

South Korean shipbuilders at Hyundai Heavy Industries strike after two years without a new contract

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Workers at South Korea's Hyundai Heavy Industries (HHI) have been staging protests against the company this past week, as they have been working without a new contract since negotiations began in May 2019. With workers' anger building up, the union called strikes that began on July 6 after the failure of talks with management. The strike, the first since 2019, was initially set to last through last Friday, but has been extended another week.

Workers at HHI, the world's largest shipbuilder, remain locked in conflict with the company even as the company sees a boom in profits. As of last week, HHI had already fulfilled 90 percent of its sales goals for this year. According to Clarksons Research, South Korea received 44 percent of shipbuilding orders globally in June alone and is expected to lead the world in total orders received at the end of the year.

HHI is nevertheless refusing to meet workers' demands in large part due to the perfidy of the Korean Metal Workers Union. The KMWU is the largest and most influential union in the so-called militant Korean Confederation of Trade Unions (KCTU). For two years, it has kept workers on the job as it claimed to negotiate on their behalf, only to return with pro-company, concession contracts.

When the strike began on July 6, 10 union leaders staged a stunt by occupying a crane at the company headquarters in Ulsan, a city in the southeast of South Korea. Some 800 union members also held a rally at the base of the crane. The total union membership at HHI is approximately 9,000. The strike has been limited to eight hours per day.

Workers have already rejected two tentative contracts, in February and again in April. The first deal

included a meagre 46,000 won (\$US40) monthly raise and a wage freeze for 2020. It also included a "performance-based" bonus of up to 218 percent based on monthly wages and an additional 100 percent bonus plus 1.5 million won (\$US1,311) for 2019. For 2020, the deal included another so-called performance-based bonus of up to 131 percent of monthly wages and an additional 2.3 million won (\$US2,009) bonus.

The second tentative deal rejected in April was virtually identical to the first, but included an additional two million won (\$US1,747) in bonuses for 2020. These bonuses, much of which could potentially be withheld based on "poor performance," amount to little more than bribes that do not come close to compensating what workers have lost over the last two years.

Both agreements also included the cancellation of lawsuits against the union stemming from protests in 2019 opposing the company's restructuring and large potential job cuts. This includes a plan for HHI to merge with Daewoo Shipbuilding and Marine Engineering (DSME), a process that has also been delayed for two years in the face of opposition from firms in the European Union and Japan. HHI and DSME would operate under the Korea Shipbuilding and Offshore Engineering Company, a sub-holding company owned by Hyundai Heavy Industries Group, one of South Korea's huge family-owned conglomerates known as chaebol.

The company has responded to the latest strike by seeking a court injunction against the crane occupation as well as asking a requirement for the union to pay 50 million won (\$US43,684) in penalties if protest tents and banners around the crane are not removed. HHI

plans to file further lawsuits if these conditions are not met.

An HHI official stated, “The union has occupied the crane and violated quarantine measures to fulfill their one-sided demands. We will make sure they are kept responsible for the illegal acts.” The reference to quarantine violations is entirely hypocritical as the company has kept workers on the job throughout the COVID-19 pandemic.

The KMWU is now adopting a phony militant posture. The union wrote in a newsletter as the strike began, “We have not concluded our negotiations for 2019. Management should be the ones to actively engage in talks but they are completely ignoring us.”

If HHI is ignoring the union, it is because the company knows full well that the KMWU does not represent a serious threat to its interests. The union, which also represents workers in the auto industry, has imposed the demands of big business on its membership during the pandemic, including wage freezes at Hyundai Motors, Kia, GM Korea, and Ssangyong Motors.

The company—and the ruling class as a whole—is also well aware that the union calls partial strikes and stunts, such as occupying the crane at Ulsan, to let off steam while minimizing the impact on operations. As *Business Korea* wrote on July 7, “The strike does not deal a serious blow to the company at the moment, but if it is prolonged, it will hamper work schedules.”

The KMWU is already planning to wind down the strike, despite the announcement of its extension. In a sign that workers are not willing to be forced back on the job without a deal, the union plans to hold full strikes on July 12 to 14 and then partial strikes on July 15 and 16. The decision to hold only partial strikes at the end of the week is the KMWU’s signal to the company that it is seeking to end the walkouts.

The strike comes as workers at Hyundai Motors and GM Korea last week voted to go on strike. Rather than launch a coordinated campaign, the KMWU is deliberately isolating workers, fearful of a broad upsurge. Workers must take matters into their own hands, form rank-and-file committees independently of the unions, and reach out to others across industries to wage a genuine struggle against the companies and capitalism. Above all, this requires an international socialist perspective.



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