

South Korean workers protest mass retrenchments

Peter Symonds
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Strikes and protests have erupted in South Korea over the last week against a continuing wave of corporate restructuring and retrenchments. The industrial unrest is the most extensive since former opposition leader Kim Dae Jung was installed as president in February.

In the capital, Seoul, last Saturday, thousands of workers, including strikers from the Kia Motors plant in the southwestern suburbs, clashed with riot police during a rally to oppose planned job cuts. More than 13,000 Kia workers have been on strike since a court placed the corporation in receivership on April 15. The unions are demanding that the government allow the company to restructure its debts, as an alternative to its takeover. Hyundai, Daewoo and Samsung are all bidding to buy up the auto giant.

Many employees from state-owned firms, also facing job losses, took part in the protest. A presidential budget committee recently ordered 155 state-run and state-invested companies and organisations to present privatisation blueprints by May 4. Dozens of immigrant workers, who have been among the hardest hit by rising unemployment, joined the demonstration. An estimated 47,700 workers from countries such as China, India and Nepal have already been forced to leave the country.

On the same day, 7,000 workers demonstrated in the southern industrial city of Ulsan, home of the giant Hyundai conglomerate. Hyundai workers have threatened to take strike action against company plans to dismiss up to 10,000 from its work force of 45,000.

Hyundai's Ulsan plant is operating at 45 percent capacity. The unions agreed to management decisions to axe the night shift and enforce holidays for thousands of workers, but opposed the company's plans to force older workers to take early retirement. Instead union leaders have called for a 30 percent cut in working hours, with a corresponding pay cut.

The two major union groupings—the officially-recognised Federation of Korean Trade Unions (FKTU) and the Korean Confederation of Trade Unions (KCTU)—paved the way for the mass retrenchments by signing a pact in February with the government and big business to substantially alter labour legislation. The new laws effectively end the system of lifelong employment, which has provided job security for many full-time workers in the past.

Newly-elected KCTU leaders now claim to oppose the deal and have called for national strikes next month over the government's restructuring of state-run companies. The union body does not oppose the job losses as such, but has attacked the government's action for being "unilateral," and called for a new plan to be approved by workers.

Massive job cuts were a crucial feature of the International Monetary Fund's US\$57 billion bailout of the economy, now being enforced by the newly installed government. President Kim Dae Jung, who campaigned on his reputation as a "democrat," has outlawed the recent strikes and protests.

According to the government's own figures, unemployment has been rising at an estimated rate of 10,000 a day—most of the losses being in white collar jobs in financial institutions and management. The official jobless rate is expected to more than treble to 8.5 percent this year, up from 2.5 percent last year.

Among industrial workers job losses are set to soar as conglomerates like Hyundai put restructuring plans into effect. Domestic vehicle sales are expected to drop by as much as 57 percent this year. Auto companies will also be hit by increased competition as the US and other powers press for access to South Korean vehicle markets.

Official unemployment figures ignore day labourers

who have been severely affected by job losses, according to the Korea Council of Construction Daily Worker Unions. A small sample survey of members conducted by the union revealed that 80 percent of casual construction workers were out of a job. The average number of work days was 6.1 days last month, and 47 percent earned nothing at all. An estimated 1.8 million workers in the construction industry are excluded from the existing limited social security system.



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