

Korean unions accept Hyundai job cuts

Angry workers denounce agreement

Richard Phillips
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Union officials representing 26,000 Hyundai Motor workers called off the month-long strike and occupation of the company's Ulsan plant last Monday, agreeing to the destruction of hundreds of jobs.

After four days of round-the-clock talks with Hyundai and the Kim Dae-jung government, the unions endorsed the immediate dismissal of 277 workers. Another 1,261 will be forced to take unpaid leave for 18 months.

In sum, the unions accepted the loss of all the jobs Hyundai management wanted to axe--over 1,530.

A six-month retraining program for those laid-off provides no guarantee of reemployment.

The confrontation at the Ulsan plant was widely regarded as a test case for the government and major corporations. On the one hand, Hyundai, the largest South Korean conglomerate, was determined to impose mass sackings under the government's new provisions ending lifetime employment. On the other hand, Hyundai was the centre of union militancy and stronghold of the Korean Confederation of Trade Unions (KCTU) during the 1980s and 90s, with numerous strikes and pitched battles between workers and troops.

Over the last eight months the KCTU and Hyundai unions have already assisted the company to destroy over 8,500 jobs via so-called voluntary redundancies. The unions have also negotiated wage cuts, extended unpaid vacations and increased working hours.

Now they have agreed to draw up a two-year 'industrial harmony and non-dispute' contract which includes new, but as yet undisclosed, productivity demands as well as a commitment to restore production lost during the one-month strike. They have also declared they will not defend workers facing prosecution for action deemed to be 'outside the union's

control.'

Hundreds of workers and their families occupying the plant angrily denounced the deal. Some burnt union flags or tore up their union vests in protest. As news was released about the deal 200 workers shouting 'dismissals must be recalled', converged in protest on Hyundai Motors main building where union leaders were meeting with management and government officials.

Letters from angry workers appeared on Internet discussion groups denouncing the union and calling on the leadership to resign. One typical comment declared: 'Hyundai workers' struggle is not only for themselves, but for all workers in Korea!'

The agreement was negotiated only days after workers, armed with lead pipes and other hand-held weapons, resisted attempts by hundreds of heavily armed riot police to evict them from the plant on August 18. President Kim Dae-jung, elected last year with union support, mobilised 15,000 police, accompanied by helicopters, tear gas, water cannon and bulldozers, but then pulled back, preferring to seek a deal with the union leaders.

Meanwhile, the city of Ulsan, just over 200 kilometres southeast of Seoul, was put under siege by the police and sealed off to prevent the entry of supporters of the striking autoworkers. The government also deployed riot police against striking workers at the Taekwang, Hanyoung and Kooryo companies in Incheon.

After the initial clash at Ulsan, the KCTU leadership called a press conference, appealing to the government to join the union in brokering a new agreement with Hyundai. The union warned of an 'irrevocable catastrophe, not only for the relations between labor, employers and the government, but also for the whole

of Korean society' if the government attempted to use troops to break the strike.

The KCTU threatened to call nation-wide strike action and withdraw from the tripartite job-cutting agreement established under the International Monetary Fund's \$58 billion economic restructuring plan. If, however, the government helped negotiate an agreement, the KCTU would maintain its 'commitment to be an active force in the comprehensive reform of the Korean society and in the national effort to overcome the crisis.'

In announcing their deal at a joint press conference, both the Hyundai Company and union presidents apologised for the prolonged dispute and declared the agreement could herald a 'new era' in labour-management relations.

Two days later, another trade union federation, the Federation of Korean Trade Unions, estimated that between 200,000 and 300,000 workers will be dismissed throughout South Korea in September and October. Some 150,000 bank and insurance workers will lose their jobs when 12 banks and 5 insurance companies are forced to drastically restructure or shut down. Mass job losses are also expected at Kia Motors, Samsung, Daewoo, LG and SK.

Unemployment has already trebled this year, reaching 7 percent even on the official figures. This puts in doubt the government's hope to contain the jobless total to around 1.5 million this year.

The international financial markets are demanding even more ruthless job cuts. Steve Martin from Jardine Flemings Securities described the Hyundai settlement as a 'total farce' for not eliminating more jobs immediately. He declared that the government would face further difficulties attracting global capital. 'It's very bad for Hyundai, for corporate restructuring and for South Korea's ability to get overseas finance,' he said.

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