

South Korean auto union reaches sellout deal with Kia Motors

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South Korean autoworkers at Kia Motors initially planned to strike this week for improved wages and conditions in the face of a growing economic and social crisis. The Korean Metal Workers' Union (KMWU), however, cancelled the strike Wednesday evening then reached a sellout deal with the company the next day. Workers should reject the latest tentative contract.

The strike at Kia would have been the first in two years. A union official told South Korea's Yonhap News Agency before the cancellation, "Management is bringing the negotiations to a standstill by making proposals that the union members cannot understand. If it continues in this way, we will have no choice but to conduct a general strike."

However, what was portrayed as a "general strike" was nothing of the sort. Instead, the KMWU intended to limit the impact on the company as much as possible, restricting the action to two-hour and four-hour partial strikes on Thursday and Friday respectively. The union undoubtedly hoped to burnish its phony radical image with talks of a strike before reaching this latest sellout agreement, which is essentially the same deal that workers rejected on September 2 with a few minor changes. Voting on it will take place on October 18.

When contract negotiations with the company began over the summer, Kia workers demanded a 165,200 won (\$US116) monthly wage increase, 30 percent of last year's operating profits as bonuses, the extension of the retirement age from 60 to 64, and the abolition of the two-tier system that pays new hires significantly less than more senior workers.

Instead, on August 30, the union returned with its first sellout deal that included a 98,000 won (\$US69) monthly wage increase, a 200 percent "performance-based" bonus plus another four million won (\$US2,800), and other "incentives."

A major issue workers rejected was a company demand that limits a lifetime program in which retired workers with more than 25 years of service can purchase new cars every two years at a 30 percent discount. The latest deal caps the program at the age of 75, cuts the discount to 25 percent, and extends the purchase period to every three years. The program will supposedly extend to electric vehicles beginning in 2025.

By forcing workers to essentially re-vote on a deal they rejected, it is clear that Kia workers not only confront the company, but the union as well. The Kia branch of the KMWU has kept the autoworkers on the job for weeks, despite union members overwhelmingly voting to strike on August 19. From among the approximately 28,200 eligible voters, 89.4 percent of the 24,200 workers taking part elected to strike.

The KMWU is one of the most powerful and influential in the Korean Confederation of Trade Unions (KCTU). It also represents workers at other auto companies, but rather than launch a united struggle of workers throughout the industry, the KMWU divides workers, forcing through pro-management deals on a company-by-company basis to ensure autoworkers do not strike together. Even within the same company, the union divides workers by regular and irregular workers, with the latter being paid significantly less than their regular counterparts for doing the same jobs.

Further demonstrating this suppression of the class struggle, if the KMWU forces through the new agreement at Kia, it will be the first time in 12 years that the South Korean auto industry has not experienced strikes at any of its five companies: Hyundai, Kia, GM Korea, Ssangyong, and Renault Korea.

In line with this, the KMWU has used the COVID-19

pandemic as well as trade disputes with Japan to enforce wage freezes and other concession contracts on workers. Despite a vote in favor of a strike, the KMWU in July forced through a sellout agreement at Hyundai Motors, the largest auto manufacturer in South Korea, which also owns Kia. The sellout helped pave the way for similar sellouts at GM Korea and Renault Korea by isolating workers who had not reached deals. The KMWU branch at Hyundai has not called a strike in four years.

In addition, Kia Motors is currently enjoying record profits. For the second quarter of this year, the company took in 2.23 trillion won (\$US1.6 billion) in operating profit, a 50.2 percent increase over the same period last year. This includes a record 10.2 percent operating profit margin. Net profit also rose to a record quarterly high of 1.88 trillion won (\$US1.3 billion).

Workers, however, are facing surging prices due to the growing global economic crisis. On October 11, the International Monetary Fund raised its 2022 inflation outlook for South Korea from 4 to 5.5 percent. Natural gas prices for homes are also rising this month, with households facing an estimated 15.9 percent increase in their bills as the country heads into the colder fall and winter months.

The KCTU and the other main union organization, the conservative Federation of Korean Trade Unions (FKTU), are tasked by the bourgeoisie with keeping workers' anger towards growing economic inequality within the confines of bourgeois politics. While the KCTU postures as radical and, at times, even anti-capitalist, the FKTU more openly aligns with the main opposition Democratic Party of Korea. Both work to prevent workers fed up with the Democrats from fighting for their own independent class interests.

In recent months, both organizations have carried out numerous betrayals of workers, agreeing to sellout agreements, betraying strikes or shutting down planned walkouts by healthcare workers, bus drivers, and subcontract shipbuilders.

The most egregious betrayal was that of 25,000 truck drivers throughout the country by the KCTU and its affiliate Cargo Truckers Solidarity (CTS) in June. The drivers' strike almost immediately had a significant impact on big business, including auto and steel companies. With the ruling class demanding a resolution to the walkout in its favor, CTS quickly shut

down the strike with none of the drivers' demands being met. This also prevented a broader, unified struggle of drivers with autoworkers at Hyundai and the other auto companies.

Kia workers and workers throughout South Korea must draw the necessary conclusion from these betrayals. The pro-capitalist unions have no intention of fighting for the interests of the working class. Instead, they will work to suppress the class struggle as workers increasingly face attacks on their working and living conditions.



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