

# **Keynote Speech**

**Minister of Employment  
and Labor  
of the Republic of Korea**

**H.E. LEE, Chae-Pil**

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Mr. President and distinguished delegates!

The recent global economic crisis taught us that the current model of economic development centered on quantitative growth is no longer effective or sustainable.

As the Director-General has pinpointed in his report, we believe that now is the time for governments, employers and workers to cooperate and bring together our wisdom and strength to chart a new model of economic growth that delivers social justice.

Rapid globalization, coupled with technological advancement, has led to ‘growth without job creation.’

So we now live in an era of a jobs-crisis where people on every corner of the globe are eager for jobs or better opportunities.

Korea has recovered from the global economic crisis more smoothly and swiftly than other countries. Yet, many Koreans still think that the labor market situation has not improved much.

The Korean government has placed jobs at the top of all national agenda to realize an ‘inclusive and fair society’ through jobs. We put an importance on the following two policy directions.

First, we aim to steer the labor market to add more jobs.

To this end, we announced the ‘2020 National Employment Strategy’ in October last year, which is the framework of job-centered government policies.

The Strategy is focused on building an inclusive society that grants everyone a fair chance to work through a virtuous cycle of ‘growth, employment, and welfare.’

Specifically, we have doubled our efforts to enhance the employability of the vulnerable groups such as youth who are willing to work but have less access to jobs, women who want to return to work and the elderly who want to continue to work. Now more training opportunities and effective job placement services are provided for them.

Also, welfare reforms are underway to encourage people to work thereby helping the working poor lift themselves out of poverty through work.

The Strategy includes the Employment Impact Assessment, which the Director-General also took note of in his report.

For a start, from this year, major government projects are required to specify the expected job creation effects in order to use the assessment as a basis of the budget allocation and execution.

In addition, the nation-wide 'Cooperative governance for Job Creation,' which invites the central and local governments as well as the private sector, shall guide us in our quest to address the current jobs crisis.

Second, we seek to develop industrial relations that create more jobs.

Since the 1987 June Democracy Movement in Korea, and the 1998 Asian Financial Crisis, the government has been promoting workers' rights and cooperative industrial relations that bring win-win solutions to both labor and management.

However, employers have been making full payments to the full-time union officials, which is an undesirable practice. And, multiple trade unions were not allowed at company level, which served to limit workers' right to association. These made it difficult to achieve advanced and mature industrial relations.

Thirteen years' of in-depth consultation and discussion among workers, employers and the government finally resolved those issues.

Starting from July last year, the paid time-off system came into effect. It grants paid time-off for union officials as an exception to the general principle of the ban on payment to full-time union officials, provided that their activities are necessary for both labor and management.

The System has been soft-landing with a 90% application rate and 99% compliance rate to the legal limits.

And from July this year, workers will finally be able to have multiple trade unions at the enterprise level, and the collective bargaining shall take place through the representative union.

The ILO issued a total of 11 recommendations requesting the Korean government to adopt plural unionism to guarantee workers' freedom of association. Workers, employers and the government went through the laborious tripartite consultation and we made it.

The revised act of 2010 addresses the unique circumstances of Korea's industrial relations and is in compliance with the international standards. ILO also recognizes that system of collective bargaining with exclusive rights for the most representative trade union is compatible with the principles of freedom of association.

Now, trade unions in Korea enjoy high level of autonomy. Workers' right to organize will be fully guaranteed.

Having one single bargaining representative union will ensure the orderly process of collective bargaining. Also, as workers' voices will be heard via a more democratic mechanism, the bargaining representative union will have stronger leverage on the negotiation table.

We, the Korean government, appreciate ILO's support and advice to advance Korea's industrial relations. I am pleased to give you our answers now.

Korea is now going to advance its industrial relations into full qualitative maturity, after successfully expanding labor rights' protection in quantitative terms. We are committed to upgrade our industrial relations to rank with other advanced ones.

In particular, six members of the sub-committee on labor issues of Korea's National Assembly including lawmaker Lee Mi-Kyung are present here today to congratulate the centennial session of the ILO Conference and actively support the advancement of Korea's industrial relations.

Mr. President and distinguished delegates!

Sustainable economic growth becomes attainable when we pursue growth, employment and welfare in balance.

On top of that, large companies, SMEs, regular workers and non-regular workers should come together to forge stronger cooperation based on mutual understanding and respect, under which the outcome shall be fairly shared.

Therefore, we are encouraging both labor and management to actively take up their social responsibilities with their colleagues and their communities.

ILO has been at the forefront to consolidate the virtuous cycle of growth, employment and welfare, while seeking social justice in the course of economic recovery.

I hope this centennial session will be the venue for member states to share best practices while also engaging in constructive discussions to chart a new and sustainable growth path.

Thank you.