

Strikes by Kia and GM workers continue in South Korea

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2 December 2020

Thousands of workers in two major auto corporations in South Korea—Kia and GM Korea—have conducted a series of strikes to demand pay increases, improved conditions and job security. The stoppages are part of far broader discontent, anger and unrest among auto workers internationally over job losses, deteriorating conditions and the health threats posed by the COVID-19 pandemic.

Yesterday, General Motors workers voted down an agreement reached last week between the company and the Korean Metal Workers Union (KMWU) to shut down industrial action. The vote is all the more significant as it took place following a renewed threat in mid-November by Steve Kiefer, president of GM's international operations, to shut down the company's operations in South Korea.

The union has been engaged in months of negotiations with GM management that began in July and was finally forced to call a series of partial four-hour stoppages last month at the company's plants.

Central to the demands of workers is for an increase to their basic wage, which has been frozen since 2018. The wage freeze was part of a "rescue" package stitched up by the union, the government and General Motors after it threatened to end its operations in South Korea.

In the current negotiations, the union had demanded a basic monthly pay rise of 120,000 won (\$US108) as well as annual performance bonuses of 22 million won and guarantees of continued operations at both GM plants in Bupyeong beyond 2022 when production of existing models ends.

"We are not only striking over wage issues, but also over job security at our No. 2 plant in Bupyeong, which hires about 1,200 workers," union official Jung Jai-heon told the media. The union also called for some

subcontract workers to be hired as full-time staff with pay and benefits to match.

Last week, however, the KMWU dropped the demand for basic pay rate increases and accepted a sell-out agreement that included an annual bonus of just 4 million won, together with promises to invest \$190 million in Bupyeong starting next year to keep the plants open. The company dropped its demand to double the length of the contract period from one to two years.

In effect, the union accepted a continuing wage freeze, a reduced bonus and a worthless pledge from the company to continue its operations in Bupyeong. As has repeatedly been the experience in country after country, the auto giants—in league with the unions—use the threat to shut their operations to extract concessions from workers and government subsidies, only to turn around and close their doors at a later date.

On November 18, Reuters reported the comments of top GM official Steve Kiefer who complained that GM Korea had lost production of 60,000 vehicles as a result of shutdowns due to the coronavirus pandemic and the partial strikes by workers.

"That's having a very significant short-term financial impact," he declared, adding that it was "making the country non-competitive."

Despite the fact that GM signed a binding agreement in 2018 to keep operating in South Korea for at least 10 years, Kiefer declared that its long-term future in the country was in doubt and canvassed Asian countries, including China, as alternatives. "As of now, we're losing confidence that we're going to be able to continue to invest in that country [South Korea], he told Reuters.

Despite the threat, a clear majority of GM workers—53.8 percent of more than 7,000 union

members—rejected the agreement reached last week. KMWU bureaucrats are due to meet today to decide on further negotiations and any industrial action.

Under the tentative agreement, GM Korea offered to provide 4 million won (\$3,600) per union worker in performance-based pay and bonuses for the year of 2020 instead of unfreezing basic salaries.

As of yesterday, Kia workers were continuing four-hour partial strikes for higher pay and bonuses at the company's plants in Gwangmyeong and Hwaseong, both near Seoul, and Gwangju, in the south of the country. Four-hour stoppages took place on three days last week.

Like GM workers, Kia workers want an increase in their monthly basic pay. The union is demanding a 120,000 won (\$104) rise per person, as well as 30 percent of the company's annual operating profit to be allocated to performance-based pay, and an extension of the retirement age from 60 to 65.

Similarly, workers are concerned about their jobs. The union is calling for the components required for the manufacture of electric and hydrogen vehicles to take place inside existing Kia plants, rather than at an affiliated parts company, Hyundai Mobis.

Kia, whose profits have been hard hit by closures earlier in the year due to the COVID-19 pandemic, has failed to reach an agreement with the union.

The KMWU has already reached a sell-out deal with Kia's bigger affiliate, Hyundai Motor, to impose a wage freeze on its workforce—only the third time ever that the basic wage of workers at the company has been frozen. The union, which conducted no strikes during the negotiating period, agreed to the wage freeze in return for various bonuses, including company shares and gift certificates.

The KMWU is the largest union within the Korean Confederation of Trade Unions (KCTU). The KCTU, which postures as left-wing and militant, has worked to prevent any outbreak of discontent despite widespread attacks on the working class this year under the pretext of the COVID-19 pandemic. The union has deliberately kept negotiations with the auto companies separate so as to prevent any unified struggle by workers.

At the same time, the KCTU has tacitly accepted the demands of government and big business to impose the burden of the pandemic on workers by agreeing to cut costs to boost profits and “international

competitiveness.” The prospect of job losses has been used as a threat to try to bludgeon workers into agreement. The unemployment rate hit 4.5 percent in May—its worst level in over a decade—and in October again jumped to 4.2 percent.

In opposition to the divisive tactics of the union, auto workers need to take matters into their own hands, establish their own rank-and-file committees and seek to unify with other sections of workers in South Korea and internationally. The political basis for such a struggle has to be a socialist program, including placing the auto plants under public ownership and the democratic control of the working class.



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