

Amid further restructuring and layoffs

South Korean unions threaten national strikes

Terry Cook
16 March 1999

South Korea's second largest trade union grouping, the Korean Confederation of Trade Unions (KCTU), last Friday threatened to call strikes and protest rallies unless President Kim Dae Jung called a halt to plans for further corporate restructuring and widespread layoffs.

KCTU chairman Lee Kap Yong said: "We will launch all-out struggles against the government in March and April if the government does not accept our demands." A partial strike at auto plants and other factories is due to begin on March 25, followed by protest rallies in major cities on March 27 and nationwide strikes in the middle of April.

The KCTU held a march and rally of metal and auto workers on February 27 in the capital Seoul. More than 10,000 gathered in a park in the city centre and clashed with riot police. Workers overpowered dozens of police and stripped them of their shields, helmets and batons. Others chanted: "No to restructuring!" "No to layoffs!"

The government is pressing ahead with International Monetary Fund (IMF) demands for drastic changes to the country's corporate conglomerates or *chaebol*. On March 4, Kim Dae Jung called 22 leading business tycoons to the presidential mansion and warned that international credit rating agencies and financial institutions were insisting that *chaebol* restructuring was the most important of all economic reforms. "They say if we drag our feet, we may again face difficulties. The government is of the same opinion."

Under the government's plans, the conglomerates would shed so-called under-performing industrial subsidiaries and carry through mergers and industrial unit swaps known as "big deals". The top five *chaebol*, including Hyundai, Samsung, Daewoo and LG, directly employ about 600,000 people, of which between 100,000 and 150,000 are expected to lose their jobs. Moves to impose "big deals" have already resulted in

strikes over job security at Daewoo, Samsung and LG Semicom plants across the country.

Over the last year the South Korean working class has been devastated by the impact of the country's economic crisis and the IMF's restructuring demands. Unemployment almost trebled from 3.2 percent in January last year to 8.9 percent now. Nearly two million are out of work and the unemployment rate is set to leap to 10 percent over the next few months. In the industrial centres of Pusan, Inchon and Kwangju, unemployment already stands at between 10.7 percent and 11 percent.

It is not surprising that under such conditions, the KCTU leadership, which is based among industrial workers, particularly in the large conglomerates, is attempting to distance itself from the policies of the Kim Dae Jung government. Over the last year, the union leaders have sat alongside government representatives and business leaders in a tripartite committee to supervise the restructuring process.

On February 24, the KCTU leaders quit the tripartite committee and threatened an "all-out campaign" against the government. The former government-controlled Federation of Korean Trade Unions (FKTU), Korea's other peak union body, also announced that it would leave the committee by the end of March but has since re-established discussions with the government.

Behind the KCTU's calls for an all-out struggle, it is preparing to collaborate more closely with the government and big business in the restructuring process. Its leaders have not ruled out further talks with the government nor returning to the tripartite committee, as they have done previously.

Claiming that employers have simply ignored the tripartite committee's decisions in the past, the KCTU is demanding that the committee be formalised as a legal

entity with the power to make binding decisions. Such a measure would only entrench the KCTU even further in the process of imposing layoffs.

The KCTU's other major demands are for the introduction of "work sharing" schemes and an expansion of social security for unemployed workers. As in other countries, work-sharing will not create full-time jobs; rather it will result in reduced working hours, with corresponding pay cuts.

The government has a two-track policy. It is attempting to woo the KCTU back onto the tripartite committee and also preparing to step up state repression. The day after the KCTU quit the committee, the government announced the formation of the Public Security Consultation Council, a co-ordinating body consisting of prosecutors, police and intelligence officers to deal with industrial action. The council's prosecutors are already seeking the arrest of a dozen or more union officials involved in recent strikes and stoppages.

Kim Dae Jung has relied heavily on the KCTU to implement its economic program. At the beginning of 1998, the incoming government faced a revolt by workers against changes to the labour laws demanded by the IMF to scrap the country's life-long employment system. The KCTU leaders, who had backed Kim's election as president in 1997, threatened to call national strikes to block the legislation but at the last minute caved in and eventually agreed to sit on the tripartite committee overseeing the sackings.

Under the changed laws, employers were able to lay-off workers "through reasonable and fair procedures" and for "emergency management reasons," including mergers and acquisitions. The KCTU told their members that industrial restructuring was "painful but inevitable".

Last August, one of the KCTU's main affiliates, the Korean Metal Workers Federation, played the key role in sabotaging the month-long occupation by Hyundai workers of the company's plant in Ulsan. While the workers and their families battled 15,000 heavily-armed riot police to defend their jobs, the union leaders were locked in discussions with the company. The union accepted most of the employers' demands and shut down the dispute. The defeat of the Hyundai workers, one of the most militant sections of the working class, opened the door for the devastating

round of restructuring now being brought forward by the IMF and Kim Dae Jung.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact