

# South Korean Kia workers approve new contract after union isolates auto struggles

Ben McGrath  
30 December 2020

Autoworkers at Kia Motors in South Korea voted Tuesday to accept a new contract that was forced through by the Kia branch of the Korean Metal Workers Union (KMWU). The sellout deal includes a wage freeze, the fourth imposed by the union on autoworkers this year, following similar deals at Hyundai, GM Korea, and Ssangyong Motors.

Kia workers, alongside those at GM Korea, demonstrated in recent weeks their willingness to fight against the auto companies, who have used the COVID-19 pandemic as the pretext for launching assaults on wages and working conditions. Instead, the KMWU isolated workers at different manufacturers in order to ram through the rotten contracts. Even as Kia workers walked off the job for one week of partial strikes, beginning December 14, the KMWU was agreeing to a deal with GM Korea, demonstrating the duplicity of the so-called militant KMWU.

Kia workers approved the contract with only 58.6 percent voting yes, a clear indication that there is still widespread anger and a willingness to oppose the company's demands. Out of 29,262 total union members, 27,050 took part in the vote. The KMWU and Kia initially reached a tentative deal on December 22. In addition to freezing wages, workers will receive a one-time "performance-based" bonus worth 150 percent of a worker's monthly wage, a 1.2 million won (\$US1,096) payment for each worker as part of a COVID-19 "relief" package, and 1.5 million won (\$1,371) in gift certificates.

It is the first time since 2009 that the Kia union has agreed to a wage freeze. Workers initially demanded 120,000 won (\$109) in monthly wage increases and 30 percent of Kia's operating profits from last year as bonuses. A demand to raise the retirement age from 60 to 65 was not included in the deal.

The biggest barrier to the union forcing through this contract was workers' demand for the reintroduction of 30 minutes of paid overtime, during which they earned time-and-a-half. The company discontinued the overtime in 2017 citing costs. The new contract includes 25 minutes of overtime but under conditions where the unions will enforce speedups.

In a statement last week, Kia said, "Bringing back the paid overtime system has been agreed upon under the condition that workers enhance their productivity." In other words, should the company be unable to extract enough profit, it will once more ditch the system.

The fact that workers rely on overtime to make ends meet is itself an indictment of the KMWU. The union is the largest in the umbrella organization, the Korean Confederation of Trade Unions (KCTU), which often postures as militant. Since the 1990s when the KCTU gained legality, the South Korean ruling class has relied on these unions to prevent an explosion of working-class militancy and to impose the demands of big business, particularly during economic crises such as the 1997–1998 Asian financial crisis, the 2008–09 global financial crisis, and now during the COVID-19 pandemic.

To accomplish this, the KMWU has for years driven wedges between workers at different companies as well as between regular and irregular workers at the same companies. Workers at Hyundai, Kia, GM Korea, Ssangyong, and Renault Samsung, as well as at all their various parts affiliates, have been consciously isolated from one another by the union. Even when workers do strike, the unions limit the action to partial walkouts and at separate times so as to limit the impact on the companies and block workers' unity.

The COVID-19 pandemic is being used to continue and deepen the ongoing assault on autoworkers and the

working class as a whole. The auto industry around the world has attempted to force workers to shoulder the costs of economic uncertainty by accepting job and wage cuts, speedups, and, now, unsafe factories where the virus has rampaged through, in order to boost the profits and stock prices of the companies.

While South Korean auto companies cite poor sales as the pretext for these attacks, their stocks are doing better than ever amid a record surge this month in South Korea's KOSPI Index.

In September, the *Joong Ang Daily* called Hyundai Motors the "new darling of the stock market" after its share price reached 185,000 won (\$169) per share, a 56 percent increase since January. Prices reached their highest in more than five years on December 4 when the company's share price closed at 199,000 (\$182) won.

Kia Motors has done just as well, with its stock price closing at 66,600 won (\$61) that same day, also a company high not seen in more than five years. So while business is booming for company executives on the stock market, the working class is being forced to accept more and more cuts in order to further drive up these share prices.

On December 21, Ssangyong Motors, the fourth largest automaker in South Korea, declared bankruptcy in order to carry out an even bigger restructuring. Despite workers agreeing to wage freezes in April, their jobs are now on the line, with a reported 20 percent of the company's 3,200-member labor force facing elimination. Undoubtedly, seeing the spinelessness of the KMWU, the company saw this as the perfect opportunity to announce its bankruptcy plans.

Wage freezes at Ssangyong Motors have become the norm for the company. Since the current majority owner, India-based carmaker Mahindra & Mahindra Ltd. purchased the company in 2011, accounting for 74.65 percent of shares, the KMWU has forced through deals without any strikes. This includes multiple wage freezes, also part of the deal reached this year in April. Last December, Ssangyong, in agreement with the union, began slashing workers' wages and benefits, including forcing workers to return performance-based bonuses.

Ssangyong Motors was the scene of a 77-day long plant occupation in 2009 by approximately 500 workers that was sold out by the unions. The KMWU and

KCTU made clear to the then-government of Lee Myung-bak that no action would be taken in response to a brutal police raid on the plant.

As in 2009, neither the KMWU nor the KCTU will take any actions to protect workers in any industry as their livelihoods increasingly come under attack. Only a united effort of the working class internationally and fighting for socialism can end this exploitation and guarantee workers their basic right to safe, secure and well-paying jobs.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**