

# Samsung Electronics workers in South Korea stage first-ever strike in company's 55-year history

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Unionized workers at Samsung Electronics in South Korea launched a strike on Monday to demand improved pay and other benefits following several months of negotiations with the company. Initially meant to last only three days, the union declared an “indefinite general strike” on Wednesday. The strike is significant as it is the first official walk-out at the company since its establishment in 1969.

The striking workers belong to the National Samsung Electronics Union (NSEU), which is affiliated with the Federation of Korean Trade Unions (FKTU). Samsung Electronics is the flagship company of the Samsung Group, one of the massive family-controlled conglomerates in South Korea known as *chaebol*.

The NSEU is requesting a 5.6 percent pay increase, implementation of promised paid leave and compensation for lost pay during the strike. It is also requesting transparent guidelines to explain the company's bonus system, which is connected to Samsung's operating profits. Currently, the company can claim a division produced no profits to deny paying bonuses regardless of how much labor workers actually performed. Like at other major companies in South Korea, bonuses make up a significant portion of workers' wages, meaning that withholding bonuses is akin to a wage cut.

This is exactly what happened last year when workers from Samsung Electronics' semiconductor manufacturing division, Device Solutions (DS), did not receive bonuses after the company claimed DS posted a 15 trillion won (\$US11 billion) operating loss due to weakening demand despite being a cash cow for Samsung in previous years. This led to a large influx of DS workers into the NSEU.

Workers first protested on June 7 in what has been described as a strike by the union and the press. Rather than being a genuine strike, the union had workers use their vacation leave to take the day off. Only a limited number of workers participated, though the union did not state how many.

The NSEU then began the three-day strike on July 8. Prior to that, the union stated: “Management is fully responsible for the entire business loss incurred from the walkout due to the insincere attitude shown through the negotiations.”

It had planned another five-day strike to begin on July 15. However, the union changed its plans to begin the current “indefinite” strike, stating the company refused to engage in any negotiations during the first walk-out.

Samsung claimed that there were no disruptions to its operations after the first three days of the walk-out. “We plan to thoroughly prepare to ensure that production is not disrupted. We will continue efforts to resume dialogue with the union,” a company official said. Samsung stated that it is considering hiring scab labor if the strike continues.

The NSEU is the largest union at Samsung Electronics with 30,657 members. This is approximately a quarter of the total workforce at the company, which employs 124,804 people. However, according to the union, only 6,540 workers are taking part in the strike, most of them from the DS division.

In addition to the NSEU, Samsung Electronics has four other unions. Last August, the NSEU was designated as the representative bargaining organization, meaning that whatever deal the union reaches with the company will be used as the basis for

agreements with the other unions. This status is set to expire next month.

That large numbers of semiconductor production workers are involved in the strike is significant. Not only are the chips used in devices such as smartphones, but they are also used in the production of military hardware. Samsung is considered an important player in US imperialism's efforts to secure supply chains outside of China in preparation for war. Underscoring this, US President Biden made the Samsung semiconductor plant in Pyeongtaek his first stop during a trip to South Korea in 2022.

Samsung workers are therefore placed in a position where they can significantly undermine Washington's war against Russia in Ukraine as well as the war drive against China, both of which are supported by the right-wing Yoon Suk-yeol government in Seoul and threaten to explode into a catastrophic global conflict.

However, like their union counterparts around the world, the perspective of the NSEU is to keep the struggle confined to Samsung Electronics, isolated even from other workers within the Samsung Group, let alone workers nationally and internationally who face the same repressive conditions and danger of war caused by capitalism.

The union, in fact, fully accepts Samsung's exploitation of workers, so long as the company allows the conditions for the NSEU to better sell that exploitation to the workforce. The union has called on the company to pay appropriate bonuses, stating, "If all the workers work with passion, Samsung has the potential to combat all the challenges" it faces from competition in the global semiconductor market. This includes competitors nationally like SK hynix and internationally from the leading Taiwan Semiconductor Manufacturing Company (TSMC).

This means pitting workers against one another in a race to the bottom. The NSEU has already lowered its pay increase request to conform to Samsung's demands. The 5.6 percent it is calling for now is down from the 6.5 percent the union was asking for in recent months. This itself was already a decrease from 8.1 percent it was calling for publicly when negotiations first broke down in February.

At the same time, Samsung Electronics is currently enjoying a huge boost in income. In the first quarter of this year, the company took in 1.91 trillion won

(\$US1.4 billion) in operating profits. On July 5, the company announced that its second quarter operating profits had grown by 1,452.2 percent over the previous year, reaching 10.4 trillion won (\$US7.6 billion). The company's operating profits are expected to grow an additional 400 percent on-year in the third quarter.

None of the unions in South Korea will wage a struggle against Samsung, any other company, or the government. The NSEU's parent body, the FKTU, is the more openly pro-company organization of the two major union groupings in South Korea. The other is the so-called "militant" Korean Confederation of Trade Unions (KCTU).

The NSEU reached out to the KCTU during the current walk-out to engage with so-called strike "trainers." The KCTU, however, is not looking to expand the strike or break workers from the yellow FKTU. The KCTU has a long history of betraying workers' struggles, including the cargo truckers' strike at the end of 2022 that had a significant impact on big business. Instead, the KCTU, which backs the Democratic Party, hopes to expand its own ranks of dues-paying members and therefore its coffers.

Samsung ended its "no union policy" in 2020 precisely because it knew it had nothing to fear from either the FKTU or the KCTU. The company also came under pressure from the then-government of Democrat Moon Jae-in. Rather than being on the side of the workers, Moon and the Democrats relied on the unions to suppress the class struggle, particularly after the mass protests in 2016 and 2017 that forced President Park Geun-hye from office as well as during the COVID-19 pandemic to keep workers on the job so as not to impact the profits of big business.

As workers' conditions continue to come under attack from the bourgeoisie and the danger of war spreading from Europe and the Middle East to the Indo-Pacific looms, the ruling class will rely ever great on the unions to keep workers bound to the capitalist system.



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