Variants of Corporatist Governance: Differences in the Korean and Japanese Approaches in Dealing with Labor

By Taekyoong Kim

Many scholars have highlighted Japan and South Korea (hereafter, Korea) as distinctive models of the “developmental state”, which can share common features in terms of the condensed economic development. The close strategic relationship between the bureaucratic government and big businesses has been often cited as one of the many similarities in which the two countries pursued rapid economic growth. Another trend in comparing the modern economies of Korea and Japan highlights the state’s embedded autonomy in directing industrial transformation. Overall, scholarly interest in the comparison of the two Asian countries’ modernization has been, hitherto, limited to economic and political development, rather than focusing on social relations underlying the political economy of post-war development.

Indeed, a comparative analysis of the similarities and differences in the historical patterns of the emergence of “systems of interest intermediation” in dealing with labor in Japan and Korea is a relatively unexploited topic. There have only been a few attempts made at comparing the national bargaining arrangements among major interest groups and governments. Although some pioneering Japanese works introduce a corporatist account for its post-war labor relations and a historical analysis of negotiation characteristics of social contracts, they all simply classify the Japanese case as an anomaly with the emphasis on the state’s deliberate management of weak labor forces. Likewise, the existing literature related to Korea’s labor politics and civil society tends to emphasize the uniqueness embedded in its social and industrial relations – the confrontation between “the strong state and the contentious society.” Thus, the dearth of comparative perspective in this area results in

Taekyoong Kim received his D.Phil at the University of Oxford. He is currently a Ph.D. student at the Johns Hopkins School of Advanced International Studies, Washington, D.C.
creating the uniqueness as an exclusive dimension to delineate the political and social landscape of Korean and Japanese industrial relations.

Adding a comparative study of corporatist governance in Korea and Japan to the existing archival data on their industrial relations, I will assess different paths of the tripartite negotiation of adjustment in dealing with organized labor, and expand the comparative utility of the corporatist thesis to its East Asian variants. To this end, a profile of state-society relations will be advanced as a parameter to determine the characteristics of organized labor, ranging from confrontation to cooperation, in relation to the state and capital. A shift in the magnitude of organized labor results in transforming the tripartite pattern of interest negotiation, and the state, in turn, would design new institutional incentives to neutralize labor in civil society or embrace capital in big business. What must be explained are the two distinctive modes of Asian corporatism and how it varies according to the organized power of labor unions. This is under the assumption that the tripartite negotiation in Korea, where the state faced strong challenges from organized labor, can be conceptualized as “corporatism without capital”, whereas Japan’s industrial relations are widely regarded as “corporatism without labor.”

**The Theoretical Utility of Corporatism**

The lack of any generally accepted concept of “corporatism” undermines a vigorous discussion of interest representation in terms of political strategies for collective action. In literature, corporatism has a broad range of connotations varying according to different schools of conceptualization. Nevertheless, the idea of corporatism has evolved on the common grounds of three analytical developments: the development of centralized interest organizations; the facilitation of associations’ access to the government and the growth of institutionalized linkages between government agencies and such interest organizations; and the tripartite enhancement of the social partnership of organized labor and business, which is designed to regulate conflicts between these groups, in coordination with government policy. Despite the fact that the ultimate definition of corporatism continues to be widely debated, most questions related to corporatism – the character of the prevalent political economy, the patterns of interest group organization and interest intermediation, and the systems of policymaking including the presence or absence of tripartite institutions, the active or passive nature of state intervention – converge on three related elements.

Such a tripartite pattern of corporatist governance remains the most pervasive framework in explaining concerted prescriptions for social contracts.
For many scholars, one of its chief attractions lies in its tenets to overcome weaknesses in both the economic notions centered on free markets and in the political notions centered on pluralism. Historically, the corporatist solution, with its variations over time, has been long utilized as an effective institutional apparatus by which the state could occupy an intermediary position between liberal-pluralism and Marxian-totalitarianism or fascism. Corporatism, on the one hand, advocates a strong, guiding, directing state but not one that is totalitarian at all. On the other hand, corporatism is normally characterized by state-structured and regulated interest groups, but neither by total control as in Marxism-Leninism nor by completely unregulated interest-group struggle of liberal-pluralism. Under corporatism, a strong but not totalitarian state controls or licenses organized interest groups that are not only limited in number and functions but also part of the state in the name of social partnership. In other words, corporatism seeks to eliminate conflict by basing social integration around core interest groupings seen to be the basis of civil society. The primary utility of corporatism, therefore, represents the enhancement of the state’s governability on labor and business whereby its aim is to deal with problems of economic management and to co-opt labor for the purpose of legitimate wages. In a similar sense, opponents of the neo-liberal thesis in an era of globalization advance the state’s centralization of coordinated markets as a critical alternative to the contemporary capitalism characterized by decentralization.

Another utility of the corporatist thesis results from its comparability and the conceptual flexibility. A considerable variety of regimes can fall under the corporatist category when the following three conditions are fulfilled in whole or in part: (i) the society is organized not on an individualistic basis, but in terms of the societal or corporate units such as labor unit or other interest groups; (ii) the state seeks to structure, limit, or license these groups as a way of controlling them; and (iii) the state attempts to incorporate interest groups into the state system whereas these groups seek both to take advantage in terms of benefits for their memberships from such incorporation, and at the same time to preserve some degree of autonomy from the state. Corporatist cases satisfying these conditions or its variations are not only widespread but also ubiquitous in a flexible fashion and stretching out even in countries previously thought to be strongly in the liberal-pluralist mode. In Canada and the United States, organized labor has at best enjoyed limited control over the government; in Britain and Germany, labor’s inclusion in interest intermediation has been more regular with recurring election victories by the Labor or Social Democratic Parties; in Norway and Sweden, direct influence of organized labor has been institutionalized as a key factor in deciding social and labor policies. Similarly, despite not a typical format of corporat-
ism, one can find the germs of corporatist society in Japan and Korea in the sense that the Confucian, non-individualist, and organized entities of labor or business can be encompassed by corporatist relations in which governments of both countries allow these societal actors to participate in the process of policymaking in return for their domination in governing and guiding the general direction of industrial relations.

In a nutshell, comparative studies of corporatism in modern industrialized countries require a considerable degree of understandings of state-society relations as analytical foundations on which a specific framework of corporatist governance can be built. Corporatist governance can be underpinned as an edification of state-society links in which the state and organized interest groups are mutually constitutive (or exclusive) in accordance with historical contingencies.

State-Society Relations as a Parameter in Comparing Japan and Korea

Considering state-society links as a denominator common to both countries, dialectic attempts to describe the relational pattern between the state and society, even in a broader term, help us understanding different trajectories of the corporatist development in Japan and Korea before we take a close look at each case respectively. Simply put, while a symbiotic relationship between the state and civil society is more likely to generate a cooperative form of corporatism, a simplistic, oppositional relationship triggers interest groups in civil society to reject the state’s policies. Indeed, the existence of a specific type of state-society relation is seen as a necessary condition to determine the corporatist utility in comparing the influence of organized labor as well as the state’s capacity of governing civil society in Korea and Japan.

The state of civil society in Japan is particularly identified with ‘social partners’ targeted and molded by permissive (or active) state. Dating back to the Meiji Revolution of 1868, the powerful emperor-system state crushed or co-opted popular movements in the name of protecting society from capitalists’ harmful pursuit of self-interest as well as from socialists and other progressives, and further promoted a particular pattern of voluntary organizations. Some observers, such as Karel van Wolferen, argue that imperial governance bequeathed legacies to post-war Japan in the form of a submissive middle class, and co-opted labor, and women’s movement. Still others attempt to tell the story of not only the democratic activities of the people, contrasted with conservative elites, but also the presence of an early modern public sphere during the Meiji period. The Allied Occupation of Japan (1945-1952) headed by the United States introduced a series of democratic reforms aimed at not only promoting the independence of civil society, but severing the longstand-
ing conservative ties between the Japanese state and popular associations. Under the Trade Union Law of 1945, for example, Japanese workers gained the long-sought rights to organize unions and collective bargaining. Civic coalitions among leftist parties, labor unions and intellectuals in the wake of the so-called 1960 Anpo took the lead of the opposition to the 1960 revision of the US-Japan Security Treaty. The expansion of Japan’s post-war civil society notwithstanding, historical legacies of state intervention into popular associations and everyday life in Japan tamed and molded the burgeoning civic groups into supporting right-wing nationalism and being not in the least interested in advocating the autonomy of civil society. The case of the Nonprofit Organization Law of 1998 also reveals that the social foundation for Japan’s regulatory regime comes from interest groups that are often co-opted or incorporated by bureaucratic supervision. In this context, Japan’s state-civil society linkages, characterized by bureaucratic primacy, ministerial jurisdiction over civic groups, and interest groups as an extended arm of the state, provide a background for the “weak labor thesis” noting that decentralized labor unions in civil society are deliberately utilized or sidelined by the state’s corporatist governance.

In marked contrast to the Japanese experience, Korea’s historical paths of state-society relations have been unevenly shaped by the continuing confrontation structure between a “strong state and contentious society”, as Hagen Koo aptly put it. Although the state has exerted coercive power in setting the dominant direction and framework of social transformation in Korea, actual processes of social and political change have not been determined solely by the state’s directives but completed by a considerable degree of civic or labor engagements in politics, which played a critical role in challenging and reshaping state policies. Thus, the most salient character of state-society relations in contemporary Korea is that despite the state’s unusual strength and pervasive presence, civil society in Korea has always contained both elements of strong resistance to state power and violent eruptions of social forces. In fact, the balance of power between the state and society, during the period of rapid economic growth after the early 1960s, shifted absolutely in favor of the former. Authoritarian regimes – the Park Chung Hee and Chun Doo Hwan governments – pursued economic growth for the sake of their own regimes’ legitimacy, and shaped the organizational form and agenda of social movements, thereby retarding the promotion of organized labor and popular movements against “despotic power”, in Michael Mann’s terms. However, the very centralization of state power which was intended to exert control over civil society, ironically, had the perverse effect that the strong state began to lose control over politics and its legitimacy was eroded by the political backlash from the combined resistance of civil society organizations.
Indeed, the merging of the working-class movement and the people’s movement in the early 1980s resulted in the arrival of the democratic transition of 1987. After the civil uprising in the summer of 1987, the number of civic and voluntary associations mushroomed and civil society had grown larger and stronger, with heightened interest in broader political participation. This critical transition in Korea pushed the democratic governments to attempt to set in motion the corporatist governance whose underlying rationale was how to neutralize assertive voices of organized interest groups including labor unions. In short, it is fair to state that the development of state-society relations in Korea shows a good case of the “strong labor thesis” in the sense that the presence of assertive and militant labor forces in the democratized society facilitated the corporatist accommodation from the strong state. The parameter moving along the power balance between the state and society, therefore, is of great use to assess and decide the relative power of organized labor in relations to state control over labor forces through interest intermediation in the form of corporatism.

The Development of Corporatism in Post-War Japan

Corporatism-without-labor

The weak labor thesis embedded in Japan’s state-society links provides a category of social dialogue which is useful for understanding a variation in corporatism, which has been usually viewed as corporatism without full-scale participation by organized labor. Some ILO data related to labor’s strikes in the three decades support the weak labor thesis (see table 1). The number of strikes, participants in strikes, and work-day lost due to strikes are all decreasing, except for the first oil crisis in the mid-1970s. Moreover, total union membership plummeted from 55.8 percent of the labor force in 1947 to 24 percent in June 1992. This data indicates that the post-war Japanese labor movement had become less militant, thereby increasing the possibility of more cooperative bargaining structures for the interplay of quasi-tripartite actors. These structures permitted some coordination and planning of social and economic policies, but they had so far kept labor federations at a distance. Under the strength of the state bureaucracy, the business community enjoyed a privileged position in the definition and implementation of public policy.

Historically, the notion of “corporatism-without-labor” originates from the symbiotic coalition of the state bureaucracy and industrialists in big business (zaibatsu) in the period of the Meiji Restoration, which pursued a forceful industrialization policy built on the sacrifices of the agriculture sector, small business and workers. While this coalition systematically excluded labor...
Table 1. Strikes and Lock-outs in Japan, 1970-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of strikes &amp; lock-outs</th>
<th>Workers involved (thousands)</th>
<th>Work-day not worked (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>2,260</td>
<td>1,720.1</td>
<td>3,914.8</td>
</tr>
<tr>
<td>1974</td>
<td>5,211</td>
<td>2,236.1</td>
<td>9,662.9</td>
</tr>
<tr>
<td>1980</td>
<td>1,133</td>
<td>562.9</td>
<td>1,001.2</td>
</tr>
<tr>
<td>1990</td>
<td>284</td>
<td>84.3</td>
<td>144.5</td>
</tr>
<tr>
<td>1997</td>
<td>178</td>
<td>47.2</td>
<td>110.0</td>
</tr>
<tr>
<td>2000</td>
<td>118</td>
<td>15.3</td>
<td>35.0</td>
</tr>
</tbody>
</table>

organizations at the national level and integrated them at the enterprise level in order to deactivate their potential of centralized power of organized labor, the coalition entitled the zaibatsu to maintain relative autonomy vis-à-vis the bureaucratic primacy. One of classic corporatist products in this period was the establishment of the Association for Harmony and Conciliation (Kyochokai) which was launched by the combined initiative of private business leaders and the Ministry of Home Affairs for the purpose of the harmonization of the interests of labor and management.

Likewise, the corporatist coalition in the post-war period was organized under the domination of the powerful Ministry of International Trade and Industry (MITI) and its associated business sectors because the machinery for consensus in economic and industrial policies worked far more effectively than it did for social and environmental policies. Along with Japanese economic success, changes in international conditions such as the liberalization of trade, foreign investment and technology transfer led big businesses to arm themselves with a more autonomous stance towards the attempts of reincorporation by the state. However, labor’s position in this corporatist mediation remained marginalized similarly as it had been in the prewar period.

One of plausible accounts for the reproduction of corporatism-without-labor in the post-war period can be found in the notion of “reciprocal consent” in which firms give the state jurisdiction over markets in return for their continuing control of those markets. Such a close reciprocity between the state bureaucracy and big business resulted in minimizing the space for incorporating organized labor at the national level in this quasi-corporatist concertation, thereby confining the post-war patterns of industrial relations to the labor-management relationship at the individual plant level. More precisely, Kent Calder in his seminal book, Crisis and Compensation, notes two interesting trends important for understanding these post-war labor dynamics – the absence of sustained conflict over workplace organizations despite the varieties and disparities: “private-sector labor, under the pressure of technological change and the growing export reliance of Japanese industry after the 1973 oil shock, forged closer ties with both management
and the ruling Liberal Democratic Party (LDP) to protect its economic position; more militant public-sector labor was destroyed as a political force by the mid-1980s through extensive privatization.”

**Pattern for Social Contracts**

The overriding pattern of negotiating social contracts in the post-war Japan can be, by and large, divided into two categories: disuniting organized labor at the national level; and encouraging labor-management negotiations at the enterprise level. As for the national-level negotiations, the conservative coalition endeavored to divide organized labor and to foster labor movements that supported a capitalist system geared towards higher levels of productivity and rapid growth. For example, the LDP’s governments tried to isolate and enfeeble the General Council of Japanese Trade Unions (Sōhyō) even though Sōhyō abandoned its focus on Marxist political struggle in preference for economic unionism during the mid-1950s. The conservative refused to recognize Sōhyō’s federations as negotiating agents in the annual spring offensives (shuntō), which Sōhyō first coordinated in 1955. Furthermore, the conservative coalition discouraged the formation of peak labor organizations at the national level by emphasizing a pattern of interaction between the private-sector unions (or enterprise-level unions) and the conservative coalition that continued into the 1990s. With regard to negotiations at the enterprise level, cooptation has been the dominant feature of labor unions, leaving workers without institutionalized, significant representation in federation or peak organization. “Welfare corporatism”, articulated by Ronald Dore, in this sense, was another sophisticated expression of labor’s voice and benefits at the enterprise level, but without reference to the more salient functions of federation at the national level, and without attention to labor’s role in negotiating adjustment strategies for Japan’s changing political economy.

**Still Without Labor?**

Some specialists on Japan have recently argued that labor now has substantial and increasing national influence not captured by “corporatism-without-labor.” Entering the 1980s, labor has been incorporated in tripartite conferences with the government and industry to discuss important social and economic issues, and labor federations have gained a more prominent position within industries in the sense that a new national federation, the Rengo, has consolidated nearly two-thirds of organized labor under one peak organization. Notwithstanding labor’s increasing influence on the tripartite negotiation process, it is premature to conclude that Japan’s corporatist
governance can be defined as a typical concept of the tripartite structure in which labor is entitled to enjoy a full partnership equal to the other players. Rather, as Dennis McNamara claims, changes in Japan’s labor politics brought about “limited inclusion, corporatism with labor but without the codetermination and proactive representation enjoyed by organized labor in Germany.”

The Development of Corporatism in Contemporary Korea

Authoritarian Economic Development and State Intervention in Labor

During the period of authoritarian developmental states in the 1960s and 1970s, the introduction of social dialogue with labor for promoting workers’ rights would not be possible as rapid economic growth was supported by authoritarian labor control, which squeezed maximum productivity out of workers. Such a structural affinity between an export promotion strategy and labor repression prevented organized labor from expanding its activities, and kept the number of labor strikes extremely low even in the face of external oil shocks in the mid-1970s (see Table 2). For a long period, authoritarian governments prior to the democratic transition banned enterprise unions from engaging in collective bargaining. Instead, the Labor-Management Cooperative Council (Nosahyobuich’e or LMCC) was set up at local workplaces to deal with working conditions and grievance settlement. The Ministry of Labor (MOL) forced every workplace to organize monthly meetings of the LMCC, which was composed of managers and worker representatives, and mandated to report on its discussions and decisions to the government. The MOL’s direct intervention in labor-management relations at the local workplace had been deepened not only by guiding and regulating the LMCC and but also by directing guidelines on state policies to all factories. Throughout the period of economic take-off, the state’s dominance in state-society relations retarded the formation of the national-level federation of organized labor, thereby locking wage negotiations into the LMCC at the local workplaces.

Democratization and the Emergence of Quasi-Corporatism

The democratic transition from authoritarian rule in June 1987 was a critical juncture where the strong state was bound to respond to the politicization of organized labor and its associated dramatic changes in industrial relations in the wake of people’s uprising in civil society. A large number of strikes took place shortly after 1987, entailing number of workers involved in strikes and lost days due to strikes had rapidly increased, as Table 2 demonstrates. Then, all three indicators related to the strength of the labor force in the 1990s had
Contrary to Japan’s long experience of corporatist governance, the germ of corporatism in Korea first emerged in the nine years after the democratic transition of 1987. To deal with a heightened challenge from organized labor in the democratized society, the Kim Young Sam government launched an ad hoc quasi-corporatist negotiation, the Reform Committee for Labor-Management Relations (Nosagwangye gaehyok wiwonhoe, or RCLMR) in April 1996.43 The RCLMR can be identified with a quasi-corporatist apparatus in that the government did not participate directly in this negotiation, but played a significant role in persuading both sides of labor and capital into sitting together at the RCLMR. The RCLMR can also be seen as a ‘makeshift’ body designed for interest intermediation owing to the fact that its status was not that of a standing institution protected by the statutory legislation, but a temporary presidential advisory committee that was scheduled to be disbanded in February 1998. The results of negotiations between two labor federations – Korean Confederation of Trade Unions (Minjunoch’ong, or KCTU) and Federation of Korean Trade Unions (Han’guk noch’ong, or FKTU) – and two industrial representatives – Korea Employers Federation (kyongch’ong, or KEF) and Federation of Korea Industries (Chonkyonryon, or FKI) – produced an agreement on the revision of the Labor Law.\textsuperscript{44} However, in December 1996, the ruling Grand National Party (GNP) rushed the labor bill amended differently from the agreed version in the RCLMR through the National Assembly. This legislative fraud provoked a storm of general strikes across the country, undermining the conservative’s attempt to neutralize and control strong organized labor.\textsuperscript{45} Subsequently, the quasi-corporatist dialogue of the RCLMR came to a complete standstill, and the government

<table>
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<tr>
<th>Table 2. Strikes and Lock-outs in Korea, 1970-2000\textsuperscript{112}</th>
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</table>
accepted militant labor protests for revising the faulty labor law and passed a new labor law in March 1997. The pendulum of the power balance of statesociety relations has since swung back towards organized labor and its key national federations.

The Financial Crisis and Corporatism-without-Capital?

The outbreak of the financial crisis at the end of 1997 and its following structural adjustment conditioned by the IMF bailout prompted the democratic Kim Dae Jung government in January 1998 to undertake the corporatist arrangement of the Tripartite Commission (Nosajongwiwonhoe, or TC) consisting of organized labor (KCTU and FKTU), the business coalition (FKI and KEF), the government, and some political parties. The introduction of the TC in the post-crisis society implied that the government discarded its tradition of repressive labor policies, and advanced corporatist solutions as the logical outgrowth of its three-way reconciliation between the developmental thesis in the past and the external pressure of neo-liberal reforms in the present.46

The most salient characteristic of Korea’s corporatism in this period stems from the TC’s underlying motivation that the major target which the government intended to accommodate through this corporatist intermediation was more likely to be organized labor, rather than big business. Given that the main victim groups of the economic crisis were the labor and middle class, the government was forced to address the concerns of the laborers – lay-offs and the sharp fall in real wages, caused by a series of structural adjustment policies – rather than the capitalists. The business sector, particularly chaebols, was the target for restructuring, but workers at the workplaces were victimized in the process of reforming the structures of chaebols. The militancy of labor federations, which has been greatly expanded since the general strikes of early 1997, also made the Kim administration far more susceptible to aggressive challenge from organized labor in the aftermath of the financial crisis.47 As a result, the government first started to persuade both national centres – the KCTU and FKTU – into being partners of the TC, in exchange for delaying the legislation concerning lay-offs and allowing labor representatives to propose and discuss chaebol reforms and social security nets for workers.

As for negotiated agendas of the TC (Table 3), most decisions on each issue proposed by both organized labor, especially the KCTU, and the government were made by the direct concertation between labor and the government at the official meetings of the TC. Except for job security protection, the government accepted, in part or in whole, labor’s requests in all other agendas
under the condition that organized labor would cooperate with the state in
the area of the legalization of lay-offs, as well as the promotion of elasticity in
the labor market. Eventually, on 19 February 1998, the tripartite dialogue for
social integration announced a social pact – the so-called “2.19 Pact” – aimed
to overcome the economic crisis under the pledge of labor’s cooperation
for this national slogan. However, this tripartite corporatism, despite the
establishment of the TC as a standing committee protected by the law, has
been running on a rocky road on account of continuous tension between the
progressive KCTU and the relatively conservative FKTU. These differences
have prevented organized labor from being united as one strong voice.48

It is notable that capital’s voice regarding neo-liberal reforms and lay-offs
had seldom been included throughout the process of this corporatist inter-
mediation. One of the clear reasons for the exclusion of capital can be found
in the fact that the government and labor representatives assumed that the
private business sector should take responsibilities for the social fallout of
the economic crisis, so that the business sector would be in close cooperation
with the results negotiated between the state and organized labor within the
TC. In addition, the presence of weak capital in the TC reflects the political
strategy of the state to incorporate the militant labor federations into the
corporatist institutional arrangement.

However, corporatism with the weak representation of capital does not
simply mean a forceful exclusion of capital, just as the Japanese corporatist
coalition has done to organized labor. Rather, it involves a voluntary denial or

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### Table 3. Results Negotiated between the Government and Organized Labor in 1998123

<table>
<thead>
<tr>
<th>Main Agendas</th>
<th>KCTU’s Proposal</th>
<th>Government’s Proposal</th>
<th>Final Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lay-offs</td>
<td>Request of institutional compensation.</td>
<td>No plans for institutional benefits regarding lay-offs.</td>
<td>Agreed to discuss further how to prevent abuse of lay-offs.</td>
</tr>
<tr>
<td>Reduction of working time</td>
<td>40 hours per week from 2000.</td>
<td>Suggested this issue to be discussed within the Tripartite Commission.</td>
<td>Agreed to reduce working hours to 40 per week from 2000.</td>
</tr>
<tr>
<td>Job security agreements</td>
<td>Request for concluding legal acts concerning job security in every industrial sector.</td>
<td>Neutralized the labor’s pressure by focusing on the possible problems caused by private firms firing workers illegally.</td>
<td>No agreement reached.</td>
</tr>
<tr>
<td>Illegal measures against workers</td>
<td>Strict legal actions protecting workers needed.</td>
<td>Promised to prepare strict regulations and instructions for workers’ protection.</td>
<td>Agreed to launch a special subcommittee within the Tripartite Commission.</td>
</tr>
</tbody>
</table>
retreat of the business sector itself. According to the TC’s internal documents, the business sector failed to implement (or rejected) more than 87 percent of the tasks (13 out of 15) assigned by the TC, which was much higher than the failure rate of the KCTU – around 60 percent (54 out of 90). Some Korean scholars also criticize that weak representation of business groups within the TC originated from their deliberate dual strategy: they remained reactive partners in order to achieve the social pact allowing lay-offs and a flexible labor market, whereas they remained passive outsiders when the TC dealt with labor rights such as job security, the protection of collective bargaining and so on. All in all, the overall profile of Korea’s corporatism in the post-crisis years can be identified with “corporatism-without-capital”, whether the weak position of capital was exclusively set up by the state or skillfully pursued by the business sector.

Concluding Remarks

This paper has undertaken a macro-comparative sketch of the two East Asian outliers – Korea and Japan – in dealing with labor within the framework of corporatism. A short review on distinctive patterns of state-society relations was utilized as the stepping stone to a more effective comparison, particularly on the part of labor’s position vis-à-vis the state in the tripartite intermediation. As figure 1 summarizes, the weak representation of labor in the corporatist negotiation comes up with the state-directed path of industrial relations in which the negotiation for social contracts can be usually made only at the enterprise level and exceptionally allowed at the national level when international weakness or external crises presses the state to co-opt some organized labor. Typically, this mode of corporatist structures accounts for the Japanese case under the heading of “corporatism-without-labor.” On the opposite end of the spectrum of state-society relations, the militant organized labor plays an important role in organizing a corporatist arrangement consisting of the state and the weak presence of the business sector. With regard to the pattern of negotiating social contracts, the strong labor thesis promotes a dual structure: wage negotiations at the enterprise level and social dialogue for macro social labor issues within a standing, statutory institution. The contemporary Korean experience of corporatism after the economic crisis of 1997 satisfies this type of corporatist governance, which can be called “corporatism-without-capital.” Although these Asian cases show different paths of the development of corporatist variants, the underlying grounds can be shared with each other in terms of state initiatives of coordinating organized labor and capital and the utilization of corporatism as an institutional form for interest intermediation among three social partners. If the notion of “corporatism-without-capital” succeeds in describing
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On the opposite end of the spectrum of state-society relations, the militant organized labor plays an important role in organizing a corporatist arrangement consisting of the state and the weak presence of the business sector. With regard to the pattern of negotiating social contracts, the strong labor thesis promotes a dual structure: wage negotiations at the enterprise level and social dialogue for macro social labor issues within a standing, statutory institution. The contemporary Korean experience of corporatism after the economic crisis of 1997 satisfies this type of corporatist governance, which can be called “corporatism-without-capital.” Although these Asian cases show different paths of the development of corporatist variants, the underlying grounds can be shared with each other in terms of state initiatives of coordinating organized labor and capital and the utilization of corporatism as an institutional form for interest intermediation among three social partners.

If the notion of “corporatism-without-capital” succeeds in describing Japan (Corporatism-without-Labor)

| Weak representation of labor unions
| Internal negotiation of social contracts at the enterprise level
| Ad hoc basis of the tripartite concertation at the national level
| Stability in industrial relations

Japan

(Corporatism-without-Labor)

| Strong representation of labor unions
| Dual structure of negotiations: wage negotiation at the enterprise level and macro-labor policy concertation at the tripartite committees.
| The standing commission for the tripartite concertation at the national level
| Shaky foundations on industrial relations

Korea

(Corporatism-without-Capital)

<table>
<thead>
<tr>
<th>Weak Organizational strength of civil society (labor) Strong</th>
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<tbody>
<tr>
<td>State-structured incentives to neutralize organized labor</td>
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<tr>
<td>Institutionalization of intermediate concertation</td>
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Similarities

- Shreyas Basu served as lead editor for this article.

labor's mode of interest representation within Korea, its significance for both governance of organized labor and corporatist theory may well stretch beyond Korea. A new framework in which to assess some distinctive patterns of corporatism in industrial relations offers a significant heuristic tool to compare dynamics of interest representation and the state’s response to organized labor. The Korean case of corporatist negotiation is going to defy easy categorization along a continuum of the neocorporatist formation in Western societies, just as the Japanese case has done so. However, the thesis of corporatism-without-capital is required to have more empirical tests and verifications in the case of Korea and elsewhere in Asia or other continents as well, before it opens a new dimension of societal corporatism between strong organized labor and the weak representation of capital.
NOTES


4. Philippe C. Schmitter classifies ‘systems of interest intermediation’ as three types: (i) pluralism; (ii) corporatism; and (iii) corporatism. Corporatism refers to a system of interest intermediation in which the constituent units are organized into a number of multiple, voluntary, competitive, and self-determined categories that are not created nor licensed by the state. Syndicalism refers to a mode of interest intermediation in which the constituent units are an unlimited number of singular, noncompetitive, not hierarchically ordered categories, neither created nor licensed by the state. Corporatism is located between these two extremities with its intermediate properties that constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered categories, which are recognized or licensed by the state and a deliberate representational monopoly. Refer to Philippe C. Schmitter, “Modes of Interest Intermediation and Models of Societal Change in Western Europe”, in Gerhard Lehmbruch and Philippe C. Schmitter (eds.), *Trends Toward Corporatist Intermediation* (Beverly Hills: Sage, 1979), 65-66.


8. Characteristically, Gerhard Lehmbruch categorizes the varieties of corporatism in Western European countries with four cumulative scales: (i) pluralism; (ii) weak corporatism; (iii) medium corporatism; and (iv) strong corporatism. By focusing different time spans of corporatism, Howard Wiarda addresses the four forms of corporatism which are characterized by a progression or evolution from one form to the next: (i) historical corporatism; (ii) ideological corporatism; (iii) manifest corporatism; and (iv) modern neo-corporatism. Meanwhile, Harold Wilensky demonstrates three types of corporatism according to national bargaining arrangements among major interest groups and the government: (i) democratic corporatism; (ii) corporatism-without-labor; and (iii) least-corporatism. Refer to Gerhard Lehmbruch, “Introduction: Neo-Corporatism in Comparative Perspective”, in Gerhard Lehmbruch and Philippe C. Schmitter (eds.), *Patterns of Corporatist Policy-Making* (London: Sage, 1982), 16-23; Howard J. Wiarda, *Corporatism and Comparative Politics: The Other Great “Ism”* (Armonk: M. E. Sharpe, 1997), 71-76; Harold L. Wilensky, *Rich Democracy: Political Economy, Public Policy, and Performance* (Berkeley: University of California Press, 2002), 85-101.


12. In spite of its theoretical effectiveness in explaining state intervention in industrial relations, corporatism has often accused of being a right-wing, conservative, and elite-directed way of dealing with the great pressure brought on by industrialization and modernization, and indeed corporatism has often provided a basis for conservative and authoritarian politics. Refer to James M. Malloy, “Authoritarianism, Corporatism and Mobilization in Peru”, in Fredrick B. Pike and Thomas Stritch (eds.), *The New Corporatism: Social-Political Structures in the Iberian World* (Notre Dame: University of Notre Dame Press, 1974).


14. Corporate units, from the perspective of organizational structure, are a form of what Max Weber calls imperative coordination. They are not ad hoc, transitional, or oriented to the pursuit of a single instrumental goal; corporate groups constitute to maintain an order, that is, a legally recognized code that gives the group a formal identity. Refer to Max Weber, *The
19 Some proponents of the Japanese civility and its associated public sphere demonstrate a flurry of public discussion and popular associations within a few years of the Meiji Restoration as a typical example for the fact that the Japanese society had witnessed some germs of civil society even in an early modern Japan. Privately owned newspapers sprang up in the big cities and the growing new middle class organized themselves into professional associations that discussed contemporary issues and marshaled common interests. Refer to John W. Dower, Embracing Defeat: Japan in the Wake of World War II (New York: W. W. Norton, 1999); Carol Gluck, Japan’s Modern Myths: Ideology in the Late Meiji Period (Princeton: Princeton University Press, 1985).
21 Koo, “Strong State and Contentious Society.”
23 Mann defines ‘despotic power’ in terms of the range of actions which the elite is empowered to undertake without routine, institutionalized negotiation with civil society groups. In a similar context, Gregory Henderson identifies Korea’s distinct pattern of politics as ‘the politics of the vortex’, which indicates that the imposition of a highly concentrated state power on hierarchical society eventually creates a vortex, powerful structure sucking social forces and eroding organizational solidarity among interest groups. Refer to Michael Mann, “The Autonomous Power of the State”, in Michael Mann (ed.), States, War and Capitalism (Oxford: Blackwell, 1988); Gregory Henderson, Korea: The Politics of the Vortex (Cambridge: Harvard University Press, 1968).
27 LABORSTA Internet (laborsta.ilo.org).
30 Samuels, The Business of the Japanese State.
32 Garon and Mochizuki, “Negotiating Social Contracts.”
38 Sources: LABORSTA Internet (laborsta.ilo.org).
41 David L. Lindauer, Jong-Gie Kim, Joung-Woo Lee, and Hy-Sop Lim, The Strains of Economic Growth: Labor Unrests
The labor dispute of 1987 precipitated an explosion of new activity, and almost 1,500 unions sprang up within six months. Industrial workers had an unprecedented chance to organize in the transition to democracy and almost 8,000 new unions were created in the two years after 1987, the rate of organization rising from 15 to 23 percent. Refer to Song, “Labour Unions in the Republic of Korea”, 6.

Before the establishment of the RCLMR in 1996, the Kim Young Sam administration attempted to experiment social dialogue (1993-1994) that was designed to reach agreements for workers’ wage through the direct negotiation between the FKTU and the KEF. In this dialogue, the government officially declined its engagement in the process of negotiations, and encouraged both representatives of labor and capital to search solutions for their own problems. Refer to Sang-Hun Im, et al., Evaluation and Prospect of Tripartite Commission Activities [Nosajŏngwiwŏnhoe hwaldongp’yŏngga paljŏnbangane kwanhan yŏngu] (Seoul: Tripartite Commission & Korea Labor Institute [Nosajŏngwiwŏnhoe, Nodongyŏnguwŏn], 2002), 2-4.

Given the union structure of Korean labor, for many years, the FKTU was the only national center which had official status endorsed by the government since 1960. However, competing groups of organized labor set up another centre, the KCTU, in November 1995, which brought together progressive and active unions which were dissatisfied with the FKTU. The new national center strove for government recognition as a legal organization, and this was finally achieved in 1996. Thus, organized labor in the post-democratization period has two national centers – the KCTU as assertive and progressive one and the FKTU as pro-governmental and more cooperative with state labor policies, so that they have been often in opposition to each other when labor issues came to their attention.


Roh, “Escape from the Confusion of Principles with Realities”; Im et al., Evaluation and Prospect of Tripartite Commission Activities.