

A Comparative Study on the Factors and Process of the Changes in the Labor Policy

- Analysis on the Revisions in the Labor Relations Law -

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Abstract

The purpose of this study is to analyze the reason and process of labor policy changes in Korea. For this purpose, I analyzed three cases which were made respectively in 1980, 1987, and 1997. An analytical tool for policy change process is basically modified from the view point of policy making process theory, adaptable to the Korean situation.

In the authoritative government period, political factors were most influential to changes in the labor policy. But through the process of democratization, socio-economic factors are more influential on the change of labor-management relations acts than that of others. Besides, the changes in the policy making process and the policy contents are mainly affected by the power relations among labor-management-government.

Also, the government took the initiative in the process of labor policy making. Accordingly, political factors were most influential on the agenda-setting phase of labor policy changes. But because of the democratization of society and the growth of the private sector, the role of government is increasingly restricted. As a result, the three participants of the labor policy change are now interacting strategically. Therefore, Policy change is mainly determined by the power balance among labor-management-government relations.

Korean labor-management relations acts are generally outlined by the macro-factors such as political, economic and social factors. The revision of labor-management relations acts are less affected by the characteristics of the policy making system. The revision of individual labor-management relations acts are more affected by the economic factors, while that of the collective labor-management relations acts are more affected by political factors.

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Introduction

Past studies on Korea's labor issues, though coming from a diverse pool of academical backgrounds (namely from political science and sociology), tend to focus on the state, class, and political system. Research on the policy process was weak by comparison. Even within public administration scholarship, most of the studies were centered around the state or the collective relationship between labor and employers. And most of these approaches exaggerated the role of political factors.

This study therefore will attempt to present a balanced analysis incorporating not only political but also social and economic factors to explain selected distinguished cases from different periods. By studying the effects of these at the macro-level, the surrounding factors on the power relations between the labor-employer-government and on the policy decision-making system, and also by analyzing the resulting characteristic changes in labor policy, this paper will try to forecast the direction of labor policy changes in the future.¹⁾

In this context, the objectives of this study are to clarify the roles of the factors and actors (labor-employer-government) in labor policy changes (especially the revisions of the Labor Relations act), analyze how the dynamics between the factors and between the actors brought about a policy output(a change in policy substance), and finally to search for a desirable direction in future labor policy formulation.

Scope and Method of Analysis

The object of analysis will be the influencing factors on the changes in the labor policies of 1980, 1987, and in 1997 when the labor relations acts saw abrupt changes.²⁾ The Labor policy will focus on the labor relations acts, which will be analysed separately in the individual labor relations acts and the collective labor relations acts. In particular, this study will present a comparative analysis of events in 1980, 1987, and 1997 which saw significant changes that char-

1) Dunlop, who has contributed most to the theorization and organization of labor-employer relations, considers as the central task of labor-employer relations theory the explanation of particular rules that apply to particular labor-employer relations, and the explanation of why and how these relations adjust and change according to the changes in these rules. (J.T.Dunlop, *Industrial Relations System*, Southern Illinois Univ. Press, 1958, Foreward ix.)

2) Hofferbert mentions the government, and elite structures as influential factors, while Chung Jung-gil mentions the characteristics (capability, preferences), political structure (power structure) as the qualities of political systems. (Richard Hofferbert, *The Study of Public Policy*, Indianapolis, Bobbs-Merril, 1974, pp.225-232; Chung Jung-gil, "*Policy Process Theory*," Dae-myung, 1989, pp.98-124.

acterized the different stages following the initiation of industrialization. The analysis will also look into the factors involved in the process of policy changes from the policy-making viewpoint. This does not mean to say that the purpose of this study is to look for the most preferable solution. It will be to clarify the causes and process of policy shifts.³⁾

For the analysis on influential factors, instead of the traditional emphasis on the state, political power and class, factors relating to societal changes will be distilled for study. For political studies the ruling ideology understood as the policy cognition of high-ranking officials and the changes in national development strategy will be given emphasis. The reasons for such emphasis lies in the fact that in a country whose national autonomy and authoritarian tendencies are strong as in Korea, the ruling ideology and changes in development strategy heavily influence policy shifts.

The next object of analysis is the change in the relationship between social forces due to changes in various influential factors. Changes in the relations between social forces cover the changes in the relations between labor, employer, and government and will be seen through agenda-setting, alternative policy formulation and legislative review processes. Finally, to analyse policy substance the labor relations act will be divided into individual labor relations acts and collective labor relations acts for separate analysis.⁴⁾

The method of analysis will first rely on process study. The policy shift process of the cases will be based on dynamic and in-depth analysis.⁵⁾ The cases will also rely on a historical comparative analysis method which is the starting point for a general systems theoretical approach.⁶⁾ Therefore, this study will rely on a systems approach designating rules as the dependent variable of industrial relations while the industrial relations acts will be the independent variable focusing on its deciding factors. On the basis of Dunlop's system approach which is considered the original model of analysis of the industrial relations system analysis, this paper will provide a framework to explain Korea's labor policy shifts and to describe the causes and processes of change that follow this shift.

3) Policy factor studies, being in essence descriptive, is based on the development of fact-finding policy and the accumulation of policy-based knowledge. In other words, while descriptive policy analysis is theory-oriented, normative policy analysis is decidedly decision-making oriented. Roh, Hwa-Jun, "Policy Analysis Theory," Pakyungsa, 1990, pp.418-427.

4) Kim Hyung Bae, "Labor Law," Pakyungsa, 1996, pp.96-98.

5) T. Dye, *Understanding Public Policy*, Prentice Hall, Englewood Cliffs New Jersey, 1984, p.339.

6) This study will borrow from Craig's model of industrial relations system of 'model application → transformation → output → feedback' and Singh's dynamic model which includes the interaction of actors. A.J.Craig, "A Framework for the Analysis of Industrial Relations Systems," in B. Barrett, E. Rohdes & J. Beishon eds, *Industrial Relations & the Wider Society*, London, Collier Macmillan, 1975, p.19.; R. Singh, "Systems Theory in the Study of Industrial Relations: Time for a Reappraisal?" *Industrial Relations Journal*, Vol.7, No.3, 1976, pp.57-68.

Theoretical Background and Model of Analysis

The most prominent example of an industrial relations system is Dunlop's system approach. Dunlop understands industrial relations system as being structured by certain actors, certain contexts, ideology and rules. Other theories such as convergence theory, collective bargaining approaches, strategic choice theory, pluralism, rationalism and regulative theory are in essence not contradictory nor conflicting with Dunlop's system model.⁷⁾ Therefore it can be said that these various models to analyse industrial relations systems have been borrowed from a Dunlop system model based on the three actors; labor, employers and government. This study will, as a result, attempt a descriptive approach on explaining the causes and process of Korea's labor policy shift based on Dunlop's systems approach.

For such an analysis the paper will first decide on the influential factors in policy shifts, and then its influence on the policy process, policy-making process, and policy shifts, in other words formulate the framework that can explain the process of input, transformation, output of social exigencies towards a policy making system. Table I conceptualizes these arguments and Table II, III, and IV shows the specific contents, focus of analysis and major indicators.

<Table I> Contents of Analysis

| factors | structure and process | result |
|---------------------------------|---|---|
| political economic social | actor relationship (labor/employer/government relation dynamics and strategy) policy-making system (process) | policy shift - individual labor relations law - collective industrial relations law |

<Table II> Analysis Focus by Content

| Content | Analysis Contents | Focus of Analysis |
|--|---|---|
| Political Factor | <ul style="list-style-type: none"> • Shift in Political Shift • Ruling Ideology | <ul style="list-style-type: none"> - Authoritarian/Democratic - Growth-oriented/Distribution-oriented |
| Economic Factor | <ul style="list-style-type: none"> • Economic Growth and Stability • Labor Market Conditions | <ul style="list-style-type: none"> - Boom/Recession - Favorable/Unfavorable |
| Social Factor | <ul style="list-style-type: none"> • Changes in Class and Conscience • Social Resistance | <ul style="list-style-type: none"> - Level of Change - Presence of Social Resistance |
| Power Relations between labor/employer /government | <ul style="list-style-type: none"> • Labor Resistance and Ideology • Strategic Choice of Government | <ul style="list-style-type: none"> - Absolute Government Dominance - Relative Government Dominance - Relative Government Subordination |
| Policy Making System (Process) | <ul style="list-style-type: none"> • Agenda-Setting • Alternative Formulation • Legislative Review | <ul style="list-style-type: none"> - democratic/undemocratic - democratic/undemocratic - democratic/undemocratic |
| Policy Shift | <ul style="list-style-type: none"> • individual labor relations law • collective industrial relations law | <ul style="list-style-type: none"> - favorable to labor/ favorable to employer - favorable to labor/favorable to employer |

7) Kim Hwang Joe, *op cit*.

〈Table III〉 Analysis of Factors and Major Indicators

| Independent Factors | Analysis Content | Major Indicators |
|---------------------|---|--|
| Political Factors | <ul style="list-style-type: none"> • Change in Political System • Ruling Ideology and National Development Strategy | <ul style="list-style-type: none"> - Change in regime, ruler(majority party) - National Policy Objectives, Analysis of Major Policy Speeches, Budget, Economic Development Plan |
| Economic Factors | <ul style="list-style-type: none"> • Economic Growth and Stability • Labor Market Conditions | <ul style="list-style-type: none"> - growth rate, per capita GNP, current account, inflation rate - industry-specific share of employment, unemployment rate, job-seeking rate, wage growth rate, labor productivity growth rate |
| Social Factors | <ul style="list-style-type: none"> • Changes in Class and Consciousness • Social Movements | <ul style="list-style-type: none"> - income distribution, class distribution, Gini Coefficient, average years of education, survey result on consciousness - social resistance |

〈Table IV〉 Process Factors, Output Contents, Indicators

| Process, Output Factors | Contents | Major Indicators |
|--|---|---|
| Change in Power Relationship between Labor-Employer-Government | <ul style="list-style-type: none"> • labor resistance and ideology • strategic choice of government | <ul style="list-style-type: none"> - Unionization rate, labor dispute, labor ideology union activities - Government labor control, Change in government role |
| Change in Policy-Making System(Process) | <ul style="list-style-type: none"> • agenda-setting • alternative formulation • legislative review | <ul style="list-style-type: none"> - Agenda-setting motive, triggering factor - Legality of body management, Democratic ways of management, representation, policy perspectives |
| Change in Policy Substance | <ul style="list-style-type: none"> • individual labor relations law • collective labor relations law | <ul style="list-style-type: none"> - Labor Standard Law revisions - Trade Union Act, Labor Relations Adjustment Act changes |

Case Analysis

Case 1-1980 revision of Labor Relations Law

The 1980 revision of the Labor Relations Law was undertaken as an attempt by the newly outcry for democracy that exploded from the October 26 assassination of President Park to the May 17 martial law decree, needed to be suppressed. The resulting revision of not only the collective Labor Relations Law, but also the individual labor relations law put labor at a disadvantage, particularly the Labor Relations Law which witnessed an increase in government control.

Although on the surface it seems that the triggering events and political factors during the

policy output process such as the October 26, and May 17 events played crucial roles in labor policy changes of 1980. The role of economic factors as an independent factor should also be recognized in the light that the gap between the economic recession and political exigencies at the time was simply too wide. The economic effects could be understood as the middle class, which emerged during economic development, chose social stability and economic recovery.

In effect, during the 1980 revision of the Labor Relations Law, not only political factors but also socio-economic factors worked as a disadvantage to the workers where not only the collective labor relations law but also the individual labor relations laws were revised at the cost of labor rights. In terms of the power relations between labor-employer-government, the government was in an absolutely dominant position, under which the undemocratic nature of the policy shift process led to a policy output which was unilaterally disadvantageous to workers. To be specific, political factors led to increase of control in the collective labor relations law, while economic factors led to similar changes in the individual labor relations laws.

<Table V> Summary of Case 1

| | Content | Changes in Content |
|--|---|--|
| Political Factors | <ul style="list-style-type: none"> · Political System Change · Ruling Ideology | <ul style="list-style-type: none"> - Installation of Authoritarian Regime - Continuation of Growth logic for political, economic stability |
| Economic Factors | <ul style="list-style-type: none"> · Economic Growth & Stability · Labor Market Conditions | <ul style="list-style-type: none"> - economic recession after the 2nd oil shock: wide gap between economic situation and calls for democracy - worsening unemployment rate |
| Social Factors | <ul style="list-style-type: none"> · Change in consciousness, Social Forces · Social Resistance | <ul style="list-style-type: none"> - Emergence of social forces with democratic convictions due to rise in income and education opportunity - Repressed by government crackdown |
| Power Relationship between labor/ employer/ government | <ul style="list-style-type: none"> · Labor Resistance and Ideology · Strategic Choice of Government | <ul style="list-style-type: none"> - Strong repression through social 'cleansing' measures - Labor repression in the name of regime and economic stability (political-economic situation disadvantageous to labor) |
| Policy-making system change(process) | <ul style="list-style-type: none"> · Agenda-Setting · Alternative Formulation · Legislative Review | <ul style="list-style-type: none"> - Undemocratic agenda-setting - Illegality of policy body, Undemocratic decision-making, unbalanced representation |
| Policy Shift | <ul style="list-style-type: none"> · individual Labor Relations Law · Collective Labor Relations Law | <ul style="list-style-type: none"> - Total reflection of government and employers' interests. Revised to the detriment of workers. |

Case 2 – 1987 Revision of Labor Relations Law

The revision of the Labor Relations Law of 1987 was a result of a demand for a systems reform from below (due to an emergence of a social force) coupled with other situational

variables which culminated into the participation of the middle class in an anti-government uprising. This radically changed policy cognition held by high-ranking bureaucrats and was thus reflected in the labor-policy output. In other words, policy shifted with the change of the regimes basic logic from 'politics of capital accumulation' to 'politics of labor integration'.

With respect to political factors, the regime of the 5th Republic could not help but transform its repressive tactics to a more conciliatory posture if it were to maintain long-term stability in its regime. It was under this context that strong resistance by the social forces were able to bring about changes in the policy system. Such political change, along with the booming economy and massive resistance, led to a shift in policy. In other words, strong economic growth coupled with resistance by the masses shaped a public opinion which worked in the direction of support for the anti-government movement.

With reflection to social factors, the social movement forces and labor forces obtained a legal space for activity in which they could join forces to become a threat to the system and regime. Such an emergence of a social force however went beyond a simple economic struggle to an

<Table VI> Summary of Case 2

| | Content | Changes in Content |
|--|---|---|
| Political Factors | <ul style="list-style-type: none"> • Political System Change • Ruling Ideology | <ul style="list-style-type: none"> - Exit of authoritarian regime as result of democracy movement - Transition to distributive arguments as result of democratization and economic growth |
| Economic Factors | <ul style="list-style-type: none"> • Economic Growth & Stability • Labor Market Conditions | <ul style="list-style-type: none"> - Booming Economy ('3 low' economy) since 1986: narrowing of gap between political demands and economic situation - favorable employment conditions, but dissent caused by low wages |
| Social Factors | <ul style="list-style-type: none"> • Change in consciousness, Social Forces • Social Resistance | <ul style="list-style-type: none"> - Rise in income and education levels, emergence of dissent groups as result of liberalization and market opening - Strong demonstration of popular dissent |
| Power Relationship between labor/ employer/ government | <ul style="list-style-type: none"> • Labor Resistance and Ideology • Strategic Choice of Government | <ul style="list-style-type: none"> - Physical collective action brings visible effects to the interests of labor groups after 6·29 movement - Labor dominant situation with strong labor demands and sympathetic press (political, economic situation both advantageous to labor) |
| Policy-making system change(process) | <ul style="list-style-type: none"> • Agenda-Setting • Alternative Formulation • Legislative Review | <ul style="list-style-type: none"> - Normal policy output process - All participating parties agree to a 'distributive logic', advantageous to labor - Key articles do not reflect labor interests |
| Policy Shift | <ul style="list-style-type: none"> • Individual Labor Relations Law • Collective Labor Relations Law | <ul style="list-style-type: none"> - Interests and demands voiced by labor groups reflected to the advantage of labor. |

uprising to topple the regime rendering powerless the ability of the 5th Republic to keep labor forces within the system. This structural situation was an element behind the triggering of the June uprising and the July-September massive labor strikes, prompting the state in moving towards a labor policy centered on labor integration.

Under such changes in environmental elements, workers enjoyed the high-ground in their relations with their employers and the government. Such a situation made possible a revision in the National Assembly of the labor laws under a process whose normal policy output was unseen in the past. As a result both the individual Industrial Relations Law and the collective Labor Relations Law were revised to labor's advantage. However, so far as the critical aspects of union policy such as the political activities by the union, government intervention, and collective activities beyond the workplace are concerned, it is difficult to say that labor rights were fully upheld. In this area the employers' rights were continuously reflected.

Case 3- 1997 Revision of Labor Relations Law

Moves to revise the labor laws in 1996 were a result of the pressures from international institutions following Korea's accession to the OECD (Organization for Economic Cooperation and Development), the spur in labor activities following the establishment of the Korean Confederation of Trade Union(KCTU) and the demands by management for labor market flexibility. In effect all three actors (workers, employers and government) recognized the need for the revision of the law.

Politically, with significant progress in democratization, along with international pressures the question of revision arose. With respect to the economic situation, many problems which had accumulated during the course of high economic growth led Korea to a structural crisis which deteriorated the labor market conditions.

Under such political and economic circumstances the growth argument won over to the advantage of the employers. Though initially the government attempted a revision through a neutral body called the Reform Committee on Industrial Relations, economic difficulties drove the government to choose in favor of the growth argument. However, the undemocratic way in which the law was revised was met with fierce social forces resistance so that the laws were revised again. In other words, the power relationship had transformed from a relative state-dominant one to a relative labor-dominated one.

In the policy-making process and in its promotion, while past labor reforms were simply revision attempts or changes in wage policy conducted mainly by specific government bodies such as the Ministry of Labor, the 1997 revision was led by a neutral Reform Committee on Industrial Relations in which all three actors participated.

Ultimately, the 1997 revisions were shaped by an agenda-setting brought about by domestic and foreign pressures and an economic situation which worked against labor. The power relation-

<Table VII> Summary of Case 3

| | Content | Changes in Content |
|--|---|---|
| Political Factors | <ul style="list-style-type: none"> · Political System Change · Ruling Ideology | <ul style="list-style-type: none"> - Progress in democratization with inauguration of civilian government - Growth argument e.g. globalization, strengthening national competitiveness |
| Economic Factors | <ul style="list-style-type: none"> · Economic Growth & Stability · Labor Market Conditions | <ul style="list-style-type: none"> - Economic recession with structural economic crisis: gap between political demands and economic situation - rise in unemployment |
| Social Factors | <ul style="list-style-type: none"> · Change in consciousness, Social Forces · Social Resistance | <ul style="list-style-type: none"> - Sharp rise in democratic consciousness with rise in education and living standards: illegal political process not tolerated - Popular resistance towards undemocratic practices |
| Power Relationship between labor/ employer/ government | <ul style="list-style-type: none"> · Labor Resistance and Ideology · Strategic Choice of Government | <ul style="list-style-type: none"> - Strengthening of labor movement with the emergence of KCTU and emphasis on social reform-minded ideology - Change to labor-dominated situation from employer-dominated one(political situation favors labor, economic situation favors employers) |
| Policy-making system change(process) | <ul style="list-style-type: none"> · Agenda-Setting · Alternative Formulation · Legislative Review | <ul style="list-style-type: none"> - Democratic agenda-setting: need for revision felt by all parties - Alternative formulated through Reform Committee, later distorted by government - Undemocratic process leads to resistance and a subsequent democratic process |
| Policy Shift | <ul style="list-style-type: none"> · Individual Labor Relations Law · Collective Labor Relations Law | <ul style="list-style-type: none"> - changes favorable to employers - changes favorable to workers |

ship was relatively state dominated. However, the undemocratic procedure in passing the law in the National Assembly was met with social resistance which transformed the power relations to a relatively labor-dominated one. The laws were thus revised again.

Case Comparison

To synthesize the above arguments, the 1980 case was influenced most by political factors, where such political changes along with economic deterioration led the new ruling regime to

change its policy in addressing the needs of social control. The political factors had a determining influence not only on the policy-making process but also on the policy substance as well, which became known as the typical authoritarian policy shift process. This type of policy shift was possible because neither the ruling ideology nor the national development strategy showed any signs of a fundamental departure from the past policy shift process.

In the 1987 case, social factors such as growth of the labor movement played the most decisive role which created a change within the power relationship between the labor-employer-government and led to a change in the policy-making system and policy contents. The resistance of social forces against the authoritarian regime which resulted in the June 29 Declaration led to many social changes. The revision process of the Labor Relations Law were freed from illegal practices and were passed through normal processes within the National Assembly. Also, as if to reflect such a power relationship, the revisions were in favor of the workers.

The driving force behind the labor policy shift in the 1997 case was because of political necessity such as pressure from international institutions. However, in the 2nd revision process, social factors in the form of labor resistance played a crucial role, while in the policy-making system area the attempt at alternative formulation through a new policy output body was a testament to the progress of democratization. As regards to the changes in policy contents, economic factors seem to have driven the revision in favor of employers.

In effect, the triggering factor in Korea's labor policy shift was political though their specific causes were different by case. In the 1980 and 1987 cases the change in the policy system was the most influential while in the 1997 case foreign factors played an important role. Put differently, the first case involved a revision of law as an attempt to obtain the means for maintaining control and political stability, while the second case dealt with policy shifts amidst the changes in the political system, i.e. how the revolutionary changes from a authoritarian to a democratic political system have reflected the demands of labor into law revisions.

Also in respect to political factors, the scope of changes in policy content was greater in times of political system transformation than during times of mere regime change. This can be seen under the light that labor policy shifts involve a social/welfare policy. Ruling ideologies which had been unilaterally set by the supreme leader in the authoritarian days could not be similarly set by the government after the progress of democratization. The changes in the mode of government intervention with respect to labor policy has many implications in that it is moving away from direct intervention to a resolution method based on social consensus.

Meanwhile, economic factors have always had a strong impact on policy substance, and also have strongly influenced the strategic choices made by the government into the formation of the power relationship. Differently put, economic factors did not influence the changes in the power relationship *per se*, but influenced changes in policy content as the basis for argument put forth by each actor.

Concerning social factors, labor resistance was not decisive under authoritarian regimes, but gained prominence after democratization began in 1987. In the 1987 case, the outpour of demands by workers were the main factors leading to policy shift, while in the 1997 case labor resistance was instrumental in the 2nd revision process fiasco.

<Table VIII> Summary of Cases

| Content | Analysis Content | Case 1 | Case 2 | Case 3 |
|---------------------------------------|--|--|---|---|
| Political Factors | <ul style="list-style-type: none"> · Shift in Political System · Ruling ideology | Authoritarian Growth-oriented | Democratic Distribution- Oriented | Democratic Growth-oriented |
| Economic Factors | <ul style="list-style-type: none"> · Economic Growth & Stability · Labor Market Conditions | Recession Deterioration | Boom Manageable | Recession Slight Deterioration |
| Social Factors | <ul style="list-style-type: none"> · Consciousness, Social Forces · Presence of Social Resistance | Rise, non-growth Repression | Rise, growth Social resistance →Labor resistance | Rise, growth Labor Resistance →Public sympathy |
| Power Relationship | <ul style="list-style-type: none"> · Labor resistance and ideology · Employer Strategy · Strategic choice by government | Absolute government dominance | Relative government subordination | Relative gov't dominance → relative gov't su- ordination |
| Policy-Making System Change (Process) | <ul style="list-style-type: none"> · Agenda-setting · Alternative formulation · Legislative Review | undemocratic undemocratic undemocratic | democratic democratic democratic | democratic democratic undemocratic→ democratic |
| Policy Shift | <ul style="list-style-type: none"> · Individual Labor Relations Law · Collective Labor Relations Law | favorable to employer favorable to employer | favorable to labor favorable to labor | favorable to employer favorable to labor |

The interesting question in Korea's labor policy shift that arises with respect to the power relationship between labor, employer and government is this: 'Why does choice of the growth argument undergo an illegal legislative process?' A prime example is the 1996 snap passage of the growth argument-based revision. This phenomena reveals not only the lust for power shared by the ruling elite but also the fact that in Korea undemocratic power variables play a certain role in policy output.

With respect to policy-making system changes, various modes of government intervention are revealed. In the authoritarian past, the revision of labor relations laws were dominated by

government-oriented, undemocratic and abnormal bodies and processes where as in the 1987 revision they were done (at least on the surface) by normal bodies and procedures. Also in the 1997 revision the government attempted a revision through the neutral Reform Committee on Industrial Relations. But because of the inherent characteristics of the policy output system under which the employers' interests are more reflected in the legislative and executive branches, certain debatable points cannot help but be connected to policy output that is favorable to employers, regardless of the political economic situation.

Changes in policy content depended more on the ruling ideology and national development strategy in the authoritarian past. But with democratic progress, environmental factors are gaining influence, and the role of conflict and competition of social forces on content change is growing bigger.

As regards the shift in Korea's Labor Relations Law, the only catalyst for a revision of the collective labor relations law in favor of the workers was social resistance coupled with the outpour of labor demands, and in the case of individual labor relations law, it was the booming economy. Therefore, the individual labor relations law were affected most by economic factors, while the collective labor relations law was most affected by political factors.

Meanwhile, the big direction of policy shift in Korea's Labor Relations Law is influenced mainly by macro-level factors, while micro-level shifts occur according to the representation and the mobilization capacity of interest-groups within the policy-making system. Policy output in favor of labor came only after a resistance from the workers, and in some core issues the interests of employers were always upheld.

Conclusion and Policy Implications

This paper has analysed the influencing factors and the sequence of Korea's Labor Relations Law revision process. This study has shown that while in the past political factors were most influential in labor policy shifts, socio-economic factors have become more influential with democratization, and that in the process has transformed the power relationship between labor, employer, and government which in turn brought about a change in the policy-making process and in the policy content itself. While the government traditionally had the upper hand in the formulation of our labor policy, the progress in democratization and the resulting rise of social forces has reduced the government's role. The changes in the dynamics of the power relationship between the three actors and in the policy-making system has brought about unique changes in our policy-output: individual Industrial Relations Law and collective Labor Relations Law.

With respect to Korea's labor policy change process, the agenda-setting process was influenced mostly by political factors. The change in our policy-making system was heavily influenced by

the role of the state defined by the changing power relationships between labor, employer and government, in brief the characteristics of the political system. The change in policy content, ie. the final policy output was shaped by a national development strategy which was decided by the choice between the growth argument and distributive argument. This in turn was determined by the power relationships between labor, employer and government.

With such an analysis, we can conclude that while the political, economic, and social variables still exert an influence over the changes in the dynamics of the power relationships and in the policy-making system, our ruling ideology and national development strategy which had been the determining variables until now, as a result of democratization, become more like a parameter rather than a independent variable. We could also conclude that the dynamics between the three actors and the ensuing choice of policy direction determined the quality of policy content, and that the revision of the Labor Relations Law was made possible by political factors and changes in the social forces relationship.

The policy implications from this study is that the role of government should change from that of simple control to human resources development, re-education, and job-security, and that the government expenditure on social welfare has to rise. The government heretofore had laid all the burden on firms, giving them no choice but to support the firms. But now, the government must shoulder this burden. The government should therefore expand what is called the 'social wage' through the increase in welfare expenditure to enhance the quality of life of workers.⁸⁾

In addition, Korea's industrial relations have a distinctly class-conflict character, owing to the fact that capital and management has yet to be separated. Korea's industrial relations are still closer to being a 'labor-capital relationship' rather than a labor-employer relationship. In Korea, the unbalanced power relationship between these two classes has prolonged the bitter animosity. The mutual suspicion and contempt have become a facet of Korea's industrial relations. Therefore, for the establishment of preferable and cooperative industrial relations, ownership and management should be effectively separated.

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