Recent Developments in Bargaining Structure and Outcomes in Korea

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1. Introduction

Many are familiar with the outlines of Korean labor unionism: enterprise-basis, militancy, and frequent strikes and protests. While some claim that enterprise unionism is weaker and more dependent on management than industrial, craft, or general unions (Galenson & Odaka, 1976; Hyman, 1975), Korean unions achieved high wage growth rates in the 1990s after the Great Labor Offensive period. Yet Korean unionism has begun to evolve in the new millennium. One such change has been the move to industry-affiliated unions, a move driven by the Korean Confederation of Trade Unions (KCTU). Regardless of such structural changes, union density has declined along with the frequency of strikes, the number of non-affiliated unions has risen, and wage growth has been stymied. What has happened to Korean unionism during this period of reversal? To examine this question, I will investigate recent developments in bargaining structure and bargaining outcomes.

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2. Diversification in Union and Bargaining Structures

1) Union Structure

The Korean industrial relations were characterized by enterprise unions, but recently they are much more diversified by transformation of some unions to industrial unions. The impetus for the transformation has been given by new unionism emerged since the Great Labor Offensive in late 1980s revitalized the Korean labor movement. The new unionism established the Korean Confederation of Trade Unions, the national center for the new and independent unionism, in 1995.

Prior to 2000, enterprise unionism were prevalent in Korea, and earlier even the new unionism did not attempt to organize industrial unions. A probable reason is because workers were more easily organized on enterprise basis at the time. Employment terms and conditions are determined at the firm level and cross-sectional labor markets were under-developed due to low labor mobility in Korea. Workers had been also forced by labor law to form unions at firm level, and there were no or very weak legacy of industrial unionism. Especially, labor law prohibited the intervention of any third party including industrial and national federation of labor unions of in collective bargaining and labor disputes within a firm. Many union activists were discharged by employers, and the proliferation of labor unions and strikes in the late 1980s could be organized basically due to the political liberalization. Thus the labor movement at that time did not have enough power to organize workers and win bargaining along industries. Enterprise unionism might be a good strategic choice, given the relatively weak bargaining powers of labor at that time. Industrial unionism requires adequate rates of union density to get into collective bargaining at industrial level, which was a very difficult to achieve at the time. In order to mobilize the rank and file workers, unions first need to gain economic benefits right away, and thus they have little options but to have collective negotiation at firm levels to win some economic benefits for the workers as a catalyst for unionization.

With its higher density and also more challenges from employers and government, however, the new unionism moved toward industrial unionism in 1990s. Right after their growth rate was slow down in the early 1990s, the need for industrial unions was raised by some of the new union activists. At the time a couple of industrial unions such as National Teachers' Union and National Research & Development Workers' Union were organized, and some new unions started to coordinate bargaining activities such as synchronized strikes and/or coordinated demand for wage increase rate. The decisive turning point for the industrial unionism was the establishment of the Korean Confederation of Trade Unions, which had proclaimed the industrial unionism as one of its principles at its onset in 1995. Since the proclamation was a result of prior discussions and endeavors, it implies that the industrial unionism had been prepared much earlier by union activists leading the new unionism.

Another driving force was the Asian financial crisis, which posed various challenges to the new unionism. The crisis raised many new issues like redundancy, restructuring, and plant relocation, which were too complicated and complex to be solved by enterprise unions. Especially, the rapidly growing externalization of employment and labor market polarization as its consequence was a serious threat to the militant unionism, because the divided labor would undermine the ground for mobilization of the working class. The threats and challenges helped substantiate and materialize the proclamation.

Being influenced by the campaign and the environmental changes, the new unionism transformed its union structure to industrial unions widely one after another. The Korean Health and Medical Workers' Union was the first mover, organizing itself in 1998, and subsequently the National Union of Media Workers was organized in 2000, which were followed by the Korean Metal Workers' Union in 2001. The Korean Metal Workers' Union was initially organized by small unions and joined by large labor unions like Hyundai Automaker Union and Kia Automaker Union in 2007. KCTU also witnessed Korean Public Service Workers' Union in 2006, Korean Chemical and Textile Workers' Union in 2004, Korean Construction Workers' Union in 2007, and Korean Public, Transportation, and Social Service Workers' Union in 2011. However, there are some exceptions which are not yet transformed to industrial unions like Office and Financial Workers' Unions, and Service Workers' Unions. According to the KCTU homepage (www.nodong.org), about 80% of the union members were organized by industrial unions as in 2012.

On the other hand, most of the labor unions affiliated with the Korean Federation of Trade Unions, the national center for the old unionism, still are enterprise-based. There are several exceptions in KFTU, too. The most notable is the Korean Financial Industry Unions, which has well-established industrial bargaining since 2000 when the labor unions were reorganized along the industrial line. Taxi drivers has also organized an industrial union and bus drivers also organize multiple industrial unions at local levels, but more flexibly both of them allow for enterprise unions. The three unions have legacies of long-time endeavors for industrial bargaining. Besides, there were large national unions corresponding to large firms like Korean Postal Workers' Union Korean and Tobacco and Ginseng Workers' Union, which can be classified as either enterprise-based or industrial unions. There were other failed drives to build up industrial unions in KFTU, too. The metal workers and chemical workers attempted to transform their union structures to industrial unions in 2000s, but failed to do mainly due to the strong opposition of their large unions.

As the consequence of the drives for industrial unionism, the rate of industrial union members seemed to be a majority. Noh, Noh, and Jin(2013) estimated, based on the statistics on national labor union density by Ministry of Employment and Labor, that the rate was already 55.2% as in 2012. KFTTU-affiliated industrial unions have 226 thousand workers, KCTU-affiliated ones have 484 thousand workers, and independent industrial unions have 117 thousand workers.

2) Bargaining Structure

Enterprise-based bargaining has been prevalent in Korea for a very long time. With more industrial unions organized, however, multi-employer bargaining has been growing over the time at least in terms of penetration rate. Table 1 presents the ratios of multi-employer bargaining by the two national federations over the period of 2005-2013. The statistics are calculated from Workplace Panel Survey conducted by Korea Labor Institute. Here multi-employer bargaining includes all the non-enterprise-based bargaining. The statistics indicate that the ratios of the KCTU affiliates with multi-employer bargaining are higher than those of the KFTU counterparts.

As in 2013, the ratios of enterprise with multi-employer bargaining are 45% for KCTU and 35% for KFTU. The statistics also tell that the ratios of multi-employer bargaining are generally arising over the time, but that the ratios are U-shaped for the KCTU affiliates. A big reason for the U-shaped is because the industrial bargaining for the Korean Health and Medical Workers' Union, a KCTU affiliate, ceased due to the strong resistance of the large employers in 2009.

Insert Table 1 around here

Even though the penetration rate is growing over the time, it is still controversial whether multi-employer bargaining was taking roots more deeply. To see how substantive it has gotten, we review two multi-employer bargaining cases briefly here. The multi-employer bargainings for the bank industry involves KFTU-affiliated industrial unions and that for the auto-parts manufacturing sector involve KCTU-affiliated industrial unions.

(a) Bank Industry

The Korean Financial Industry Union has been involved in the multi-employer bargaining for the bank industry. The industrial bargaining covers other types of financial sectors, but the majority is the bank sector. Bank workers also have a legacy of industrial bargaining in 1960s and 1970s. Industrial bargaining for this industry dates back to 1964. However, the multi-employer bargaining was terminated in the early 1980s, as the previous industrial union was broken down to enterprise unions by labor law. This industry is also heavily regulated by government, and some of the banks are owned by government. The employment terms for the government-owned bank or financial institutes are directly controlled by government. Anyway, the jobs and employment conditions are relatively homogeneous across firms in the industry. For these reasons, bank industry has good conditions for an industrial bargaining.

The industrial bargaining began in the early 2000s. The Korean Financial Industry Union requested an industrial bargaining in 2000 as soon as it transformed its union structure to the industrial union. After the employers participated jointly in the multi-employer bargaining for the first few years, they established an employer association in 2010, based on the two-year earlier labor-management contract. The industrial bargaining has negotiated a standard rate, allowing for a small amount of drifts above or below the standard rate. The wage rates for the government-owned banks have been controlled by government and so the standard rate has been affected by the wage guideline of government. As a consequence, it is very difficult to coordinate wage growth rate between public and private banks. This is a good reason why they allow for wage drifts by supplementary bargaining at the firm level. However, the contract was changed in 2011 such that wage drifts above the standard rate was allowed for (Noh, 2014), and afterwards the standard rate, in turn, has been coming very close to the government-guided rate. The industrial union have negotiated employment terms for the contingent workers since 2003, typically contracting out higher wage growth rates for the contingent workers.

(b) Auto Parts Manufacturing Industry

The Korean Metal Workers' Union is involved in the multi-employer bargaining in this industry. Most of the locals for the industrial union have been organized since 1987, and so the metal workers do not have a prior experience of industrial bargaining, too. The multi-employer bargaining by the industrial union is for all the metal workers, but we will cover just auto parts manufacturers, since most of the firms involved are from the sector. Note also that the finished car makers such as Hyundai, Kia and GM Korea have not joined the multi-employer bargaining. The branch unions for the large firms has raised the issue of bargaining structure changes, but they do not succeeded in concluding it.

The autoe parts manufacturers are subcontractors for the finished car makers and so are exposed to harsh market competition. As a consequence, the auto parts workers have big gaps of wage and other employment terms across firms. They are also relatively less regulated by government. Besides, the union density of the industrial union is not so high, and there are also many enterprise unions affiliated with KFTU, which do not join the multi-employer bargaining. All the conditions imply that the industrial bargaining is very difficult for this industry. On the other hand, the Korean car makers has been growing rapidly for quite a long time since 2000, which makes a good condition for the industrial bargaining.

The Korean Metal Workers' Union has tried to adopt a multi-employer bargaining since 2001 as soon as it was organized. First, it asked the employers to agree to participate in a multi-employer bargaining at enterprise bargaining in 2001 and seventy two employers agreed to. In 2002 and 2003, the industrial union set in multi-employer bargaining at its local levels, and the employer side conversely requested a central industrial bargaining in 2003. Afterwards multi-employer bargaining have been organized at both local and national levels for this industry, and the central bargaining seemed to be made more stable since 2006 when an employer association as the representative of the employers was established. The central bargaining has covered more general issues such as organizational restructures and employment security, offshoring, subcontracting practices, and contingent workers, and each local multi-employer bargaining has negotiated local-specific issues. Both the multi-employer bargaining sessions negotiate wage issues, but tend to contract out the minimum rate for the industry or the locals, and the final wage increase rate is determined by enterprise bargaining.

The multi-employer bargaining for this industry has suffered from big differentials in employment conditions and organizational performances among the involved firms. Most of the large companies do not join the multi-employer bargaining, and also the number of enterprise participating in the industrial bargaining was on the decline. The involved firms dropped by about 30% between 2003 and 2013. The decrease is mainly due to intra-firm dual unions permitted legally in 2011. Dual unions, which are more moderate and cooperative with management, were organized for many of the firms unionized by the metal workers' industrial union, and took over the representativeness of bargaining for the enterprises.

The review of the two cases indicates that most of the multi-employer bargaining practices are not stabilized yet. The multi-employer bargaining program for the bank industry is more stable, mainly due to good financial conditions and high levels of similarity in employment conditions across firms. On the other hand, the multi-employer bargaining program for the auto parts manufacturing sector have been dwindled. A big roadblock is big differential in inter-firm employment conditions and financial soundness of the firms for the sectors. It is a big challenge to coordinate the wage gaps among firms by the multi-employer bargaining, and the multi-employer bargaining does not have other choices but to allow for wage drifts through supplementary bargaining. If the supplementary bargaining is generalized, multi-employer bargaining may not help save bargaining costs, which will be a big reason for complaint by employers.

To see how much wage drift are produced, we present some statistics on wage drifts of the firms involved in a multi-employer bargaining in 2005-2011 in Table 2. We can see from the statistics that 67-84% of the firms involved determined their wage increase rate at the standard rate contracted out by their multi-employer bargaining. The frequencies of the lower and the higher drifts are similar to each other, and thus the average of wage increase rate drifts are closer to zero. The statistics indicate that wage increases rates seemed to be coordinated by the firms involved in a multi-employer bargaining in terms of the growth rate, which implies that the wage level differentials are proportionately changed.

Insert Table 2 around here

3. Recent Trend in Bargaining Outcomes

1) Wage Outcomes

Labor unions had much bigger wage effects than before in 1990s after the new unionism emerged. First of all, wage growth rates were generally much higher. If the average increase rate is calculated from payroll data surveyed by Ministry of Labor, it is 14.2% in the nominal term, and 7.6% in the real term for 1989- 1997. The union wage premium was getting larger since 1987(Ryoo, 2005), and so we can guess safely that the high wage growth rate was driven by labor unions, especially the new unionism. However, surprisingly the mean of the contracted wage increase rate is just 8.4% for 1989-1997 and so we can see it is much lower than the nominal wage growth rate. Because of the large gap, it was suspected that the real contracted wage growth rate might be much higher. Since government strongly controlled wage increase at that time, labor-management might increase wages in tactful ways to evade the wage guidelines. Interestingly, the gap was coming much closer in 2000s when government did not control wage any longer.

A turning point for the trend of wage increase rate was the late 1990s when Korea was bitterly hit by the Asian economic crisis. After the crisis, wage growth rate was much lowered. For example, the average is 8.5% in the nominal term and 5.6% in the real term for 1999-2005. The contracted wage increase rates also were getting lowered in 2000s. Their averages are 5.5% for 1999-2005 and 4.4% for 2010-2014. We conjecture that the lower wages are mainly due to the firm performance, since union wage premium was getting even larger for the period(Kim 2008; Ryoo, 2005). The union wage premium was estimated by Ryoo(2005) to be 7.2%, on average, for the period of 1998-2002, as compared to 4.5% for the period of 1993-1997. Kim (2008) estimated it to be 2.1% for 1988-1997, 5.9% for 1998-2002, and 5.1% for 2003-2007. These estimates were obtained after controlling for some personal and organizational characteristics.

Another turning point for the trend of wage increase rate was the middle of 2000s when many big strikes were organized. There were many strikes in 2003-2005: Korean Railroad workers' strikes against its agencification or privatization, Korean Airline and Asiana Airline pilots' strikes, Korean Healthcare and Medical Union's general strikes, government workers' strike for unionization, LG Caltex(currently GS Caltex) workers' strike, multiple subway company workers' synchronized strikes, Kolon(a synthetic fiber manufacture) workers' strike, and Hyundai Automaker workers' strike, to name a few. Public opinions were not generally favorable to the strikes organized by high-wage workers' union. As a consequence, many of the strikes, especially ones waged in 2005 and 2006 were defeated. The wage increase rates became even lower in this period. For example, the average of the nominal wage increase rate is 4.5% for 2006-2008, the average of the contracted wage growth rate is 4.1% for the same period.

To see the changes in wage more specifically for the period, we take a look at the wage increase rates from 2005 to 2013 by union status in Table 3. The first four columns present the wage increase rates for no-unions, independent Unions, KFTU affiliates, and KCTU affiliates. The statistics indicate that the non-unionized sector yielded higher wage increase rates than the unionized sector over the time. Being consistent with the statistics, union wage premium also got lower for the period(Kim, 2008). The statistics also document that KFTU affiliates consistently contracted out higher ones than KCTU affiliates over the time. Both of them are reversed ones, as compared to the previous patterns. Based on the trends, we conjecture that the lowered wage increase rates are attributable to both economic difficulty and weaker bargaining power of labor unions. Comparing wage increase rates between enterprise-based bargaining and multi-employer bargaining, there are no significant differences between them. The results indicate that bargaining structure did not affect bargaining outcomes on wage growth rate.

Insert Table 3 around here

The long tradition of enterprise-based bargaining has created large inter-firm wage differentials. Although it was estimated by many studies that union wage premiums are lower than 10%, the estimates are what was obtained after personal and organizational characteristics such as tenure, educational attainment, gender, firm size, occupation, and industry being controlled for. The simple wage differentials between the unionized and non-unionized sectors are much higher. For example, Kim(2008) reported that their average wage differential between the unionized and the nonunionized sectors for 2003-2007 is 43.7%. We can also see big wage differentials between the small-medium and the large enterprises. For example, the average pay levels for the small firms with 30-99 employees and for the medium firms with 100-299 employees are just 67.5%, and 71.3% respectively of those for the large firms with equal to or more than 300 employees as in 2004. Since SMEs are much less heavily unionized in Korea, the wage differentials by the union status are intermingled with the ones by firm size. Interestingly, there is insignificant or minor union wage premium just for the large firm (equal to or more than 500 employees) samples (Ryoo, 2005). For the reason, some portion of controlling for the firm size in the estimations of union wage premium may be undue. Another salient large wage differentials are found between the contingent workers and the permanent workers. For example, the average pay level for the contingent workers is 67% of those for the permanent workers as in 2014. Anyway, the big pay differentials by firm size and employment status has motivated large employers to externalize employment.

The labor market polarization has been strengthened by labor relations in Korea. Since SMEs and large firms are typically of contractor-subcontractors relations, a large company's burden of high labor costs due to high wage increase rate can be easily passed on to its subcontractors through regular cost reduction demand. Upon the demand, SMEs have little other choices but to squeeze pay levels for its own workers, who are less likely to be protected by labor unions. The more aggressively large labor unions protect their own members, the bigger inter-firm wage differentials become. The balloon effect has created a very unfavorable environment for labor union movement, because labor unions have been more and more isolated from the rank-and-file workers outside of the large firms. Industrial unionism has intended to narrow the inter-firm gaps of wage, but just among the firms involved in their multi-employer bargaining. Their union density at each industry level is too low to correct the labor market polarization problem, and most of the industrial unions have not yet succeeded in bringing large firms in their multi-employer bargaining. We guess that the labor market polarization is a good reason for the defeated strikes in the middle of 2000s and the subsequent lowered frequency of strike.

2) Employment Outcomes

Employment is not a mandated bargaining issue in Korea, but redundancy should be discussed on the table of labor-management joint consultation committee. To my knowledge, it is not examined yet by any study which one of the efficient bargaining model versus the monopoly model can explain better the Korean collective bargaining. Since Korean labor unions tended to put heavier weight on wage increase and labor relations were adversarial and confrontational before the Asian economic crisis, employment is not likely to have been determined jointly with wage by labor and management in many Korean companies for the time period.

However, the Asian financial crisis changed the whole story. As a response to the crisis, many firms tried to layoff many employees, and labor unions resisted strongly with strikes to the involuntary termination of employment. The Hyundai Auto-maker workers' strike in 1998 was one of the most famous strikes concerning redundancy. The struggle lasted almost a whole year with strikes and protests, involving not just labor and management in the firm, but also government and KCTU. Finally about 12 thousand workers were dismissed through an early retirement program and layoff. The strike heralded another period of labor-management conflicts, and since then redundancy has been on their bargaining table in many companies, even though it was not mandated. However, the redundancy-related strikes demonstrated that both redundancy and labor's resistance to the redundancy were not easy, and labor-management gradually resorted to contingent workers as alternative means to organizational flexibility and labor cost savings. There were still redundancies in many firms in 2010s, but they were much milder for union members than before. Typically a small number of the non-unionized long-tenured elderly employees were terminated, mainly through early retirement programs. Anyway, the massive strikes concerning redundancy were much reduced in the middle of 2000s, and thus we can find redundancy-related strikes just occasionally in 2010s.

Table 4 presents the ratio of firms with redundancy over 2005-2013. Here the redundancy includes both layoff and early retirement program, but most of the redundancy was done through early retirement programs. The ratios of firms with layoff are just 3-5% of the sample, while those for firms with early retirement program are around 20%. The early retirement program tended to be implemented to a small number of long-tenured elderly workers, typically nonunion members, and gave some amount of redundancy payment to the terminated workers. If we take the average of redundancy rate just for the sample of redundancy firms, the rate is around 5% of the total employees, equivalent to 10-20 workers. Just in case of the early retirement programs, the ratio is even lowered to around 4%. We can conjecture from the statistics that the early retirement programs would be a part of changes in the composition of workforce rather than a process of downsizing. The main motivation for the program came from the seniority-based pay prevalent in Korea, which has been believed to widen the gap between wage and labor productivity as a worker's tenure gets longer.

Insert Table 4 around here

The statistics in Table 4 indicate that the non-unionized sector has consistently lower ratios of firms with redundancy than its counterpart over the period. Not being reported here, the ratio of firms with layoff is lower for the unionized than for the non-unionized by about 2%p, and also has got even lower over the time. Thus the unionized sector has used more often early retirement programs than its counterpart. The statistics indicate that labor unions has protected their members from layoff, but that they seemed to allow for early retirement programs, probably for the non-unionized workers. The statistics also demonstrate that there is no significant difference in the ratios between KFTU and KCTU, and between enterprise-based bargaining and multi-employer bargaining. The only significant finding within the unionized sector is that the ratios for the independent unions are lower than the others.

Table 5 presents employment changes by union status over 2005-2013. The statistics demonstrate that the employment growth rates for the unionized sector are consistently lower than those for its counterpart. It is also interesting to say that KCTU affiliates has consistently outperformed KFTU affiliate in terms of employment growth rate. Recollecting from Table 3 that the wage growth rate is lower for KCTU affiliates, possibly KCTU affiliates has put less heavy emphasis on wage to improve employment performance. The union attitudes can be related with industrial unionism, but unfortunately in Table 5 we do not find any significant consistent pattern of differences between enterprise-based bargaining and multi-employer bargaining. Another probable explanation is the use of contingent workers discussed below.

Insert Table 5 around here

One of the most significant phenomena after the Asian financial crisis is the externalization of employment. The ratio of the contingent workers out of the total workers is 32.8% as in 2016. There are many types of the externalized employment, but, due to the limited availability of reliable data, Table 6 presents only the contingent workers who are directly employed by the firm in question. It is safe to say that the actual ratio of contingent workers are much higher than the one in Table 6, because the statistics exclude the contingent workers employed by on-site subcontractors whose ratios have tended to be much higher than the directly-employed contingent workers. The statistics indicate that the ratios of the contingent workers have been stable, but were lowered in 2009 when employment was reduced in Table 5, which implies that contingent workers are more likely to have been terminated in the global economic crisis. The statistics also demonstrate that firms with KCTU affiliates have had much higher ratios of the contingent workers than those with the other categories of union status. Furthermore, the rates of the contingent worker for KCTU affiliates has been generally arising over the time. Interestingly, the rates for the firms with multi-employer bargaining is on the decline, probably being restricted by industrial unions.

Insert Table 6 around here

The union density is very low for the contingent workers (for example, 2.6% in 2016), and so the contingent workers are very rarely protected by their own labor unions. Alternatively, they can be covered by the relevant labor unions of the permanent workers. Table 7 presents the ratio of establishments where the contingent workers' wages are negotiated by the majority labor union of the permanent workers within a firm. The statistics tell that the ratios are generally low. The statistics also indicate that more KCTU affiliates have covered their relevant contingent workers than KFTU affiliates and independent workers, and that more multi-employer bargaining unions have covered them than their counterparts. Anyway, the fissured workplace has created a very unfavorable environment for labor unions, especially for the militant unions. Above all, the work stoppage effect of strikes waged by labor unions has been much weaker with the very low union density of the contingent workers. Even where the contingent workers are unionized, inter-union rivalry between the permanent workers' and the contingent workers' unions can hamper joint strike actions. The lower expectation of winning a strike will, in turn, make the union members hesitant to join the strike action. The spiral movement has mitigated militancy of the Korean labor unions.

Insert Table 7 around here

4. Concluding Remarks

This study examined the recent developments in collective bargaining in Korea with respect to union structure, bargaining structure and bargaining outcomes, relating them with the changes in the militant unionism. We focused on the recent decade posterior to the Asian financial crisis due to the limited reliable relevant data and studies.

The militant unionism emerged though the repression of the authoritative administration and management in the late 1980s and the militant unionism was quite effective as a protector for the workers' interests in the 1990s. However, a challenge to the new unionism was posed by the Asian financial crisis. Arose new issues such as redundancy and restructuring, which were too difficult for enterprise unions to respond to, and the militant labor unions tried to resist to the lower employment security by strikes. On the other hand, the employer side also found it very difficult to lay-off their employees. Wittingly or unwittingly, labor and management compromised to use the contingent workers and outsourcing as alternative means to organizational flexibility and labor cost savings. By the externalization of employment, labor unions gained wage and employment for their members in the early 2000s, but it produced labor market polarization which weakened the effect of strikes and thus the bargaining power of the labor unions. Many big strikes were organized by the militant unions in the middle of 2000s, some of the important strikes were defeated. After the strikes defeated, the bargaining power of the militant unions were gradually weakened even further, and the employee performances were gradually declining over the time.

As a response to the environmental changes created by the Asian financial crisis and the prior union activities, the militant unions transformed their union structures to industrial unions. The ratios of industrial unions in terms of union members has already gotten higher than 50% in 2010s, and also about 30-40% of the unionized firms were engaged in a multi-employer bargaining. The multi-employer bargaining started, based on the inter-firm wage differentials created before by enterprise unionism, the multi-employer bargaining allowed for wage drifts through supplementary bargaining at firm level. However, this study pointed out that many branch unions were not much deviated from the standard increase rate. The multi-employer bargaining has negotiated wages more often for the contingent workers, and discuss the more general and common issues for all the workers in the pertinent firms. Still they have not succeeded in narrowing inter-firm wage gaps. Furthermore, some employers, mainly large firms, have resisted to join the multi-employer bargaining, and thus the multi-employer bargaining has not been stabilized yet.

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<Table 1> Proportions of Multi-employer Bargaining

Year	KFTU		KCTU	
	N	Mean(Standard Deviation)	N	Mean(Standard Deviation)
2005	370	0.21(0.41)	310	0.38(0.49)
2007	325	0.20(0.40)	236	0.37(0.48)
2009	283	0.24(0.43)	252	0.33(0.47)
2011	347	0.27(0.45)	184	0.38(0.49)
2013	331	0.35(0.48)	188	0.45(0.50)

Source: Workplace Panel Survey

<Table 2> Wage Drifts for Multi-employer Bargaining

Year	N	Frequency (%)			Mean of Wage Increase rate Drifts
		Below	At	Above	
2005	196	25(12.76%)	140(71.43%)	31(15.82%)	0.18(1.67)
2007	154	14(9.09%)	130(84.42%)	10(6.49%)	-0.21(1.49)
2009	156	24(15.38%)	121(77.56%)	11(7.05%)	-0.32(2.03)
2011	180	34(18.89%)	121(67.22%)	25(13.89%)	-0.01(2.22)

Source: Workplace Panel Survey

<Table 3> Wage Growth Rates

Year	No Union		No Affiliate		KFTU		KCTU		Enterprise-based		Multi-employer	
	N	M(SD)	N	M(SD)	N	M(SD)	N	M(SD)	N	M(SD)	N	M(SD)
05	1076	6.26 (3.81)	57	4.85 (3.25)	370	4.91 (3.48)	310	4.73 (4.01)	536	4.82 (3.42)	201	4.86 (4.34)
07	823	5.90 (4.04)	59	3.53 (2.60)	325	4.14 (3.29)	236	3.99 (2.68)	466	4.00 (3.14)	154	4.12 (2.56)
09	815	4.34 (3.65)	86	2.77 (3.36)	273	3.20 (3.48)	251	2.92 (3.41)	454	2.96 (3.49)	156	3.22 (3.28)
11	1042	4.49 (3.74)	99	4.49 (3.32)	347	4.29 (2.33)	184	3.47 (2.75)	450	4.00 (2.67)	180	4.28 (2.64)
13	1055	4.32 (3.48)	110	3.72 (3.20)	313	3.78 (3.40)	184	3.00 (2.74)	409	3.43 (2.88)	198	3.73 (3.75)

Source: Workplace Panel Survey

<Table 4> Ratios of Establishment with Redundancy

Year	No Union	No Affiliate	KFTU	KCTU	Enterprise-based	Multi-employer
2005	0.20(0.40)	0.21(0.41)	0.31(0.46)	0.28(0.45)	0.29(0.45)	0.28(0.45)
2007	0.21(0.41)	0.17(0.38)	0.26(0.44)	0.25(0.44)	0.25(0.43)	0.26(0.44)

2009	0.17(0.38)	0.24(0.43)	0.21(0.41)	0.23(0.42)	0.23(0.42)	0.22(0.41)
2011	0.19(0.39)	0.21(0.41)	0.25(0.43)	0.26(0.44)	0.24(0.43)	0.26(0.44)
2013	0.17(0.38)	0.26(0.44)	0.25(0.44)	0.27(0.44)	0.26(0.44)	0.26(0.44)

Note: Refer to table 3 for the sample size for each cell, Source: Workplace Panel Survey<Table 5> Employment Growth Rates

Year	No Union	No Affiliate	KFTU	KCTU	Enterprise-based	Multi-employer
2005	8.43(60.04)	2.91(13.29)	0.24(11.65)	2.92(14.43)	1.76(14.03)	1.07(10.04)
2007	3.34(32.03)	-0.57(8.95)	-1.42(10.28)	1.59(14.47)	0.02(11.81)	-0.84(12.64)
2009	0.08(16.18)	-0.80(12.13)	-0.93(8.18)	1.07(7.78)	-0.18(9.34)	0.15(6.67)
2011	2.81(36.51)	3.77(14.75)	1.54(14.42)	2.24(8.34)	2.01(10.64)	2.33(17.61)
2013	1.71(18.66)	2.12(11.14)	0.06(8.45)	0.19(10.36)	1.05(8.97)	-0.61(10.55)

Note: Refer to table 3 for the sample size for each cell, Source: Workplace Panel Survey

<Table 6> Proportions of Contingent Workers: Mean (Standard Deviation)

Year	No Union	No Affiliate	KFTU	KCTU	Enterprise-based	Multi-employer
2005	9.72(20.06)	11.79(19.69)	7.56(13.36)	12.72(16.70)	9.26(15.33)	12.18(16.05)
2007	8.36(19.28)	9.88(15.49)	6.81(13.44)	13.14(17.75)	8.39(14.48)	12.91(18.47)
2009	7.28(17.66)	8.21(14.56)	6.20(12.56)	11.72(15.35)	8.99(14.82)	7.95(12.45)

2011	7.68(17.24)	10.27(14.62)	7.13(13.98)	15.13(19.02)	10.32(16.48)	9.05(15.01)
2013	7.89(17.64)	8.80(15.34)	7.32(13.23)	13.19(16.46)	9.89(16.05)	8.31(12.28)

Note: Refer to table 3 for the sample size for each cell, Source: Workplace Panel Survey

<Table 7> Proportions of Establishments with contingent workers' wages negotiated by a labor union: Mean (Standard Deviation)

Year	No Affiliate	KFTU	KCTU	Enterprise-based	Multi-employer
2005	0.23(0.43)	0.14(0.35)	0.22(0.42)	0.15(0.36)	0.27(0.44)
2007	0.14(0.35)	0.14(0.34)	0.24(0.43)	0.13(0.34)	0.30(0.46)
2009	0.08(0.28)	0.06(0.24)	0.13(0.34)	0.09(0.29)	0.10(0.30)
2011	0.18(0.39)	0.18(0.38)	0.20(0.40)	0.16(0.36)	0.25(0.43)
2013	0.08(0.27)	0.16(0.37)	0.17(0.38)	0.11(0.32)	0.22(0.41)

Note: Refer to table 3 for the sample size for each cell, Source: Workplace Panel Survey