

Subcontractors at South Korean shipbuilder on strike after years of wage cuts

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Subcontract workers at a major South Korean shipbuilder remain on strike after taking action in early June to demand significant improvements to their wages. In response, President Yoon Suk-yeol issued a veiled threat to forcibly break up the strike.

Since June 2, about 150 workers at Daewoo Shipbuilding and Marine Engineering (DSME) have occupied an oil tanker in dry dock at the company's shipyards on Geoje Island, in South Gyeongsang Province. They are demanding a 30 percent wage rise to make up for years of wage cuts, an additional 300 percent increase in bonuses, and recognition of the subcontractors' union activity. Subcontractors are often paid less than a company's regular workers and lack many basic job protections.

The strike is another indication of the militant mood among South Korean workers, following a strike by cargo truck drivers in June and recent threats to strike by autoworkers. The working class is faced with soaring consumer prices, drops in real wages, and other attacks on job and working conditions.

The subcontract workers at DSME are members of the Korean Metal Workers' Union (KMWU), which is affiliated to the so-called "militant" Korean Confederation of Trade Unions (KCTU). The KMWU is one of the most influential within the KCTU and also represents workers at companies like Hyundai Motors.

The KMWU held rallies around the country on July 20, which it absurdly called a "general strike." Approximately 5,000 people gathered in Seoul while an additional 8,000 demonstrated on Geoje, and another 8,000 in other locations. The unions typically call this sort of limited industrial action to give the appearance of waging a struggle. These actions are designed, however, to limit the impact on big business as much as possible by holding them in the middle of the week.

Strikes at South Korea's shipbuilders are not new. DSME has been engaged in restructuring efforts for years, in part due to corporate malfeasance, which included fraudulently manipulating accounts to cover-up company losses between 2008 and 2016. Since then, workers have been forced to foot the bill for DSME's actions through wage cuts and mass sackings.

The government also bailed out DSME, with the Korea Development Bank currently holding 55.7 percent of the company's shares. A plan to sell DSME to Hyundai Heavy Industries in 2019 met with widespread anger and distrust from workers, who rightly feared further sackings. Workers at both companies have staged multiple protest strikes in recent years to oppose these DSME's plans, which were only called off after facing opposition from the European Union.

On July 19, President Yoon denounced the subcontractors' strike as "illegal," declaring, "I think the people and the government have all waited long enough." The union's actions, he added, "should not be left unattended or tolerated." Yoon has made numerous comments since being elected in March that open the door for the violent suppression of workers' struggles.

The same day, media reports claimed that a regular worker at DSME, supposedly angry at the stop in production at the shipyard, got into a physical altercation with the strikers at Geoje, using a knife to slash banners. While it is possible that a disoriented worker lost his cool, workers must be cautious that DSME is attempting to use provocateurs to start fights that could be used as justification for sending the police or company thugs against the strikers.

The unions have called a rally at the dockyards on July 23, urging workers to attend from across the

country, the KMWU hopes that bourgeois opposition parties, above all the Democratic Party of Korea (DP), will intervene and help negotiate a sellout agreement with the company. While individual workers will be left holding the bag, the KMWU will attempt to convince its membership that the DP and other so-called “progressive” parties will take the necessary steps to protect workers.

The KCTU and KMWU have done everything they could to stop the DSME subcontractors strike from spreading. In the past several weeks, powerful sections of the South Korean working class have gone on strike or threatened to strike, only to have the unions isolate those workers from the shipbuilders.

Notably, truck drivers struck for eight days in June, shortly after the DSME workers had walked off the job. The truck drivers’ strike, which quickly impacted on the government and big business and could have developed into a broader movement of workers, was shut down by Cargo Truckers Solidarity, another KCTU affiliate with none of the workers’ demands being met. The KMWU, also recently pushed through a sellout agreement at Hyundai Motors, the largest automaker in the country, further isolating the shipbuilders, not to mention other autoworkers in contract negotiations.

The ongoing isolation of striking DSME workers by the KMWU and the KCTU further demonstrates that shipbuilding workers must take their fight out of the hands of the unions, form their own rank-and-file committees, and reach out to all sections of the working class, both regular and irregular, including truck drivers, logistics workers, autoworkers and nurses now coming into struggle.



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