

# South Korean workers fight mass job cuts

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Over the past two months spasmodic strikes and protests have erupted in some of South Korea's major conglomerates in opposition to large-scale restructuring plans that threaten 100,000 to 150,000 jobs.

The plans, known as "big deals," involve the exchange between companies of a number of industrial divisions, allowing the closure of non-profitable units. Samsung Motors will hand over its fledgling car unit to the rival Daewoo Group in exchange for Daewoo Electronics. Hyundai Electronics is poised to take over LG Semicon's computer chip manufacturing operations.

In December 6,200 workers at Samsung in Pusan and Taegu went on strike and 600 more staged an indefinite sit-in at the company's headquarters. At the same time, 3,000 Daewoo workers stopped work and held protest rallies outside the head offices of Daewoo in Seoul.

In mid-January Daewoo workers in factories in Kumi, Inchon and Kwangji went on strike for five days demanding a guarantee of five years' job security or compensation of 60 months pay if lay-offs went ahead.

At the end of the month 7,000 L G Semicom workers closed down the company's three plants in Chongju and two in Kumi. The strikers demanded that Hyundai retain at least 70 percent of the workforce for five to ten years and that workers accepting voluntary redundancy be paid a bonus equal to two years' pay.

Despite the protest strikes the companies have stepped up their plans under pressure from the government of President Kim Dae Jung, the International Monetary Fund and creditor banks, which had become increasingly critical of the reluctance by the conglomerates to trim their operations.

The rationalisations are part of the measures demanded by the IMF to restructure the South Korean economy in exchange for a \$55 billion bailout.

Last week the three companies were joined by Hyundai and SK to jointly announce they would dispose of 48 "unprofitable units" by the end of June,

far surpassing the 35 units shed last year. The five conglomerates employ over 600,000 workers between them.

Hyundai, the nation's largest combine, will shed 19 affiliate units over the coming months, followed by 10 more next year. Samsung will off-load five units immediately and axe another 21 in the second half of this year. LG Semicom is expected to dispose of 10 units and SK at least nine.

At the beginning of January the Korean Confederation of Trade Unions (KCTU) and the Federation of Korean Trade Unions (FKTU) threatened a general strike "unless the government shows a drastic change in its position towards the overhaul of state firms and conglomerates".

Both organisations threatened to leave the government's tripartite committee, through which the unions have directly collaborated with government and employer representatives to impose lay-offs and cut working conditions.

Even as the conglomerates push forward with their plans, however, there is no sign that the two peak union bodies are planning any coordinated action by their 1.6 million combined memberships.

Both of these organisations are responsible for creating the conditions for the government and employers to launch the new round of restructuring. Last year they aborted three general strikes called to oppose mass layoffs. The leaders of the KCTU and metal unions betrayed the month-long occupation by Hyundai workers of the company's Ulsan plant in August.

While the Hyundai workers resisted repeated assaults by 15,000 riot police, armed with helicopters, bulldozers, water cannon and tear gas, the KCTU and metal union called off the occupation and accepted the majority of management's demands, including the loss of 277 jobs. Another 1,261 workers were forced to take

18 months' leave without pay.

Despite overwhelming opposition by rank and file workers, the unions signed a pact with Hyundai sanctioning further mass lay-offs and pledging to deliver increased productivity. The defeat of the Ulan occupation opened the way for the government to launch an offensive against other sections of the working class.

International investors have applauded the new round of restructuring. Last week the credit agencies Standard and Poor's and Fitch IBAC raised South Korea's credit rating to investment grade. At the end of last year unemployment stood at 7.3 percent, with up to 2 million people out of work.



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