South Korean shipbuilding workers oppose massive job cuts

Ben McGrath
3 June 2019

More than 8,000 workers in Ulsan, South Korea have been on strike for more than two weeks in opposition to the planned merger between the country's two largest shipbuilders, Hyundai Heavy Industries (HHI) and Daewoo Shipbuilding and Marine Engineering (DSME). The plan will lead to massive layoffs and other attacks on working conditions.

On Friday, HHI shareholders voted to approve the division of the company into a sub-holding company known as Korea Shipbuilding and Marine (KSM) and the parent firm Hyundai Heavy Industries Holdings. Four affiliates will operate under KSM: Hyundai Samho Heavy Industries, Hyundai Mipo Dockyard, HHI, and DSME. HHI Holdings will inherit DSME's workforce, bringing the total to 14,000 workers, as well as its debt of 7.06 trillion won ($5.93 billion).

Two thousand workers blocked the entrance to the Hanmaeum Community Center in Ulsan on Friday where the shareholders' vote had been scheduled to take place. Four days earlier, approximately 500 workers occupied the building, initiating a full strike the following day. Their banners read, "Stop corporate divisions that will wipe out all the workers!" At the last minute, the meeting was moved to the Ulsan University gymnasium.

Prior to the launch of the full strike Tuesday, the Korean Metal Workers Union (KMWU), which represents HHI and DSME workers, had conducted limited partial strikes since May 16. The KMWU is one of the most powerful unions in the Korean Confederation of Trade Unions (KCTU).

HHI initially purchased DSME from its primary shareholder, the state-owned Korea Development Bank on March 8 in a deal worth an estimated two trillion won ($US1.7 billion). Workers have accused HHI of preparing the company's division to shift debt to the parent company and then use that as the rationale for slashing jobs. "All the assets will go to the intermediate holding firm, while all the debts will go to HHI. The company's debts will rise 95 percent and job cuts will be inevitable," said Kim Hyung-kyun, a union representative.

The KMWU has also accused HHI, one of South Korea's family-owned chaebol conglomerates, of orchestrating the break-up to ensure the company's succession from Chairman Chung Mong-joon to his eldest son, Chung Ki-sun.

Industry experts like Seoul National University Professor Park Sang-in have stated workers' concerns are well founded, pointing to HHI's past policies "favorable to its owner family."

In an interview last Wednesday on MBC Radio, Park was asked about the likelihood of the company using the corporate break-up to continue attacks on workers' wages and conditions. Park replied in the affirmative, adding, "The problem over the transfer of collective bargaining is one more concern for the union. Apart from this, there are many agreements from labor-company talks related to safety and conditions. There are no clear rules related to the transfer of these terms of agreement. Because of this, there are concerns that after the split is finalized, working, safety, and welfare conditions will become worse."

In fact, over the past four years more than 30,000 jobs have been slashed from just those two companies. Word of the proposed merger led HHI and DSME workers to vote for strike action in February. Since then, they have been vilified by the company, the media and the state, which mobilized some 2,000 police officers this week in full riot gear to harass and provoke the strikers.

Media accounts have falsely painted workers as

© World Socialist Web Site

violent to justify police repression. HHI has filed dozens of police complaints against union members leading to arrests. The company also sought an injunction on Monday banning the occupation of the shareholders' original venue. Workers have been threatened with 50 million won ($42,000) in fines each for blocking the shareholders' original venue.

In the face of this repression, workers have shown no lack of will to fight. However, the successful defense of working and living conditions cannot be waged on a national basis. It can only be fought internationally. Shipbuilding and other South Korean workers must reach out to their class brothers and sisters in Japan, China, the United States, and across the globe.

This perspective is opposed by the KMWU and other unions, which have sought to isolate workers and prevent a broader fight against capitalist exploitation. The union has attempted to direct workers' ire away from capitalism and towards the corporate owners. "We are only trying to protect the company from the Chung family destroying Hyundai Heavy Industries," the union declared in a statement Tuesday.

In 2016, after thousands of jobs had already been slashed, the KMWU failed to call out its full membership to put a stop to the cuts, amounting to tacit approval. Instead, one-day protests and partial, four-hour strikes have been the norm, so as to let off steam while allowing the union to appear militant. At that time, the KMWU was even reportedly in a "harmony mood" with smaller shipbuilders.

Sensing the growing hostility of workers, the KMWU brought in 1,000 workers from Hyundai Motors on Wednesday to take part in the protests. Yet at Hyundai Motors, Kia, and GM Korea alone, the KMWU represents nearly 100,000 members, all of whom are also fighting against company attacks on wages and conditions. The genuine mobilization of this membership would be a significant fighting force, yet the KMWU has no intention of doing so.

With the company merger and division agreed upon, the KMWU will now move to shut down the strikes. Rather than wage a battle against capitalism, which is responsible for deteriorating working conditions around the world, the union claims HHI's corporate division is merely a result of "foul play" and has threatened a lawsuit. In other words, the KMWU hopes to lead workers back into the arms of the state—the same state that sends battalions of police against workers, threatens them with arrests and fines, and approves mergers leading to massive job cuts such as that between HHI and DSME.

The author recommends:

Massive job cuts planned in South Korean shipbuilding industry
[22 August 2019]

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site