

PyeongChang 2018 Winter Olympics

CONSTRUCTION WORKERS' RIGHTS VIOLATIONS



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A report by the Building and
and Wood Workers' International
(BWI) and the Korean Federation of
Construction Industry Trade Unions (KFCITU)

The Building and Wood Workers' International (BWI) has significant experience in campaigning around workers' issues on mega-sporting events such as the World Cup and the Olympic Games, including the 2012 London Olympics, 2014 Sochi Winter Olympics, the 2016 Rio Olympics and now the 2018 PyeongChang Winter Olympics ('PyeongChang 2018'). Along with BWI's affiliate the Korean Federation of Construction Industry Trade Unions (KFCITU), the BWI has worked to improve the working conditions of construction workers in the sports' facilities, infrastructure, and other projects related to the PyeongChang 2018.



PyeongChang 2018

KRW 17 trillion (approximately USD\$16 billion) was invested in private and public construction projects related to PyeongChang 2018, including railway and highway construction (funded by national government), sports venues and local roads (funded by provincial government), and hotels and other tourist destinations (funded privately). While much of the construction and refurbishing work on sporting venues was undertaken prior to South Korea's bid for the Games, new private residential and commercial construction projects gave KFCITU a prime opportunity to organise construction site workers such as form carpenters and bar benders in Gangwon Provinces.

The challenge for the BWI and KFCITU was to make sure as much of the investment went into creating decent jobs for workers that are safe, secure and pay living wages on-time. This included engaging with the International Olympic Committee (IOC), which we believe has a key responsibility to use its political and financial power to apply pressure to both national, provincial and local governments in guaranteeing the rights of workers in Olympic and other related construction projects.

South Korea has been through major political changes during the construction period of PyeongChang 2018. The conservative Park Geun-hye Government was bitterly opposed by the labour movement, in particular the left-leaning Korean Confederation of Trade Unions (KCTU). Labour reforms intended to cut workers' wages and make work more insecure sparked wide-scale resistance, which the Government responded to by arresting large numbers of trade unionists and political activists.

As well as Former KCTU President Han Sang Gyun and General Secretary Lee Young Joo, three KFCITU union officials remain incarcerated. In late-2016, however, a political corruption scandal involving Park and leading chaebol companies led to a nationwide mass movement and successful impeachment proceedings. New President Moon Jae-in has committed to better industrial policy and respect for fundamental basic human and labour rights.

Two persistent issues that plagued the PyeongChang 2018 construction efforts were long overdue back wages and occupational health and safety issues.

Delayed or Unpaid Wages

From 2015 to 2017, the KFCITU actively dealt with a large number of delayed or unpaid wage claims for its members on Olympic-related construction projects. In 2015 the total amount of back wages claims came to KRW 13.6 billion (close to USD\$12 million). Based on data collected by the KFCITU, they found evidence that Pyeongchang workers across 26 different Olympic-related construction contracts were owed a total of KRW 6,852,628,210 (~USD\$6,100,591). Of this figure, KRW 906,500,000 (~USD\$807,091) related directly to Olympic projects (Winter Olympic Ice Hockey Arena, Winter Olympic Ski Slopes & Facilities, Ice Skating Arena, Olympic Figure Skating Arena and the IBS Broadcasting Center), while the rest relates to other infrastructure projects (such as transport and water network expansion) necessary to hold Pyeongchang 2018. Due to the concerted efforts of the KFCITU, these wages have all now been repaid in full.

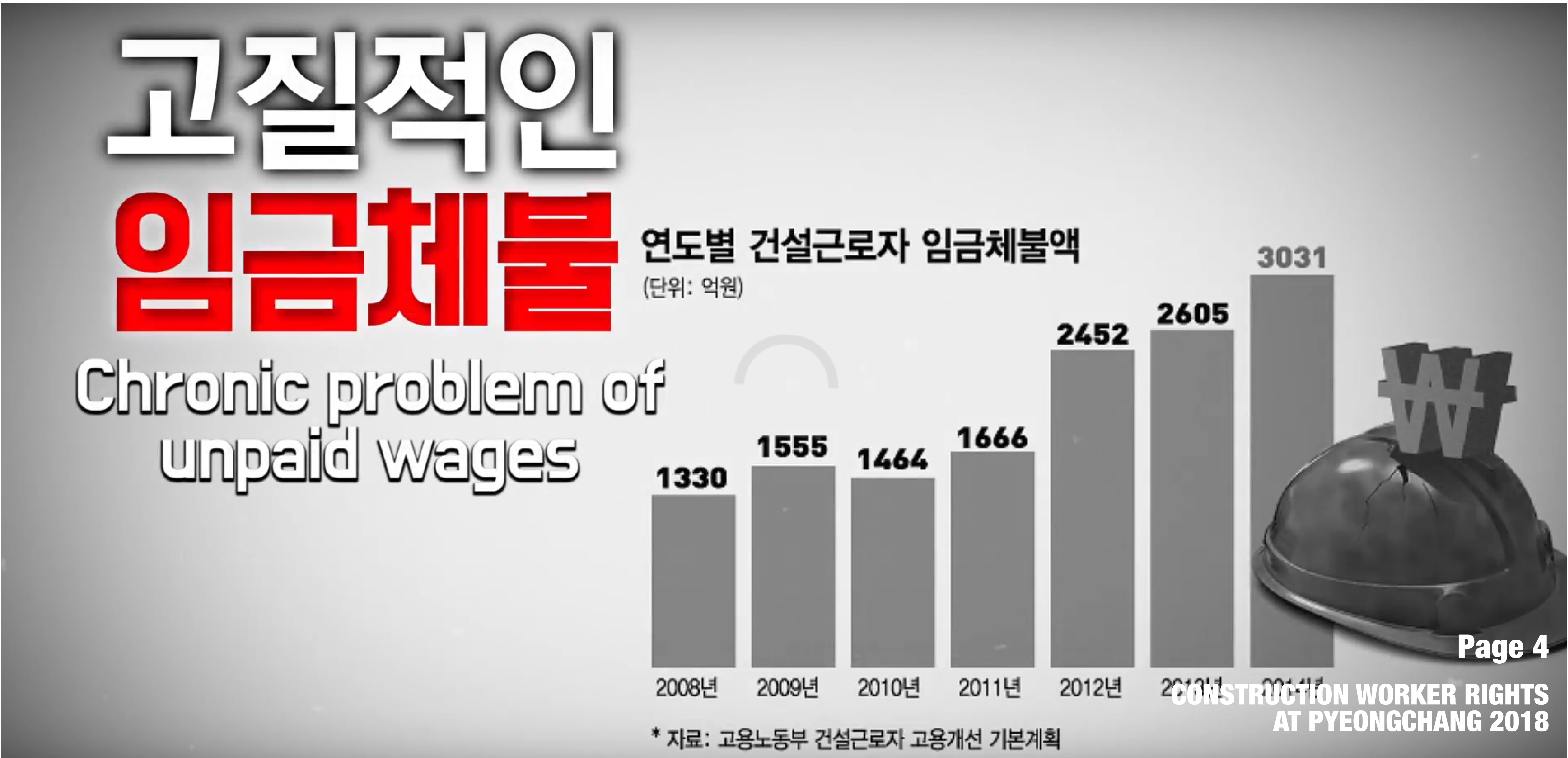
Unpaid wages and payments were prevalent among the Donghongcheon-Yangyang Expressway construction project, Gangwongdo Province's outsourced road projects, Korea Rail Network Authority's outsourced projects, and most other construction projects. According to workers interviewed, from the Central Government to the Provincial Government, down to all public agencies, South Korea has become a country of unpaid wages and payments to its construction workers.

The problem arises from the system of subcontracting that dominates the South Korean construction

industry, where workers' wages can get lost between layers of subcontracting. This is exacerbated by a distinct lack of transparency. Clients and contractors often claim they are not the problem here, as often it is subcontractors that are not paying workers on time. The South Korean 'Framework Act on the Construction Industry' restricts how subcontracting can be undertaken; general contractors may only subcontract certain tasks to specialised contractors, and the client must deem it necessary (Article 20).

The end result of this structure was that workers are left out of pocket, often for months at a time, as they – for example – struggle to keep up with instalments on their dump trucks. This puts immense stress on families to make ends meet, and can drive workers and their families into debt (including obtaining credit from second- and third-tier money lenders, often with oppressive interest rates and other conditions attached).

This problem is not unique to Gangwon Province; it's a nationwide issue plaguing the South Korean construction sector. In Seoul the interconnected problems of wages corruption, a lack of transparency and unpaid wages were solved by implementing the 'Anti-Corruption Clean Construction System'. One of the key parts of this system is a direct payment system, where payments are made directly from the client to the general contractor, the subcontractor, and the construction workers' accounts separately instead of through a chain of payments. The KFCITU requested the Gangwon Provincial Government to



implement a similar system, and local legislators drafted the necessary legislation for such a system. We are happy to hear that the local government

announced to implement an electronic payments system from the last half of 2017.

Recommendation: The South Korean Government to implement a nationwide wage payments system.

Occupational Health and Safety

The subcontracting structure also impacts occupational health and safety. South Korea has one of the worst industrial accident rates in the OECD, and the South Korean construction industry has the highest incidence of serious or fatal accidents of any industry in the country; according to the KFCITU, the sector averages of two deaths a day. The construction sector is globally-renowned for under-reporting accidents, and the BWI believes that under-reporting is likely to be taking place on Olympic construction sites.

The pressures of multi-layer subcontracting have made excessive working hours the norm in the construction industry, and this is a key driver of South Korea's poor OHS performance. This is exacerbated by the confusing chains of OHS responsibility created by the subcontracting system. Many workers are not provided with adequate protective equipment, and there is little to no health and safety system in place.

There have already been four tragic fatalities of workers on Pyeongchang 2018 construction sites:

- In April 2015 a dump truck driver was found dead in his truck cabin with his hands on the steering wheel after working very long hours on a railway construction site.
- A second fatality occurred in November 2015 when a dump truck driver fell to the ground while changing his truck's container into a de-icing spraying machine.
- In July 2016 at the Ice Arena construction site in Gangneung, a crane-mounted basket holding two construction workers fell 15 metres, killing one worker and severely injuring another.
- The most recent accident occurred in June 2017, when a concrete structure in a tunnel in Pyeongchang (part of the Wongju-Gangneung railway expansion) fell, killing one worker and injuring two others.

In response, KFCITU made OHS a key thrust of its organising efforts. They created videos that highlighted the connection between their conditions of work and their safety on the job site. OHS workshops and awareness-raising events were an important tool in communicating these messages to workers and recruiting new union members.

Recommendation: Joint safety inspections with the BWI and the IOC for all future Olympic Games.



Promotional material prepared by KFCITU on OHS issues.



KFCITU taking action by organising workers on OHS issues.



Arrest of Trade Unionists

With its restrictive freedom of expression and assembly laws, the arrest of trade union officials has punctuated South Korean labour history. This was particularly true of the Park Geun-hye era where proposed labour reforms were met with large scale resistance from the labour movement. During the 2016 protests against these reforms, a total of 585 KCTU leaders and members faced criminal charges for exercising their democratic rights.

The arrest of celebrated labour activist, Former KCTU President Han Sang Gyun is a case in point. Han was arrested in December 2015 for charges related to unauthorised rallies that took place between April and November 2015. He is currently serving a three-year sentence on obstruction of traffic charges at the Hwasung Correctional Institute for Vocational Training.

Human rights organisations across the world have condemned Han's imprisonment. The UN Working Group on Arbitrary Detention labelled it arbitrary because it resulted from the exercise of the rights to freedom of expression and peaceful assembly, calling for his immediate release and compensation. Recently,

the ILO Committee on Freedom of Association has requested the South Korean Government "take any measures in its power for the release of Mr. Han and all other trade unionists".

KFCITU officials have also been subject to similar harassment. In 2016 a group of 15 tower crane operators faced charges of blackmailing and obstruction of business for engaging in collective bargaining negotiations, with two leaders receiving 2 to 3 year prison sentences and the rest suspended sentences.

Sadly, while new President Moon Jae-in has championed labour reforms, including restricting the use of temporary work and raising the minimum wage, politically-motivated arrest of trade unionists continues.

In August 2017 Former Secretary of the Daejeon-Sejong Construction Equipment Branch of the Korean Construction Workers Union (KCWU, an affiliate of KFCITU) Hong Man Gi was arrested on charges of criminal blackmail.

In November 2017 Kim Seong-jong, a member of the KCWU Gwangju-South Jeolla Construction Equipment Branch, was sentenced to a four-month prison term for allegedly making false accusations against a company union. I

In December Kim Bong Hwan, Education Manager of KCWU Middle and West Gyeonggi Labourers' Branch was arrest on a picket line in front of a construction site.

Recommendation: The South Korean Government should immediately release all imprisoned trade unionists and ratify ILO Conventions 87 and 98.

Decent Work

In response, KFCITU and the BWI demanded the IOC to promote and - where possible - require direct employment for all workers engaged in PyeongChang 2018 projects. Direct employment was a key demand of the London 2012 Olympic negotiations with organised labour, which the IOC accepted due to the benefits it provided to workers and their families.

In London a trade union learning and education centre was established on the Olympic site grounds to teach workers about their rights and introduce them to the benefits of trade unionism. With the help of the Construction Workers Mutual Aid Association the KFCITU Gangwon Province established a free recruitment agency to help job seekers find work at sites, managing and organising workers through educational and outreach programmes.

When announced, there was much anticipation by South Koreans, the local communities, and construction workers that PyeongChang 2018 would spark long-term economic development in the region. Construction workers anticipated more decent job opportunities, however the influx of workers from both across the country and around the world meant Gangwon wages even dropped, particularly for construction equipment operators (some even found themselves unemployed). These machinery operators require special licenses, however a failure to effectively regulate the number of licenses issued has left a general glut in the construction labour market, resulting in falling daily wage rates for construction dump truck or remicon drivers.

According to one worker, "When I heard the news that the Olympics were coming to PyeongChang, I had

And, on 30 December 2017, former KCTU General Secretary Lee Young Joo was detained in relation to charges relating to the 2015 protests. Lee spent almost two years living in the KCTU office until the end of her term in 2017, before leaving the office and embarking on a sit-in hunger strike at the office of the ruling Democratic Party to protest working time regulations.

high hopes. But many people came to the area looking for jobs and there is a lot of non-local equipment being sued, so thing have not improved for local workers. Because of the completion, wage rates have dropped significantly."

Recommendation: Social and Labour clauses in line with international standards should be included in all procurement contracts.

GO FOR THE GOLD IN TRADE UNION RIGHTS!

The 2018 PyeongChang Winter Olympics is about to begin in South Korea, however trade union leaders like Han Sang-Gyun are still in prison, simply for defending workers' rights.

Last December, President Moon pardoned 6,444 but not one single trade unionist was released. President Moon must uphold the principles of democracy and labour rights.

He must release jailed trade unionists. He must release Han Sang Gyun.

Support the campaign!

- Demonstrate in front of a South Korean Embassy during PyeongChang 2018 (9-25 Feb)
- Send letters to President Moon calling for the release of Han Sang Gyun
- Share of photo calling for Han's release with #FreeHanSangGyun in social media

FREE HAN SANG GYUN!



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Organizing Migrant Workers

Building the venues and other infrastructure necessary to hold Mega Sports Events requires a large construction labour force, and this usually means relying on migrant workers to plug the gap. There has been little traditional support for migrant labourers in South Korea, however growing labour demands are forcing these policies to be re-evaluated.

In recent years, there has been an increase in the number of migrant workers working in the construction industry in South Korea. South Korean law currently allows for a quota of 65,000 migrant workers in the construction industry, however a government-funded study has estimated that there are around 250,000 to 300,000 on the construction industry, meaning that there are around 180,000 to 240,000 working outside the quota.

Although the majority of migrant workers are Korean-Chinese, there are significant numbers from Central Asia, such as Mongolia, Uzbekistan, and Kazakhstan as well as from South East Asia, in particular Vietnam, Thailand, Philippines, and Cambodia. Employment issues like those around subcontracting or health and safety disproportionately affect migrant workers, whose visa status and cultural and language difficulties render them more vulnerable to exploitation.

In June 2016, union officials representing BWI affiliates from Thailand (BWICT), the Philippines (NUBCW) and Vietnam (VGCL) travelled to South Korea to explore how to support KFCITU's efforts to organise migrant workers in PyeongChang 2018. They gained critical insights into the challenges migrant workers face in South Korea - the difficulties in ensuring basic labour rights, the impact of subcontracting and the attacks on human rights defenders - as well as the complex political framework in which these forces exist.

The KFCITU recently assisted a group of ten Vietnamese iron workers to resolve an issue with unpaid wages. Their employer, a subcontractor, had gone bankrupt while owing the workers three months later, around US\$150,000. They had been working on average 14-hour days, 7 days a week, while living in a 3-room studio flat.

For most migrant workers, in particular undocumented migrant workers, outstanding wages remain the most challenging issue. Their vulnerable visa status makes tackling these problems much more difficult, as their opportunities for engaging with law enforcement officers are limited. While these workers were lucky not to have to deal with middlemen, many migrant workers are exploited by their gangmasters.

Conclusion

In 2007 the Building and Wood Workers' International launched an innovative initiative to support its affiliates in South Africa to organize construction workers in projects related to the 2010 World Cup in South Africa. The campaign resulted in the recruitment of over 30,000 workers into trade unions, 12% increase in wages and bonuses and improved safe working conditions. The success in South Africa was the impetus for the BWI to institutionalize a campaign under the banner of the Global Sports Campaign for Decent Work, targeting World Cup Tournaments in Brazil, Russia, and Qatar as well as the UEFA Tournaments in Ukraine and Poland and the Olympic Games in Rio de Janeiro, PyeongChang, and Tokyo.

In South Korea, the KFCITU has utilized the 2018 PyeongChang Winter Olympics to continue to push for direct employment, main-contractor liability, national and permanent mechanisms to address back wages, decent work, and better and safe working conditions. The union's efforts resulted in the organizing of construction site workers in the Gangwon region and the establishment of the Preliminary Committee for the Gangwon Workers Branch of the Korean Construction

Workers Union affiliated to the KFCITU. In addition, the union outreached to migrant workers from Vietnam, China, and Central Asia to raise awareness about their rights, provide essential services such as legal aid and to recruit them into the trade union. On 25 February 2018, the PyeongChang Olympic Games will conclude; however, the KFCITU will continue their work to improve the working and living conditions of all workers including migrant workers in the construction industry.

One of the objectives of these global campaigns is constructive engagement with international sporting bodies. Whereas, the BWI has made strides in its dialogue with FIFA, unfortunately, the IOC has failed to fulfil its responsibility to use its influence and leverage to ensure the human rights and labour rights of workers responsible for the success of the Olympic Games. As it did in Rio de Janeiro the IOC failed in PyeongChang. With the preparations for the 2020 Summer Olympics in Tokyo in progress, the BWI will continue to push the IOC so that they will act more responsibly and quickly to prevent deaths, back wages, and labour rights violations.



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