technically acts as an advisory council rather than an official representative body for employers (Sim, 2008). Nevertheless, the council, which consists of four to five representatives, negotiates with the union to establish a template agreement that sets de facto regional standards, including higher daily wage rates, better working conditions, recognition for on-site union activities, priority union hiring, and mandatory consultation with unions before laying off union members. The council, which is tightly coordinated
across the regional supply chain, then pressures individual contractors to increase their subcontracting prices and sign official individual collective agreements with the union. Given the discrepancy between the actual and paper bargaining procedures, the union ensures the enforcement of the agreements as well as expands its geographic reach through its industrial union structure, which mobilizes workers across employers and work sites in the region, by disciplining firms that do not abide by the terms of union agreements.

From the union’s point of view, bargaining and enforcement power comes from its strong associational power. Nam P’il-gyu, a former Daegu union branch leader, used the term “iron formation” to describe the strength of the union’s early workplace disruptions, stating, “No matter what the company did to try and break their agreements, we could always count on 300 to 400 people … to go directly to the problem sites and re-establish order” (interview, 15 September 2015, Daegu). Council members have an incentive to collectively bargain with the union rather than respond separately to each case of union militancy since the union has the power to cause significant and costly delays to construction. The union’s capacity to organize region-wide strikes, such as in 2012 and 2013, further invigorates their militant base, especially in a context when individual union leaders are willing to take risks and make personal sacrifices, including incurring onerous fines and facing imprisonment, for engaging in unauthorized strike actions at the regional level.

The union’s associational power, however, is not effective unless it can be directed against a tightly organized council that not only comes to the bargaining table to negotiate with the union every year but also encourages member and nonmember specialty contractors to adhere to the agreements. The council also enforces “regional rules” on nonmember construction companies who come to the Daegu/Gyeongbuk region to build, a practice that inevitably benefits local employers by creating a level playing field (interview, 15 September 2015, Daegu). Thus, by deploying the age-old strategy of disruptive militant unionism wielded by a strong union membership base against a tightly coordinated employer body, the Daegu branch union established, enforced, and renewed innovative collective bargaining protocols negotiated outside existing regulatory frameworks, which serve as model for other regions to replicate.

**KCWU’s Busan Branch and Structural Power**

KCWU’s Busan branch has experienced remarkable growth since 2014. Within a single year, branch membership grew from 300 to 1,900. The union’s growth strategy owes much to its capacity to organize a relatively small number of strategically located concrete casting workers who were instrumental in later negotiating region-wide collective agreements for the much large numbers of formwork carpenters employed on construction sites.

The union recognized early on that organizing smaller groups of concrete casting workers is both easier and has more relative impact, given the capacity of certain trades to decisively halt the production process. The union estimated that as of 2015 they had successfully recruited 500 out of the 600 total casting workers into the union (interview, 24 September 2015, Busan). Casting workers are a small, tightly knit social group, and branch union organizers benefited from the extensive personal and social networks they had cultivated within the group, especially with team leaders, who, in turn, organized members of their personal work teams to join the union.

The first issues the union took on in response to team leaders’ complaints were declining wages and the “unreasonable” pricing practices of subcontracting intermediaries.
(tōkēp oyaji or sidaukke oyaji), who are typically owners of mounted concrete pump vehicles, costly equipment that is essential to casting work (interview, 24 September 2015, Busan). The union organized selective work refusals at targeted sites to pressure companies to negotiate enterprise-level site agreements (hyŏnjang hap’eisŏ). Work boycotts, which the branch leader Chi Hyŏn-sŏk called “[labor] supply stoppage” (t’ŭip chungchi), functioned as de facto strikes. Casting work, which was performed by teams who worked intermittently on multiple sites, was essential before the work of formwork carpenters, who work for a longer period at each site in large numbers to complete the frames of high-rise buildings (see Figure 3). According to Chi (interview, 24 September 2015, Busan), given casting workers’ relative autonomy, once the union made the right contacts and grasped the internal work rules within casting work teams, a small group of casting workers could essentially halt production by simply not showing up to the job. Figure 3 highlights concrete casting workers’ strategic location in the construction process, which enabled them to convert workplace bargaining power into key concessions from firms.

[Insert Figure 3 about here]

These strategic actions resulted in immediate improvements, including higher overtime pay rates, which were particularly advantageous to concrete casting workers, who routinely had to wait in standby mode for prolonged periods, since their work was completed in the final stage of the building process. The union then negotiated additional gains, including the allocation of half-day wages for every two nights of overtime, an earlier starting time for night pay rates, Sunday pay rates, and restrictions on labor intensity and the minimum number of workers in casting work teams. Specialty contractors resisted implementing such changes for five years throughout the campaign; however, Chi explains, the union eventually convinced specialty contractors that it was cheaper to pay a smaller number of workers overtime wages than to face disruptions to highly time-sensitive production schedules. This worked, according to Chi, since the cost of casting work accounts for a small proportion of a specialty contractor’s total construction cost, and half of such costs are spent on equipment.

Improving the wages and working conditions of unionized casting workers greatly facilitated the union’s later efforts to organize the much larger group of formwork carpenters. Branch union organizers used their personal networks with unionized casting workers to meet formwork carpentry team leaders. In addition, the union had already established relationships with management at multiple construction sites. Many formwork carpenters were also aware of the union’s capacity to disrupt production through coordinated work stoppages by unionized concrete casting workers, revealing a high degree of the union’s network embeddedness.

The union took advantage of structural marketplace bargaining power to recruit formwork carpenters. According to Chi (interview, 24 September 2015, Busan), the union was “lucky” with the market, because the regional economic boom happened in a way that supported the union’s plans and strategies. Chi explained that when the union started organizing formwork carpenters, jobs were plentiful and demand exceeded supply, so much so that employers gave them the nickname “golden carpenters” (kŏmmoksu). The workers wielded marketplace bargaining power to secure eight-hour workdays and significant wage increases. However, Chi explained that when jobs began waning in 2013, formwork carpenters actively sought out the union for job placements. When rumors circulated that the
union could secure high-paying jobs, more and more workers joined the union. The union compensated for its declining marketplace bargaining power by engaging in a strategic campaign against a particular specialty contracting firm. Chi explained:

In October last year, there was a site run by SK Construction which is notorious for their opposition to the union. The specialty contractor that SK subcontracted work to was the largest subcontractor in Busan, and also the president of the Busan Steel and Concrete Council. We picked that site. If we could win there, we knew we would win the fight. So, we gave it our best. Our struggle went on for twenty days. We set up the union tent to hold rallies for ten plus consecutive days. After drawing up a collective agreement, no specialty contractor gave us a problem.

By strategically targeting the largest and most powerful specialty contractor, the branch union successfully pressured the Busan Steel and Concrete Council to negotiate a regional collective agreement, even though the council was relatively loosely organized. Consequently, the Busan branch’s union membership rapidly expanded within just one year, growing from zero to 1,400 formwork carpenters by 2015. However, the union’s success at negotiating its first regional agreement may not translate into continued success, given its vulnerability to changes in the composition of the council, which is outside union control. Chi expressed such concern in a follow-up interview in 2016, when he pointed out that the new council president was from a different firm that was primarily involved in infrastructure projects, rather than apartment construction, a subsector with low union membership and capacity.

*KCWU’s CW-Gyeonggi Branch and Symbolic Power*

The CW-Gyeonggi branch differs from the Busan and Daegu branches in a number of respects. First, it does not have a regional agreement but instead relies on site-specific enterprise agreements for the hiring of union teams and to raise standards for both union and non-union workers. Second, in addition to the usual large-scale residential sites, it also organizes workers who are employed at small-scale commercial and residential sites. Third, its membership includes a large proportion of migrant workers. The branch has 600 dues-paying members, 180 of whom are Korean Chinese migrants. Although regional collective agreements represent more effective and efficient means of collective bargaining, the union’s capacity to negotiate them depends on the strength of their associational power and their capacity to influence key industry actors. The CW-Gyeonggi branch, which is in the Seoul greater metropolitan area, has difficulty recruiting members and cultivating a strong rank-and-file base. The fluidity of the labor force impedes union organizing, which is exacerbated by the high percentage of migrant workers with interregional and international mobility in the regional day laborer workforce. Furthermore, capital is also disorganized in the Gyeonggi region, where specialty contractors are numerous, competitive, and mobile. According to Statistics Korea (2016), in 2015 42% of the total domestic construction project budget was spent in the Seoul greater metropolitan area, and the Gyeonggi region had the highest expenditure (25%) in the country. Chŏng Bŏmsu, an executive at the CW-Gyeonggi branch, explains, “The reason why we cannot do regional collective agreement is there is no company that works twice in the Ansan region [where the branch office is located]. We have to fight new guys every year” (interview, 30 September 2015, Ansan).

Given its low unionization rate, the fluidity of the workforce, and its lack of working
relationships with employers and employer groups, the CW-Gyeonggi branch instead tried to cultivate symbolic power to shame small-scale construction projects to hire union teams at union rates. In essence, this power-building strategy involves intensifying public dramas against firms lower down the construction supply chain that violate labor laws, a fail-safe strategy since, according to Chŏng, “everything you see is illegal” on small-scale sites. In some cases, the union’s “name and shame” approach involves going directly to sites and reporting violations to the Ministry of Labor in front of site managers or announcing their intention to do so, which elicits a quick response from building owners, who then call the union and ask “what they want.”

When contractors refuse to negotiate, the union escalates the legal dispute into a cantankerous drama by creating what Chŏng calls a “ruckus” (kkaengpan). Union organizers set up loudspeakers in front of the targeted site, stage rallies every morning, and often hold long-term tent occupations—some lasting for several weeks (interview, 30 September 2015, Ansan). Organizers also drive to targeted sites in the union van with speakers affixed to the roof, repeatedly voicing condemnation of the firms for their legal violations. That many small-scale construction sites are located in residential zones adds to the union’s “publicity reach” when they “make a scene” (interview, 30 September 2015, Ansan).

By sustaining its ability to create a ruckus at different sites since launching its April 2012 campaign, the union has pressured employers at many small construction sites in the Ansan region to hire at least one or two union members “just to keep the union quiet.” The union is aware that such strategies, which rely on a high level of persuasion, are both labor-intensive and extremely ephemeral, since they do not result in binding agreements. But in the absence of other sources of associational and structural power, union leaders rely on the willingness of a few people to go site to site and force employers to create union jobs.

The union’s success in securing higher-paid union jobs has caught the attention of an increasing number of migrant workers, who have since joined the CW-Gyeonggi branch—a distinct difference from the Daegu and Busan branches, which have only a few, if any, migrant worker members. Most small-scale construction sites have shorter production spans—from several weeks to a few months at the most—so workers are constantly in search of work. Migrant workers make up a large percentage of the region’s day laborer workforce, so as the union’s small-site campaigns gained traction, more of them sought out the union in hopes of finding jobs. This phenomenon is visible in the union’s parking lot, which essentially functions as a hiring hall, as approximately seventy to eighty union members gather early each morning to be assigned jobs and sent to different sites for the day.

CW-Gyeonggi branch’s small-site construction campaign is a clear departure from the national strategy, which targets large-scale capital with the express purpose of securing region-wide collective agreements. By deploying loudspeakers, waging prolonged rallies, and threatening law enforcement in their public dramas, the branch union cultivated a sustained, highly labor-intensive, and insecure form of symbolic power. A KCWU executive at the national headquarters commented during an interview that the CW-Gyeonggi branch campaigns are “not meaningful” because “meaningful” campaigns are those that make change through regional collective agreements (interview, 8 September 2015, Seoul). This executive asserted that the Gyeonggi region will have to wait until the KCWU has the strength to negotiate a collective agreement at a national level. The KCWU leadership plans to cultivate structural power by organizing workers in regional areas and securing multiple regional agreements, through which the union can bargain centrally with the national employers unit.
However, to call the branch union’s campaign “not meaningful” ignores the significant contributions that the union has made in improving wages and working conditions in smaller construction sites. Given the extensive barriers to building more institutionalized forms of worker power and the fact that working conditions for informal day laborers are extremely poor and routinely ignored by the union, the CW-Gyeonggi branch’s work is worth acknowledging, especially for migrant workers who remain unorganized and consistently neglected by unions across the country.

Discussion and Conclusion

This paper has examined the power-building strategies of three regional branches in the KCWU’s Site Workers Division: Daegu, Busan and CW-Gyeonggi. Although each branch union sought to implement a national strategy that targeted specialty contracting firms higher up the chain to negotiate region-wide collective agreements, its ability to do so was shaped by its power resources as well as the composition of employer bodies in each regional market. Branch unions possessed varying levels of associational power to force employers to make concessions to the union. The Daegu branch possessed the most potent form of associational power, with a tightly organized and highly militant grassroots membership that could wage disruptive strikes and workplace actions against targeted firms. The Busan branch had weaker associational power, but union leaders took advantage of the structural power of both strategically located concrete casting workers and tight labor markets for formwork carpenters during an early stage of organizing. In CW-Gyeonggi, the branch union had weak associational and structural power, due to the high mobility of both workers and employers in regional construction supply chains; however, organizers successfully waged site-specific public dramas that targeted individual firms engaged in workplace violations, particularly around health and safety standards, to cultivate symbolic power, resulting in an array of individual-level union agreements on small-scale construction sites.

The composition of employer organizations at the regional level influenced the branch unions’ capacity to negotiate agreements outside existing industrial relations frameworks. The Daegu branch benefited from a tightly organized regional council of specialty contractors under the auspices of the Daegu Steel and Concrete Council. In Busan, the Busan Steel and Concrete Council was less centralized, but the union took advantage of its knowledge of the council’s leadership to disrupt production at a key firm, resulting in the successful negotiation of region-wide agreements. In CW-Gyeonggi, employer organization was the most dispersed, creating little opportunity for the union to target specific firms. The branch union’s embrace of symbolic struggles as a form of associational power, which is highly unstable and resource-intensive, can be understood as a symptom of extensive external constraints, but it also yielded unexpected membership gains by recruiting more Korean Chinese migrant workers, who work in smaller firms.

Close empirical analysis of how informal workers cultivate bargaining power despite regulatory challenges and unequal power relations reveals the limits of theorizing informal work simply in terms of legal exclusion. The cultivation of highly nuanced and place-specific power-building strategies against specific configurations of capital reveals that informality is better understood as a complex and contested political space between workers, capital, and the state. Construction firms across the supply chain consistently try to elude responsibility for the conditions of informal work by simply ignoring or escaping direct accountability, regardless of industry regulations. However, rather than appealing to the state for better and
stronger public intervention, unions work around and through legal constraints and loopholes to craft regulatory environments that rely on their own enforcement power. In Daegu, the union forced employers to sign collective agreements before the Framework Act recognized them as “legal employers.” In Busan, the union took advantage of day laborers’ job flexibility to stage a de facto strike. In CW-Gyeonggi, the union used employers’ violation of the law as an instrument to demand union rates and improve working conditions. Enforcing union agreements can be high-risk endeavors, particularly for individual union members involved in militant collective action. Such actions can be deemed unlawful because they encroach on “the right of management” (kyŏng yŏnggwŏn ch’imhae) to conduct business and earn profits, but for now they enable the KCWU to improve conditions for informal workers when capital and the state are unwilling to do so of their own accord.¹⁴

Informal workers’ ability to cultivate effective forms of power also highlights the importance of developing strategic capabilities that take advantage of the organizational resources that local unions cultivate. Ananya Roy (2005) reminds us that informality should not be understood in dichotomous terms as either a crisis of formality or a heroic form of resilience by the poor and disenfranchised. “Informality is not a separate sector but rather a series of transactions that connect different economies and spaces to one another,” she explains (Roy, 2005: 148). Day laborers in South Korea are inextricably linked to formal production processes and capital accumulation processes. Their unions learned to identify the vulnerabilities in construction supply chains from the success of unions representing formally employed workers such as tower crane operators in cultivating disruptive forms of associational and structural power. They also learned how to negotiate creative bargaining agreements that regulated wages and working conditions by pressuring firms higher up in contracting chains to form representational bargaining entities (Yun, 2017: 27–28). Thus, informal workers not only can learn directly from the experiences of formal workers but also can adapt and innovate on their collective actions in ways that build the strategic capabilities of all workers across highly differentiated yet tightly coordinated supply chains.

The successes of union power-building strategies for informal workers in South Korea’s construction industry may seem exceptional, given its relatively high level of organizational capacity and mass mobilization. However, the South Korean union movement, like many other labor movements around the world, encountered significant rollbacks in the context of neoliberal restructuring and financialized global capitalism. Rather than responding with the “confusion and bewilderment” for which Breman and Van der Linden (2014) criticize European industrial unions, South Korean unions demonstrated a striking capacity to redirect their strategic priorities toward power-building capabilities to support the interests of the rapidly growing informal and precarious workforce, despite ongoing challenges and conflicts with formal unionized workers (Lee, 2011; Yun, 2011; Shin, 2013). Given the prevalence of informality across the Global North and South and its centrality to global capital accumulation structures, it is this organizational capacity to adapt and take advantage of constantly shifting power dynamics among labor, capital, and the state that can make all the difference.

¹ The fieldwork was supported by a Ford Foundation grant (2015–2018) on “Informal Construction and Domestic Work: Collaborative Research on Institutional Influences on Job Quality” (Chris Tilly, principal investigator; Jennifer Jihye Chun, South Korea coordinator). All interviews and participant observation were conducted by Sohoon Yi.
2 According to the 2014 Korea Housing Survey (KRIHS, 2014), 49.6% of South Koreans live in apartment buildings, whereas only 37.5% live in independent housing units.

3 For example, in the engineering and building sector, firms are required to hold between 5 and 24 billion KRW (approximately $5–24 million USD) in financial assets and employ a minimum number of staff members (ranging from 5 to 11 depending on the type of registered category) with required qualifications.

4 Oyaji, a colloquial term for “boss” in Japanese, have connections to various team leaders, often in a single trade, and usually supply some construction material to site, whereas sidaukke oyaji (“subcontractor” or “big oyaji”) typically have connections to multiple oyaji across different trades.

5 Under the execution participant system, it was also illegal to engage in double subcontracting—to use two different intermediaries for the same type of work. According to the union, it was, however, common for workers to have more than one intermediary in place.

6 The Seoul Regional Construction Day Laborers Union (Seoul Day Laborers Union) joined eight other regional unions to form the National Association of Construction Day Laborers Unions (NACDLU) in 1992. In 1999, the Korean Federation of Construction Industry Trade Unions (KFCITU) incorporated day laborers into a new organization alongside the predominantly white-collar-based Korean Federation of Construction Trade Unions (Yun, 2017: 19).

7 In May 2015, the LO-TCO officially became Union to Union. The International Federation of Building and Wood Workers Unions merged with the World Federation of Building and Woodworkers Union to form the global Building and Woodworkers International (BWI) in 2005.

8 For example, Article 23 of the 2015 agreement contains this provision, but it also existed in earlier versions.

9 This differs significantly from the government report, which estimates the number of construction casting workers in the city to be 2,200 based on employer reports (Sim, Kim, and Kim, 2013).

10 During the interview, Chi specified that the union could not take credit for the initial improvement in employment conditions for formwork carpenters since the tight labor market resulted in better treatment. Nonetheless, the union was able to transform marketplace bargaining power to workplace bargaining power (Silver, 2003) and maintain the improved employment conditions for union members even during the recession.

11 According to Statistics Korea (2016), domestic construction projects had a total budget of 213 trillion won (KRW). Of this, 90.6 trillion won was spent in the Seoul metropolitan area (52.9 trillion won in Gyeonggi Province); 30.3 trillion won in Busan, Ulsan, and Gyeongnam Province; and 19.9 trillion won in Daegu and Gyeongbuk Province.

12 Many small-scale construction sites routinely violate health and safety laws and fear incurring damaging fines and penalties, compared to large-scale sites.

13 KCWU eventually bargained a uniform collective agreement with all regional Steel and Concrete Councils in September 2017. Five regional branches of KCWU built agreements with six regional Steel and Concrete Councils in the Seoul capital region, Daejeon and Sejong, Jeonnam, Gyeongbuk, and Gyeongnam regions.

14 The high-risk nature of union activity by informal workers is most recently evident in the indictment of KCWU Tower Crane Division union executives for violating the Criminal Act; Punishment of Violence Etc. Act; Act on Aggravated Punishment Etc. of Specific Crimes (Prosecution Service, 2015).
References


