

Hyundai workers continue to fight lay-offs

Korean unions trade-off wages and conditions

Terry Cook
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Thousands of South Korean auto workers employed by Hyundai have refused to return to work and are continuing to take action against lay-offs after the company ended a three-week shutdown on Monday.

The workers are protesting the sacking of 2,600 workers and the standing down of another 900 workers without pay for two years. The company has already shed 5,336 jobs in three rounds of voluntary retrenchments.

The strikers defied attempts by non-union workers planted at factory gates by the management to persuade them to return to work. Some 80 workers who were occupying an assembly line clashed with non-union workers attempting to start work. Hundreds of others are continuing with protests in the factory grounds.

Hyundai shut down its plants last month to prevent protests by workers after it announced its mass retrenchments. On July 20 workers erected a tent city outside the company's main plant in the southern city of Ulsan and staged rallies that attracted up to 10,000 workers.

Early last week hundreds of police were mobilised to disperse the crowds. The government has now posted 4,500 riot police around the plants in an attempt to stop a similar development and to intimidate workers.

Despite the determination of the workers to resist downsizing and the assault on their working conditions, the union leadership is attempting bring the dispute under control and broker a deal that will deliver wage cuts and other concessions in return for a temporary halt to the sacking of 1,600 workers.

The company has rejected a union proposal for wage cuts worth 300 billion won [\$US243 million], including the cancellation of unpaid back pay. A company spokesman dismissed the offer as 'too costly for the company.' Hyundai had earlier threatened to axe a

further 6,842 jobs if the union did not accept a 21.7 percent pay cut.

The Hyundai workers are being increasingly isolated. The leading union organisations, including the Korean Confederation of Trade Unions [KCTU], have repeatedly called off national strike action or limited strikes to token stoppages.

The union at Daewoo Motor Co, where workers previously engaged in joint action with the Hyundai workers, has ended its dispute against 2,995 lay-offs and has struck its own deal with the company. The agreement accepts a total freeze on wages, increased production and other cuts to benefits in exchange for a suspension of lay-offs until the year 2000.

The Hyundai union leaders have welcomed the Daewoo agreement and called for a similar pact. These union offers are in line with the KCTU's pleading to the government for what it calls 'socially acceptable reforms.' But no matter what workers surrender, the demands of the companies for further concessions will only increase as the economic crisis gripping the country continues to escalate.

Hyundai is expected to record a 21 percent plunge in its first-half yearly sales to 4.3 trillion won [\$US5.4 billion] and a 200 billion won loss. The company's domestic sales of vehicles fell 26 percent to 20,903 units in July and its exports crashed 74 percent to only 15,056.

A spokesman for the government of President Kim Dae Jung said even greater cuts and downsizing are required to record a negative growth rate of 4 percent, agreed with the International Monetary Fund. But the central bank on Monday predicted that the economy could contract by up to 7 percent this year, with prices also rising by up to 8 percent. Before the meltdown hit South Korea last year, the country had a growth rate of

7 percent.

See Also:

Hyundai workers sacked in South Korea

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