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 our affiliate the Korean Federation of Construction Industry Trade Unions (KFCITU), the BWI has been working to improve the working conditions of construction workers in the sports’ facilities, infrastructure, and other projects related to the Pyeongchang 2018. The Gangwon Branch of the Korean Construction Workers’ Union (KCWU), an affiliate of the KFCITU, has been the primary union organizing workers on these projects.

Pyeongchang 2018

A total of KRW 17 trillion (approximately USD$16 billion) will be invested in various private and public 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).

It is critical that as much of that investment goes into creating decent jobs for workers that are safe, secure and pay living wages on-time. Due to the massive increase in simultaneous construction projects, the KCWU Gangwon Branch is currently focussing all its efforts to keep pace with the increasing construction activity and the pressures this places on the trade union’s existing structures.

The International Olympic Committee (IOC) has a key role to play in advocating for the rights of workers in Olympic and other related construction projects. It should use its political and financial power to apply pressure to both national, provincial and local governments, as well as through the Pyeongchang Olympic Committee directly. Currently the three major issues that are prevalent in relation to Pyeongchang 2018 are the following:

1. Delayed or unpaid wage payments; and
2. Occupational safety and health; and
3. Promotion of direct employment.
Delayed or unpaid wages

Throughout 2015 KCWU Gangwon actively dealt with a large number of delayed or unpaid wage claims for its construction workers, many who are union members, working on construction projects. The total amount of back wages claims arising over 2015 came to KRW 13.6 billion, close to USD$12 million.

<table>
<thead>
<tr>
<th>Project</th>
<th>Client</th>
<th>Amount (KRW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wonju-Gangneung Railway roadbed construction section 2</td>
<td>Korea Railway Network Authority</td>
<td>107,085,385</td>
</tr>
<tr>
<td>Road construction Yeongwol-Bangrim</td>
<td>Wonju Regional Construction Management Administration</td>
<td>46,750,000</td>
</tr>
<tr>
<td>Optimized waterworks management system</td>
<td>Korea Environment Corporation</td>
<td>44,292,825</td>
</tr>
<tr>
<td>Harbin Ice Lantern Festival</td>
<td>Gangwongdo Development Corporation</td>
<td>1,100,000,000</td>
</tr>
<tr>
<td>Jungbong Alpine Venue</td>
<td>Gangwon Provincial Government</td>
<td>3,000,000,000</td>
</tr>
<tr>
<td>Yongpyeong Birchhill Terrace</td>
<td>Yongpyeong Resort</td>
<td>800,000,000</td>
</tr>
<tr>
<td>Electric facilities installation at Wonju-Gangneung Railway Section 11-3</td>
<td>Korea Railway Network Authority</td>
<td>20,000,000</td>
</tr>
<tr>
<td>East Hongchen-Yangyang Highway Section 5</td>
<td>Korea Expressway</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Suk-Makdong road construction in National Road No. 59</td>
<td>Wonju Regional Construction Management Administration</td>
<td>400,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>6,518,129,210</strong></td>
</tr>
</tbody>
</table>

In total, to March 2016 there remains KRW 6,518,129,210 (USD $5,569,696) in unpaid wages to workers engaged across nine construction projects related to Pyeongchang 2018, including KRW 4,100,000,000 (USD$3,579,587) owed to around 100 workers on two Pyeongchang Olympic sports facilities.

This problem arises from the system of subcontracting that dominates the South Korean construction industry, whereby workers’ wages can get lost between layers of subcontracting, exacerbated by a distinct lack of transparency. Clients and contractors often claim that they are not the problem here, as often it is subcontractors that are not paying workers on time. Under the South Korean ‘Framework Act on the Construction Industry’, subcontracting is permitted only where a general contractor subcontracts certain tasks to specialised contractors, and even then it is limited to a maximum of three layers. Labour-only subcontractors (i.e. workers) may undertake work if they are supervised by the lead contractor; this 1996 amendment has effectively legitimised what would otherwise be illegal multi-layer subcontracting. A 2006 survey found that 70 percent of building sites have at least three tiers of subcontracting, with some having as many as five. According to the KFCITU they have found some construction sites where there may be as many seven or even nine layers of subcontracting.

Continued layers of subcontracting puts downward pressure on wages and working conditions, creating a race to the bottom for construction workers. Subcontracted workers lack the benefits of direct employment, both in terms of the financial benefits and rights, particularly the right to bargain collectively. This fact, combined with the high level of temporary, irregular work in the construction industry, means that most construction workers end up working long hours for low pay and little chance to better their conditions.

The end result of this structure is that workers are left out of pocket, often for months at a time, as they struggle to keep up with day-to-day costs such as...
of rent, utilities and basic commodities like food. 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 is a national problem across the construction sector in South Korea. In Seoul the interconnected problems of wages corruption, a lack of transparency and unpaid wages has been solved by implementing the ‘Anti-Corruption Clean Construction System’, a multi-pronged solution to a complex problem. One of the key parts of this system is the ‘Subcontract Payment Monitoring System’, a direct payment system that is designed to protect workers at the end of a subcontracting chain from the problem of overdue wage payments. Payments are made directly from the client to the general contractor’s, the subcontractor’s, and the construction workers’ accounts separately instead of through a chain of payments.

This system has been extremely successful in Seoul in alleviating financial stress and hardship on both subcontractors and workers. The KCWW have requested that the Gangwon provincial government implement a similar system, and there are local legislators that have drafted the necessary legislation to implement such a system.

**Occupational Health and Safety (OHS)**

The subcontracting structure impacts on other areas of work, and the results are obvious in the area of occupational health and safety. South Korea has one of the worst industrial accident rates in the OECD, and the South Korean construction industry had the highest incidence of serious or fatal accidents of any industry in the country. Around the world the construction sector is renowned for under-reporting accidents, and the BWI believes that significantly under-reporting is likely to be taking place on Olympic construction sites. According to the KFCITU, there is an average of two deaths a day due to accidents in the construction sector.

The pressures of multi-layer subcontracting have made excessive working hours a norm in the construction industry, and this is a key driver of South Korea’s poor OHS performance. Furthermore, 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.

As already publicly reported, there have already been two tragic fatalities of workers on Pyeongchang 2018 construction sites. The first fatality occurred in April 2015, when 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. The second fatality occurred in November 2015 when a dump truck driver fell to the ground after he was changing his truck’s container into a de-icing spraying machine.

A rain-soaked KFCITU protest banner reads Construction workers are dying despite the Government’s slogan of double income and double happiness for Ganwon locals.
Knowledge of these two fatalities was a result of independent investigations undertaken by KCWU Gangwon Branch. However, the full picture of occupational health and safety at Pyeongchang 2018 Olympic projects is unknown due to a lack of transparency. It is believed that contractors are concealing statistics on many accidents that have taken place. Noting this, the KFCITU has called for more transparency in the collection and reporting of accidents and deaths.

**Promotion of direct employment**

Given that many of these problems either originate in, or are exacerbated by, the model of subcontracting that has become commonplace in South Korea, a key solution to many of these problems is for the International Olympic Committee 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 that took place between organised labour and the International Olympic Committee, and was accepted by the IOC due to the benefits it provided to workers and their families. The BWI has consistently advocated direct employment globally and we believe that this should be a key part of Pyeongchang 2018, as the Olympic Games can provide a platform for reforming part of an industry that fails to put the interests of workers first. 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. The KCWU Gangwon Province is, with the help of the Construction Workers Mutual Aid Association, establishing a free recruitment agency to help job seekers find work at sites, managing and organising workers through educational and outreach programmes.

**Migrant workers**

In recent years, there has been an increase in the number of migrant workers working in the construction industry in South Korea. Although the majority 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. Issues like those mentioned above have a disproportionate impact on migrant workers, whose visa status (and associated employment restrictions), and cultural and language difficulties render them more vulnerable to exploitation. The KFCITU is a strong advocate for the rights of migrant workers and their affiliates including the KCWU have successfully outreached to migrant workers resulting many to join the union. Recently, the Gangwon Branch has launched a survey to look at the working conditions of construction site workers and through this research they have found that many migrant workers are involved in the Pyeongchang 2018 projects. Noting this the union’s future organizing strategies will include inclusion of migrant workers. This will be done in partnership with BWI affiliates in the countries of origin, specifically, in the Philippines, Thailand, and Vietnam with the support of BWI.

**KFCITU demands the following:**

1. Immediate resolution of all back wage payments owed to workers in construction projects related to the 2018 Pyeongchang Winter Olympics;
2. Gangwon Provincial Government to implement an electronic payments system to ensure workers are paid on time;
3. Establish a special tripartite consultation body to ensure safety for construction workers;
4. Direct employment of construction workers and to stop illegal subcontracting; and
5. Establish an employment centre to provide support for the construction workers in the Gangwon Province.

**BWI demands IOC do the following:**

1. Facilitate immediate payment of all back wages to workers;
2. Conduct immediate inspection and health and safety assessment of all project sites of the 2018 Pyeongchang Winter Olympics;
3. Carry out joint labour inspections of all project sites of the 2018 Pyeongchang Winter Olympics; and
4. Establish an effective dispute mechanism at all 2018 Pyeongchang Winter Olympic sites to address workers’ rights violations and grievances.