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South Korean Truckers Provide a Model for Labor Organizing Among Independent Contractors

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In December 2022, TruckSol, a trade union of South Korean truck drivers, waged a massive 16-day strike that cost employers over \$2 billion. The union's history and organizing strategy have lessons for precariously employed workers around the world.

In the 1970s, my grandfather bought a <u>three-wheeler mini truck</u>, a small but mobile Kia T-600, with all his savings in South Korea. He did not graduate elementary school and had returned from years of child labor in Japan with some savings for a family he started at a young age. He was economically vulnerable, undereducated, and a typical candidate to dip his toes in urban cargo-transport work in the economically developing country under military dictatorship. One day, his truck was involved in a road accident, leaving the family in extreme debt. As a result, my grandparents and their four children became homeless, living in a shack they built themselves in the hills. The whole family produced charcoal for seven years, tending to soot-covered kilns for survival until they could pay off the debt for the truck, the only economic asset they had.

Decades later, prospects for truckers in the country remain bleak. In a complicated leasing system with colonial origins — the *ji-ib* system — truckers in South Korea have been left out of the modernization of employment relations. This exploitative contracting system outsources the risk inherent to the maintenance of the vehicle, as well as the health and safety of drivers and road users.

The South Korean labor movement took a militant turn in the late 1980s, when the democratization movement against the military dictatorship erupted in a national wave of protests and astronomical unionization rates. Those protests bore immense fruit: labor laws protect most workers in formal employment contracts in factories and white-collar jobs, but they leave out those whose precarious employment contracts fall through the cracks. Truck workers, who still operated under the ji-ib system, were left behind until the 2000s, when a second wave of the labor movement started to shift its focus to informal and precarious workers.

In December 2022, the Cargo Truckers Solidarity Union (TruckSol), a trade union of scattered independent contractor truckers in South Korea, had just concluded a sixteen-day strike. The strike ended when the conservative government, headed by Yoon Seok-yeol, issued an emergency return-to-work order; in response, the International Labour Organization's (ILO) Committee on Freedom of Association <u>wrote</u> to the Korean government that Yoon's back-to-work orders "restrict workers' freedom of association rights."

The intensity of the strike, the heavy-handed response of the government, and the international attention on the situation underscored the promise of "safe rates," one of the few regulatory laws that directly addresses the deadly impacts of subcontracting in logistics supply chains.

More than 9,600 truckers who drive for key companies in South Korea's construction and semiconductor export industries — 43 percent of the membership of TruckSol — went on strike on November 24, 2022. The truckers carry cement, steel, oil, and petrochemicals along the ports and other key nodes of the supply chain. Three and a half trillion Korean won (US\$2.69 billion) of revenue lost for employers, eighty-five gas stations left completely without fuel, and the deployment of 8,900 police later, the strike ended as the return-to-work order, lawsuits, arrests, and fines burdened worker solidarity and participation rates dwindled. The November-December strike was the second strike in 2022 and came from years of organizing to continue the <u>safe rates</u> regulation in the trucking industry that South Korea established in 2020.

Safe rates is a model devised and promoted by workers of regulating the transportation supply chain through minimum wages in the industry, and includes a mechanism for contractors and intermediaries up the supply chain (the Walmarts and Amazons as well as transport operators) to be responsible for payment of these wages, a type of regulatory <u>project</u> also dreamed of in the global garment industry in recent years.

The World Bank <u>estimates</u> that each year 1.25 million people are killed on the world's roads and another 20 to 50 million seriously injured. Of these accidents, up to a third are <u>estimated</u> to be work-related, with large trucks involved in most fatal accidents. Workers in transportation and material-moving occupations commonly have the highest number of fatalities, including in the <u>United States</u>. These numbers, according to truck unions, are related to the steady increase in global trade.

Dangerous road accidents have been globally <u>linked</u> to the fissuring of the logistics industry into innumerable subcontractors, such as third-party and fourth-party logistics providers and freight-forwarding services. The trend toward outsourcing logistics and transportation services and the spread of supply chain management methods like just-in-time, lean manufacturing, and <u>push-and-pull inventory management</u> systems have disrupted the composition and structure of the trucking industry. According to the ILO, the downward pressure this puts on wages incentivizes truckers to speed, drive longer hours, and take on heavier loads.

The Need for Trucker Organizing

Most truckers around the world are owner-operators. In South Korea, 97 percent of truck drivers are not classified as employees and are vulnerable to precarious contracts. As owner-operators, truckers are hired as independent contractors and often receive little to no benefits; are required to purchase or lease their vehicles and pay maintenance and fuel costs out of pocket; and are exempt from a variety of labor laws, including the right to organize and form a union.

I talked to a truck worker, Kim, who works at the ports of Yeosu, located in the southeastern mouth of the peninsula facing China. He said that, prior to safe rates legislation in 2020, as an owner-operator, he had to handle the loading and unloading of hazardous chemicals in the ports without any training or knowledge about the safe handling of chemical products, and he had to endure significant unpaid time spent waiting between jobs.

Despite being a motley crew of independent contractors, TruckSol's emergence as a labor union in 2002 demonstrated a new way to organize that relied on militancy and solidarity. Because many truckers are not technically employees under labor law, they used the strength of association and the threat of work stoppages to establish sector-wide bargaining rather than relying on individual collective agreements, which would be difficult given the complexity of employment relationships for truckers. Kim, the Yeosu trucker, said that he decided to join TruckSol when the union helped reinstate a group of truckers at the port who were fired for raising complaints against unfair practices. All six hundred or so owner-operators working at the Yeosu port participated in the recent

strike.

Since TruckSol was not registered under labor law, the government labeled the strike illegal and regarded the work stoppage as a "collective refusal to transport cargo" rather than a legal strike. The return-to-work order is authorized under the Trucking Transport Business Act of 2004, and it was the first time ever that the law had been used to stop a transportation strike. Anyone in defiance of the order could be punished by three years in prison or a hefty fine, up to thirty million won (\$22,363). TruckSol is charging that the government's action amounts to forced labor and is preparing to take it to court as a violation of international law. (The government has historically been very mindful of international labor standards, unlike Western countries, since South Korea's economy is highly dependent on international trade agreements.)

Similar to the labor market for truckers in other advanced countries such as the <u>United States</u> and <u>Europe</u>, Korea's faces an aging and dwindling labor force, according to Park Gui-Ran, the director of strategy and organization at TruckSol, especially because of the dangerous conditions of work. Rather than addressing the shortage through significantly raising wages or improving working conditions, companies in the United States have turned to <u>automation</u> and recruiting from <u>more</u> <u>marginalized</u> populations.

In 2003, TruckSol organizers and workers started to brainstorm solutions to regulate a system that was intentionally designed to skirt labor regulation. "In order to prevent the logistics chaos that has happened in the United States or Europe, I believe that we need to reform the logistics industry," Park said. "Truck workers on the front lines came up with their own answers about what is necessary to protect the safety and sustainability of the industry."

The Transit Workers Union (TWU) in Australia was one of the first trade unions to link fissuring supply chains to road safety. Australian truckers campaigned for a system of fair remuneration through advocacy and research efforts that established the relationship between accidents on the road and the structure of the industry. Safe rates initially launched in New South Wales in 2006, and as research papers started to affirm this causal relationship, the legislation was considered nationally. In 2008, a review headed by the National Transport Commission in Australia found that "the overwhelming weight of evidence indicates that commercial/industrial practices affecting road transport play a direct and significant role in causing hazardous practices."

Finally, in 2012, the Road Safety Remuneration Act was passed by Parliament, which established a Road Safety Remuneration Tribunal to set a minimum rate of pay for trucking employees and contract drivers. But after a conservative government took over, the tribunal and its orders were dissolved in 2016. Traces of safe rates legislation still exist, however, in collective agreements between the TWU and key operators, such as transparency requirements to disclose information on all road-transport contracts.

TruckSol started exchanging information with the TWU in 2013, a year after the legislation's success in Australia. Learning from these exchanges and presenting the Australian case as a precedent to the government, the Korean truckers rerouted their minimum-wage campaign to encompass a broader societal goal — road safety. By 2020, TruckSol had succeeded in passing temporary safe rates legislation, one of the first nationally comprehensive safe rates laws in the world, and its effects were palpable. "The petrochemical companies started hiring professionals to handle cargo in our port," Kim said, "and even if it is half-hearted, opportunities for us to talk to the employers became more frequent."

American truckers are no strangers to overwork and underpayment. A dwindling labor force and worries over increasing road fatalities in recent years have pushed the Federal Motor Carrier Safety

Administration to implement <u>electronic logging devices</u>, which limit hours of work for truckers to prevent excessively long driving times. But workers are not happy with a solution that limits hours but doesn't raise wages. Tim Dorsey, a truck driver for twenty-two years based in Milwaukee, Wisconsin, who I spoke with, said that truckers have been mad about the devices that force compliance with hours-of-work regulations. When truckers "run by the mile," he said, "people make less money." Some truckers have resorted to buying older trucks that do not have electronic logs installed to skirt regulations. Dorsey also complained that the regulations were unfair because brokers — the intermediaries between shippers and drivers — are not affected by the regulation. "Regulation makes it harder for truck drivers to make more money, but brokers get to the money either way."

Yet truckers are difficult to organize in the United States, especially since the deregulation of the industry in 1980. The South Korean experience may be a promising case study: unregulated ji-ib workers became a twenty-thousand-member-strong national union of independent operators, able to pull off a strike so disruptive that President Yoon <u>compared</u> it to a North Korean nuclear threat.

In January 2023, the government announced that it would abolish safe rates legislation for "standard rates" that would strip the supply chain responsibility of contractors and intermediaries, departing from the original intent of the legislation. But the movement continues, according to Park, who hasn't lost sight of the "necessary legislation required for cargo workers to work without the risk of death."

Footloose capital relies on regulatory flexibility, which throws the externalities of production and transportation onto the bodies of workers and road users. But footloose, too, are the information and strategies shared by workers for <u>building and imagining institutions</u> that prioritize life.

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