

South Korean unions rapidly shut down national strike campaign

A correspondent
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Bowing to government threats and pressure from the media, the Korean Confederation of Trade Unions (KCTU) has effectively ended most industrial action just days after launching an indefinite strike campaign on June 12 for a 12 percent wage rise and improved conditions.

The wages campaign has been in preparation for weeks after being called off in May. KCTU officials estimated that 55,000 workers from 125 locations joined the strike on June 12, mainly in the metal and chemical industries. About 1,400 pilots at Korean Air (KAL) and ground crew at Asiana Airlines also went on strike for increased pay, causing widespread cancellations of international and domestic flights.

Thousands of striking workers marched through the centre of Seoul chanting “Down with President Kim Dae Jung’s government”. The government faces hostility over its restructuring program, which has resulted in widespread job losses and rising levels of poverty and unemployment.

The following day, June 13, an estimated 10,000 nurses and general workers from more than 50 hospitals around the country joined the strike. The sudden walkout surprised the KCTU, which had not expected stoppages by health workers until June 20.

From the outset, Kim Dae Jung warned that tough measures would be taken against striking workers. He told cabinet the day before the KCTU campaign began that “illegal and violent strikes” would not be tolerated. “The government should not retreat in the face of striking workers using force. If we cannot restore order, foreign investors will stop investing in Korea and domestic firms will leave for China and south-east Asia,” he said.

The president singled out the KCTU, pointedly saying that his government had lifted the ban on the

formerly illegal union body and hinted that it could be reimposed. “Is there any country in the world that allows illegal and violent strikes, while guaranteeing the freedom of expression through peaceful and legal action?” he asked.

On the day the strikes began, police issued arrest warrants for 14 union leaders. To reinforce the message, hundreds of riot police stormed a high-rise tower in the Hyosung chemical plant in Ulsan to end a symbolic seven-day sit-in by union officials and workers.

The police crackdown was complemented by a vicious media campaign against the strikers, targeting the “high paid” airline pilots in particular.

As a result, a day after the campaign began, the strikes were at a critical turning point. Despite the police action, hospital workers had joined the strike. The KCTU could have brought other sections of its 500,000-strong membership into the campaign and directly challenged the government’s onslaught and policies. Instead the opposite took place.

The KAL unions ended their strike on June 13 and the pilots began to return to work. The following day, the KCTU leadership called off any unified campaign and urged its individual affiliates to begin negotiations at individual factories and enterprises for separate agreements. In the industrial sector, deals were rapidly struck even though the police staged a provocative new attack on June 14 to break up an occupation of workers at the Yeochon Naphtha Cracking Centre.

By the weekend, health workers at all but four hospitals in Seoul had returned to work to pursue separate agreements. The union at Incheon Iron and Steel agreed to enter discussions with the management despite strong rank and file calls for strike action. The unions at Hyundai HYSCO, LG Caltex Gas and

Ssangyong Motor all concluded separate wage outcomes. The union at Hyundai Merchant Marine, the largest shipping company in Korea, struck a deal to suspend wage claims, while union officials at Hanjin Shipping agreed to forgo pay claims.

Last Saturday, thousands of workers and students marched through the streets of Seoul to support the KCTU's demands and chanted "Stop restructuring and suppressing labour unions". About 10 people were injured in clashes with an estimated 2,500 riot police, including some 300 special police sent to arrest KCTU leader Dan Byoung-ho. By Monday, however, the strike campaign was all but over. The most recent reports indicate that the remaining hospital workers and the ground staff at Asiana airlines have negotiated agreements to end the last industrial action.

The ferocity of the police and media response to the strikes underscores what is at stake. Sections of big business are insisting that the Kim Dae Jung government accelerate its program of market reforms and restructuring and break any resistance by workers.

In April, the government was forced onto the back foot following a brutal police attack on Daewoo workers as they and their lawyers attempted to enter the union office inside the company's plant at Pupyong. The incident, captured on video and widely circulated by the KCTU, provoked a public outcry against the government.

In a matter of weeks, however, the government came under sharp criticism from sections of big business. At the beginning of the June, the Korean Employers Federation (KEF) issued a statement accusing the government of "drifting on the labour issue" since the assault at Pupyong. "It is a big disappointment that the authorities concerned are not taking any action against illegal activities (strikes and demonstrations), despite the President's stern warning that those who violate the law will be punished without exception."

KEF vice-chairman Cho Nam-Hong declared that slogans at union rallies calling for an "end to corporate and financial restructuring" demonstrated the "unjustifiable nature of the protests".

High on the agenda of big business is a resolution to the protracted negotiations with the US auto giant General Motors over the sale of Daewoo Motors, which has been held up by the opposition of workers. Daewoo was placed into receivership last September with debts

of over 23 trillion won (\$US17.6 billion) compared with assets of 9.1 trillion won.

While representatives of the state-owned Korean Development Bank, Daewoo's major creditor, say a formal takeover deal is to be signed by August or September, the sale faces major hurdles that could easily see negotiations collapse and GM withdraw.

One stumbling block is Daewoo's projected debt. GM has indicated that it is unwilling to take on more than \$2 billion of the debt and has suggested that Daewoo's creditors write off the remainder in exchange for between one third to one half of the new entity. While neither the creditors nor the government are happy with the proposal, GM could walk away and leave Daewoo in limbo.

The other hurdle, with potentially explosive consequences for the government, is whether GM is prepared to acquire all three of Daewoo's Korean-based plants. GM has stated it is only interested in the newer plants in Changwon and Kunsan, leaving a question mark over the future of Daewoo's main Pupyong plant in Incheon, which employs more than half the company's 15,700 strong Korean-based workforce. On June 6, the *Korean Herald* warned a GM takeover that did not include Pupyong "will be greeted by chaos".

A week before the wages campaign, more than 6,000 riot police were mobilised against a march of 10,000 demonstrators opposing the GM takeover. Workers were struck down with batons, punched and kicked and at least 17 were detained. In the wake of the attack, union leaders are now indicating that it is "a bad time to argue about the sale" and are hinting at a deal with management.



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