

# South Korean workers demand halt to mass layoffs

**Peter Symonds**  
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Up to 120,000 workers took part in strikes and rallies across South Korea on May 27-28, protesting against the rapid rise of joblessness since the beginning of the year. The official unemployment rate reached nearly 1.5 million or 6.7 percent in April, the highest level in 12 years.

Jobs continue to be lost at the rate of 3,000 a day. The actual level of joblessness is estimated to be close to two million or 9.5 percent when the under-employed, part-time and temporary workers are included.

The Korean Confederation of Trade Unions (KCTU), which organised the walkout, has a membership of over 500,000 in the auto, heavy machinery and other industries. KCTU leaders have threatened to call further national strikes from June 10 unless the Kim Dae Jung government agrees to talks on its demands.

In the south-east industrial city of Ulsan, 32,000 workers in the giant Hyundai Motors plants brought the assembly lines to a halt on May 27 and called for job security. Just last week Hyundai announced plans to lay off 8,200 workers or 27 percent of its workforce and to cut pay bonuses and benefits in a bid to save 230 billion won.

Economic analysts warn that Hyundai's announcement will prompt other large industrial conglomerates or chaebol to follow suit, resulting in the loss of another 500,000 to 600,000 jobs in coming months. Auto manufacturers have been operating at only 40 percent capacity as a result of the downturn in both domestic sales and exports.

In all, workers from an estimated 125 companies took part in the strikes including 10,000 from Daewoo Motors outside Seoul, and others from auto parts maker Mando Machinery, and shipbuilder Halla Engineering and Heavy Industries.

The government, through the prosecutor-general's office, branded the strikes as "illegal," threatened to

utilise the full force of the police force to prevent factory occupations and demonstrations, and to bring charges against strike leaders. One of Kim Dae Jung's top economic advisers, You Jong Keun, told the media: "We are not going to be pushed around by organised labour."

On May 27, a small rally of 2,000 workers marched through central Seoul, closely watched by hundreds of riot police. In the western city of Pupyong nearly 10,000 workers held a rally. Elsewhere in Seoul and in other industrial cities, police conducted spot checks to prevent spontaneous demonstrations from taking place. An estimated 20,000 riot police were on standby.

The KCTU leadership is demanding a revision of the changes to South Korea's labour legislation enacted in February, allowing for mass retrenchments and the operation of temporary employment agencies. The amendments opened the door for the effective destruction of the country's system of "life-long" employment which previously guaranteed the jobs and benefits of full-time workers. In addition, the KCTU is demanding the renegotiation of the agreement reached with the International Monetary Fund to provide a record \$US57 billion financial bailout.

At the beginning of the year, the KCTU leaders sat with government officials, big business chiefs and the conservative Federation of Korean Trade Unions (FKTU) on the Tripartite Committee which drew up and approved the changes to the labour law.

The KCTU's agreement to the legislative changes provoked a membership revolt, a switch of leaders and the calling of national strike action. But the perspective of the new KCTU officials was no different. On the eve of the general strike, they acquiesced to the demands of government and big business to call off the action to help preserve the South Korean capitalist economy.

Since the amendments have been brought into force, unemployment has skyrocketed -- doubling in the space

of just three months. Hundreds of thousands of workers, both in industry and offices, have been thrown out of work. The city of Seoul has had to establish a 500-bed facility to temporarily house the unemployed as the number of homeless on the streets has risen sharply. The suicide rate has also jumped dramatically.

The KCTU has called the strikes in response to the growing anger of working people at the destruction of their jobs and living standards, virtually overnight. According to one estimate, only 22 percent or 270,000 of the jobless are eligible for any form of unemployment insurance pay.

At the same time, however, the KCTU leaders are bending over backwards to reach a new agreement with the government, offering to hold talks during the strikes. The KCTU has not ruled out resuming its seat on the Tripartite Committee to discuss its demands with business leaders and state officials.

Kim Dae Jung, who was elected last year with the backing of the KCTU, is desperate to head off further industrial action. Prices on the Korea Stock Exchange plunged by 13 percent in the two days prior to the strikes, and only recovered somewhat on Wednesday.

The South Korean economy is in a shambles. During the first quarter of the year, the Gross Domestic Product (GDP) shrank by 3.8 percent. Industrial output fell at an annual rate of 10.8 percent in April, the largest since records were first compiled in 1954. The fall, the fourth in a row, follows a decline in March of 10.1 percent.

The government has given banks until the end of May to assess the financial viability of companies. Rumours have circulated in business circles of the existence of a government "death list" of a dozen large conglomerates which face forced liquidation.

In the months ahead unemployment will continue to rise as the government implements the IMF's demands for a massive restructuring of the South Korean economy. Kim Dae Jung will depend heavily on the KCTU leadership to attempt to contain the opposition of the most militant sections of workers.



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