

South Korean president offers phony welfare pledges

By Ben McGrath
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South Korean President Moon Jae-in outlined his economic agenda during a speech for a supplementary budget at the National Assembly on June 12. Moon promised job creation as well as measures to help women in the workplace, childcare, and healthcare for the elderly. While calling for a happy and united society, the real purpose of these pledges is to counter mounting social discontent and prevent the eruption of social unrest.

In his speech, the first as president to the legislature, Moon called for the passage of the 11.2 trillion won (\$US9.91 billion) revised budget, claiming it would create up to 110,000 jobs for young people and 360 state-run childcare centers. He pledged that the additional money would address widening social inequality, noting that in 2016 the income for the bottom 20 percent of workers had fallen 5.6 percent year-on-year while increasing by 2.1 percent for the upper 20 percent.

Moon stated the government and the public sector needed to “prime the pump” in job creation. “A fundamental job policy is a national challenge that requires the support both of the private sector and the government, but in order to get quick results, the public sector needs to make the first move,” he said. In particular, he mentioned expanding the number of firefighters and rescue workers as well as adding additional civil servants.

However, Moon also called for additional police officers and non-commissioned officers and civilian workers in the military, thus expanding the bodies of state repression in advance of potential domestic upheavals or war. Overall, the president has promised to create 810,000 public sector jobs during his five-year term. The real unemployment rate stands at 11 percent overall and a massive 22.9 percent for youth.

Moon openly expressed the fears in ruling circles over the implications of rising social inequality. “I believe this is the fundamental reason why people are dissatisfied with representative democracy where people participate in elections and instead go out into the streets,” he said.

To suppress social unrest, Moon is relying on the trade unions. Speaking two days before his National Assembly address, he called for a “true tripartite grand consensus, among labor, business and government.”

The concept of a tripartite committee is not new. Working with the conservative Federation of Korean Trade Unions (FKTU), the Park Geun-hye administration utilized this arrangement in 2015 to gain union support for allowing companies to fire workers at will or change labor contracts.

Kim Dae-jung, the first Democratic president, set up a tripartite committee, which also included the so-called militant Korean Confederation of Trade Unions (KCTU), to ensure union support for mass sackings of workers during the 1997-1998 Asian financial crisis. In exchange, legal recognition was extended to the KCTU and its allied unions.

The KCTU, prior to and after gaining legal status, has played a leading role in isolating workers’ struggles and shutting them down before they can have an impact on the economy or grow out of their control. The KCTU and FKTU are now being called on to play the same role under Moon.

During the protests and impeachment proceedings that began last year against ousted president Park Geun-hye, the KCTU backed her removal in favor of the Democratic Party of Korea (DPK) and ultimately Moon. Now, the trade union confederation is engaged in a campaign to convince workers that the new government can be pressured into granting concessions.

Among its demands is the “right to strike”—in reality, giving the KCTU a larger voice within the political establishment to better allow it to sell out workers’ struggles.

The KCTU’s other demands are window dressing, including a paltry rise in the minimum hourly wage to 10,000 won (\$8.84) and the abolition of irregular jobs. Workers in this latter category are heavily exploited, earning far less than their regular counterparts and are denied contract protections. However, the KCTU has never undertaken a genuine struggle against the use of irregular labor, but instead has isolated these workers from others, even within the same company. Strikes are kept limited and designed to lessen the impact on employers.

There is no reason to believe Moon’s administration has any desire to limit or eliminate irregular positions, the use of which was incorporated into South Korea’s labor policies and expanded under Kim Dae-jung and fellow Democrat Noh Moo-hyun. Moon served in Noh’s government.

The administration’s selection of Kim Dong-yeon as finance minister is another indication of its true agenda. Upon assuming his position last Thursday, Kim stated that he had no plans to raise corporate taxes, which had been one of Moon’s pledges. He held several high positions in the right-wing Lee Myung-bak administration, including presidential secretary for economy and finance and second vice finance minister.

During his nomination hearing, Representative Jeong Byeong-guk of the right-wing Bareun Party questioned how Kim planned to implement the president’s plan for increased access to childcare as part of the government’s promise to help women in the workforce. Jeong stated, “When you were vice finance minister in 2012, you called the government’s paying for child care programs ‘excessive welfare’ and said the budget for such programs should be spent by the (metropolitan and provincial) offices of education.”

Kim replied evasively saying he would “carefully examine financial conditions and reach consensus with the National Assembly.” In other words, the government intends to cast aside its welfare and employment pledges if “financial conditions”—i.e. opposition from big business—are not favorable.

Moon’s choice of Kim as finance minister, whose appointment does not require the approval from the

National Assembly, is a warning of the anti-working class agenda that will be implemented under the new administration.

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