

South Korean auto unions hold token strikes

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Hyundai auto workers held their first strike of 2014 last Friday, demanding the inclusion of bonuses in their basic pay rate, as well as improvements to working conditions. Workers at KIA, a Hyundai affiliate, also struck on the same day, marking the first time their two unions had begun a strike together.

The strike lasted for only four hours and was divided into separate two-hour blocks. The walkouts took place at Hyundai plants in Ulsan, Asan, and Jeonju. KIA workers struck at Gwangmyeong, Gwangju, and Hwaseong. Workers also refused to work overtime on the weekend.

Nearly 70 percent of the 47,263 workers in the Hyundai union voted to strike, joining KIA's workforce of 30,000. This is the third year in a row that workers from the two auto companies have struck. The unions planned to hold talks with management on Monday and Tuesday this week and said they would decide on further walkouts following those meetings.

Reportedly Hyundai will present a list of proposals during the meetings. In the past, the company has expressed a desire to implement a two-tier wage system, similar to what the US United Auto Workers forced on its membership, so that new hires are paid much less than existing workers.

The workers' primary demand is the inclusion of regular bonuses as a part of their ordinary wages. As the ordinary wage is used to calculate other bonuses and benefits, this inclusion would raise workers' overall income. Last year, the Supreme Court ruled that regular bonuses should be included as regular pay but a decision this year in response to a lawsuit by workers from GM Korea essentially overturned the ruling.

Among other demands are a 159,614 won (\$US156) monthly wage increase and an extension of the retirement age from 58 to 60. Older workers throughout South Korean industries are often forced out of their jobs so that companies can bring in younger workers.

Many older workers are forced to find minimum wage jobs to survive.

The media typically claims auto workers earn around 90 million won (\$88,000) in annual wages. In reality, they make less than half that, with some irregular workers earning the minimum wage, or 5,210 won an hour (\$5.10).

The unions posture as defenders of the working class. But they negotiate backroom deals with the companies in which so-called victories are made up through production speedups and extra overtime. Partial strikes, regularly used by the unions, are designed to minimize damage to the companies while allowing workers to let off steam.

After a series of partial strikes at Hyundai in 2012, the union agreed to increase the number of vehicles produced per hour while the company reduced the length of its two, ten-hour shifts to eight and nine hours each. Only a few months later, in April 2013, the union agreed to add three hours to the overtime shifts, which the company said would allow it to make up for lost production.

The Hyundai and KIA unions, part of the Korean Metal Workers Union (KMWU), know they cannot enforce Hyundai's demands without at least the pretence of militancy.

At a press conference on July 30, Lee Gyeong-hun, head of the Hyundai union and Kim Jong-seok, head of Kia's union, stated: "Last year, the Supreme Court confirmed that regular bonuses are included in ordinary wages. Despite this, the Hyundai-KIA Group said in this year's negotiations that it would not accept this." The two declared: "If the company wants a catastrophe by engaging in dishonest negotiations, we will wage an all-out struggle."

This type of rhetoric is common from the unions when seeking to cover up their betrayals. Far from signaling an "all-out struggle," they are pleading for

another deal with the company. While the unions claimed that Friday's action was intended as a warning, it was designed to cause little damage to the company.

Sin Chung-kwan, a KB Investment and Securities analyst, commented: "With a single four-hour strike, Hyundai will lose 38 billion won and Kia 24 billion won in sales. The amount is enough for the carmaker to recover through overtime in the fourth quarter once the talks are closed."

Auto workers are also being kept isolated from each other. Workers at Renault Samsung, the Korean branch of the French company, have held eight partial strikes this year, demanding more promotions on the assembly line and a 119,700 won (\$119) wage increase following a two-year wage freeze policed by the union.

The KMWU is the largest union in the Korean Confederation of Trade Unions (KCTU). While painting itself as a more militant alternative to the government-aligned Federation of Korean Trade Unions (FKTU), the KCTU has played a leading role in selling out workers' struggles. In 2009, the union leadership assured the government that it would take no action in response to the violent suppression of the occupation of the Ssangyong auto plant.

Hyundai is concerned over the growing costs of doing business domestically and is calling on the unions to enforce more favorable conditions for the company. Currently, 39 percent of its global production is in South Korea, but it plans to build a new plant in China. The Korean won has appreciated against almost every major currency in the past year, including 9 percent against the US dollar. At the same time, the Japanese yen fell by 4 percent against the US currency, providing Hyundai's competitors across the Sea of Japan a boost.

The irregular workers' union at Hyundai Asan and Jeonju recently sold out its membership, reaching a deal with Hyundai, which agreed to hire 4,000 irregular workers by the end of 2015, rather than transfer them to regular status. The unions accepted Hyundai's claim that the irregular workers, who can include subcontractors and dispatch laborers, were never employed directly by the company.

Irregular workers perform the same jobs as their regular counterparts, but at much lower wages, and with less job security. A total of 1,569 subcontract workers filed two lawsuits in 2010 against Hyundai, demanding that the company recognize them as regular

employees. The lawsuits state that they took orders directly from Hyundai, making them dispatch workers, not subcontractors. Dispatch workers are entitled to become full-time employees after two years.

As a result of the union deal, hired workers involved in the lawsuits will be forced to withdraw their cases, and forgo back wages' claims, saving the company 280 billion won (\$274.57 million).



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