

# Hyundai in talks with US Labor Department over child labor in Alabama

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After children were found working in its Alabama metal stamping plants, Korean automaker Hyundai has entered talks with the United States Department of Labor to discuss its plans for preventing the hire of children in the future. On Friday, 33 Democratic senators signed a statement condemning child labor and urging the DOL to act upon the allegations “to the fullest extent of the law.”

The talks come seven months after an explosive article in Reuters revealed that a Hyundai-owned metal stamping plant had hired children as young as 12. The public outcry was immediate and massive. Outrage flared once again in December 2022, when Reuters published another article that implicated several other plants.

Reuters news agency was alerted in December 2021 that children as young as 12 had been working at Smart LLC metal stamping plant in Luverne, Alabama. Reuters found that the company had quietly purged more than 50 child laborers from its payrolls as suspicions mounted. In July 2022, Reuters published an article revealing their discoveries; by August, a second Hyundai-affiliated plant, SL Alabama LLC, was found to have employed children as well.

In October, Hyundai’s global president and chief operating officer, José Muñoz, announced that the company intended to “sever relations” with both suppliers “as soon as possible.”

Around that time, Hyundai spokesperson Ira Gabriel told the *Montgomery Advertiser* that Hyundai was engaged in “ongoing” investigations into the issue.

In December of 2022, Reuters published an update, revealing that children had worked in at least four plants owned by or associated with Hyundai and its sister company, Kia.

In Greenville, Alabama, a 14-year-old Guatemalan girl was found to have worked assembling Hyundai body parts. Employees at another parts plant in Cusseta, Alabama told Reuters that they had worked with several

minors. In one plant, Reuters reported, two Guatemalan brothers, ages 14 and 15, had been working. They were found staying in an austere furnished home owned by the president of the staffing agency who hired them. Federal authorities took the brothers into protective custody.

Hyundai had changed its tune by then, telling Reuters that the plants had taken “corrective actions” against responsible parties. A company spokesperson said that its parts makers play an “important economic role” in the small, rural towns where they are situated, and said, “additional oversight is a better course at this time than severing ties with these suppliers.”

Chief Operating Officer Muñoz would not speak to Reuters.

This time, the issue garnered lukewarm statements of concern from SOC Investment Group, which manages around 27,000 shares in Hyundai. “These latest reports weaken our confidence in Hyundai’s Human Rights oversight system and ongoing assessments,” the investment group wrote in a letter to the automaker.

They suggested the appointment of a human rights expert to Hyundai’s board of directors and ongoing third-party oversight of the plants’ hiring practices. They issued a similar letter last week, demanding “that those workers who have helped uncover unlawful practices do not suffer as a result.”

In its own wordy but weightless statement, the UAW chimed in with demands for third-party oversight on the union website. “How is it that we have come to care so little about violating worker rights, and to care so little about putting children to work in dangerous manufacturing jobs?” they ask rhetorically. “This must stop.”

The letter from the Senate evinces “concern” and surprise over Hyundai’s continued affiliation with the plants where children were found to have worked.

“We are concerned,” the senators write, “that Hyundai, at DOL’s suggestion, reversed course on this commitment and will not cut ties with its Alabama suppliers that use child labor,” the letter stated.

They condemn the use of child labor as “abhorrent,” and finish by saying, “We urge DOL to take immediate action to rid Hyundai’s supply chain of child labor and hold those responsible to the fullest extent of the law.”

All of these statements amount to meaningless posturing. The UAW statement rings especially hollow. In October 2022, the union condemned Hyundai’s noises about cutting ties with SL and Smart LLC, saying that such a move would “likely result in job losses for hundreds of workers.”

United Autoworkers President Ray Curry dismissed the threats as “an attempt at face saving.”

In words almost identical to Hyundai’s December statement, he wrote, “Hyundai’s actions are punishing the very workers who came forward to put an end to child labor. By severing ties with these Alabama suppliers, hundreds of workers in these plants will likely lose their jobs, creating a crisis for workers, their families and their communities—without doing anything to fix the problem.”

This is the same union that now “urges” the DOL and the strikebreaking Biden administration to “redouble their efforts to fix the abusive, exploitive [sic] practices at Hyundai and Kia.”

Ray Curry’s concern for workers is completely fabricated. While Hyundai was feigning outrage about its affiliates’ use of child labor, the UAW bureaucracy was working overtime to suppress voter turnout in the midst of a hotly-contested election. The corruption-ridden organization still has not acknowledged that hundreds of UAW members were never given ballots, even after multiple reports were made to the election monitors.

The UAW is asking Biden, who only months ago worked with Congress to strip railroaders of their democratic right to strike and imposed a pro-company contract, to guarantee an end to the use of child labor at Hyundai.

In recent years, the national unions have turned their attentions to Alabama. The Retail, Wholesale, and Department Store Union (RWDSU)’s attempts to install itself at the Bessemer Amazon warehouse was supported by Biden and Senator Bernie Sanders. Two consecutive votes ended in debacles for the union, which refused to connect its unionization drive with any concrete demands on wages or working conditions. The UAW, too, has attempted to wedge its foot in the door as the automotive

industry expands in the state.

It is not a concern for Alabama workers that grounds these efforts, but an attempt to staunch the ongoing hemorrhage of union membership and to give the Democratic Party a support base in the state. They are willing to lay the blame for their declining numbers at the feet of workers’ backwardness (and in the case of the RWDSU’s Bessemer failure, their “white supremacy”), refusing to acknowledge that workers are simply disgusted with the charade of paying dues to a body that acts as an ex officio arm of management.

The SOC is just as bereft of legitimacy. Associated with union conglomerate Strategic Organizing Center, SOC manages pension funds with assets nearing \$250 billion.

No one should expect the government to impose any serious consequences on Hyundai, which has come through the outcry mostly unscathed. Only one of its plants, SL Alabama, has received even the slightest sanction. The DOL fined SL \$30,000 for its “repeated” and “oppressive” violations of child labor laws. SL and one of its staffing agencies shared another \$36,000 of fines after Alabama’s Department of Labor was more or less forced to take action.

Hyundai marked a third consecutive month of record sales in January, exceeding January 2022 sales by 9 percent and selling 52,001 units. It proudly announced that almost half of those cars had been built in Alabama.

The company has continued with its ambitious expansion plans in the US. Just last year, Hyundai broke ground on a \$5.54 billion electric vehicle plant in Savannah, Georgia. It projects expenditures of \$7.5 billion by 2025. The senators’ demands for Hyundai to be penalized to the “fullest extent of the law” are laughable; a single Hyundai affiliate was charged less than \$75,000 in fines for its exploitation of children. Meanwhile, Hyundai charges its affiliates thousands of dollars per minute for late supplies.

There is no impetus for Biden, the DOL, or the unions to act against child labor in the United States, and Hyundai certainly cannot be expected to act against its own economic interests. That requires the independent action by the working class itself.



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