

Hyundai workers sacked in South Korea

Peter Symonds
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South Korea's largest auto company, Hyundai Motor Co, yesterday fired more than 1,500 workers in the southern industrial city of Ulsan despite continuing strikes and protests against the mass retrenchments.

The company notified the country's Labour Ministry in late June of its intention to lay off 2,678 workers to 'tide over its managerial difficulty'. Over 1,000 workers accepted Hyundai's so-called voluntary retirement package -- the remainder were sacked when they refused the offer by July 31. A further 900 workers have been asked to take two years unpaid leave.

The layoffs are the first by a major conglomerate or chaebol under South Korea's labour laws which were amended in February with the agreement of the two major trade union federations to effectively end the country's system of life-long employment.

A wave of mass sackings is expected by other chaebols. Daewoo Motor has already notified the labour union of its intention to lay off 2,995 workers. Two other Hyundai subsidiaries -- Hyundai Motor Service and Hyundai Precision & Industry -- as well as the giant Samsung Electronics are reported to be considering similar plans.

Hyundai Motor, which employs more than 46,000 workers, has been regarded as a centre of union militancy and one of the strongholds of the Korean Confederation of Trade Unions (KCTU).

Thousands of workers continued to occupy Hyundai Motor plants yesterday vowing to fight the layoff decision. The company attempted to re-open its assembly operations last Tuesday after a week-long closure but was forced to announce a further delay until August 9 as a result of continuing opposition. Striking workers have established makeshift protest camps on the factory premises since July 20.

About 2,800 riot police have surrounded the factories and prevented attempts by students from the outlawed 'Hanchongyon,' or coalition of university student

councils, to join the protesting workers. A labour union spokesman also rejected the offer of support by students, saying the union did not want 'violence'.

Over the last month, Hyundai workers have taken repeated strike actions against the planned sackings. Rallies and protests have been held both in Ulsan and in the capital of Seoul. On Thursday, the day before the company deadline, an estimated 5,000 Hyundai workers held a protest rally in a park in Ulsan.

The company has attempted to justify its position by pointing to the downturn in the auto market. According to company officials, Hyundai's six assembly plants with a yearly production capacity of 1.65 million vehicles are operating at only 40 percent capacity. The response of the labour union has been to call on the company to cut wages and implement job sharing programs rather than destroying jobs.

The National Statistical Office this week announced a year-on-year drop in industrial output of 13.3 percent for June, the steepest ever monthly decline. The largest falls were in automobile production -- 45.1 percent -- and in heavy equipment manufacture -- 35.4 percent. The official unemployment rate has already tripled since the beginning of the year, and is certain to go much higher as other major companies follow the lead given by Hyundai.

Both the KCTU and the more conservative Federation of Korean Trade Unions (FKTU) have organised limited protests over the continuing wave of retrenchments throughout the country. Last week the union bodies called off national strike action over layoffs and on Monday indicated that they would rejoin official tripartite negotiations with government and big business officials. Coming only days before the Hyundai layoffs were due to take place, the unions' actions could only strengthen the hand of the company and weaken the opposition of workers.

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