

South Korean auto manufacturers stepping up assault on wages, working conditions

By Ben McGrath
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Workers in South Korea's auto industry are facing escalating attacks on wages and working conditions as manufacturers demand ever deeper cuts. The corporations and the government, headed by President Moon Jae-in, intend to claw back all of the gains workers won through mass protests, wildcat strikes and plant occupations in the late 1980s and early 1990s, and return the workers to conditions they faced under the military dictatorship.

Automakers pointed to the decline in production and demand in the first quarter of this year compared to last year to justify their attacks on workers in the name of "remaining competitive." Production dropped by 0.8 percent while demand fell by 0.3 percent. Exports have also declined to the US, amid threats from the Donald Trump administration to impose tariffs of 25 percent on South Korean-made vehicles, as well as falling demand from China.

Much like their American competitors following the 2008 financial crisis, the South Korean auto companies intend to carry out a drastic redistribution of wealth upwards from the pockets of the working class. However, South Korean workers are looking for ways to fight back.

Workers at Renault Samsung in the city of Busan have been engaged in protracted strike action since last October, at the plant where they produce a variety of SUV models. The company has demanded more cuts to labor costs as part of a new collective bargaining deal, pitting the Busan factory against affiliated plants in countries like Japan and Spain. Unwilling to accept this, workers voted by an 85.1 percent margin last September to go on strike.

Since then, they have staged 62 partial strikes of four hours each, the latest being held on April 19, ahead of the company's scheduled five-day production

downtime from April 29 to May 3. However, participation has dropped off, with only 44 percent of the workforce taking part in the latest strike, despite 70 percent participation on April 10.

The prolonged strike shows there is no shortage of willingness to fight the company attacks. However, the isolation and half-measures imposed upon the workers by the Renault Samsung Labor Union have clearly taken a toll. In fact, the partial strike tactic has long been used by the auto unions to allow workers to let off steam and burn themselves out while reducing the impact on the company as much as possible. In the aftermath, the union agrees to a sellout deal.

Facing the duplicity of the Renault Samsung union, autoworkers are increasingly drawing the conclusion that no matter how militant the labor unions may sound, their role is to disarm the working class and impose the demands of big business. That is why autoworkers must turn to their class brothers and sisters in other industries and across borders in Japan, China, and the United States to wage a genuine fight.

GM Korea and Hyundai workers are facing similar corporate attacks and isolation imposed by the unions. In a vote last week, 83 percent of the 2,067 workers at GM Korea's new R&D spinoff GM Technical Center Korea (GMTCK) authorized a strike, demanding that they have the same collective bargaining agreement that their counterparts at GM Korea's main plants work under.

Before GMTCK was established in January, workers rightly feared that the new division would be used to carry out broader restructuring, particularly following the shuttering of GM's Gunsan plant last year. The Korean Metal Workers Union (KMWU) postured as opponents of the spinoff and closure, but ultimately accepted both.

The KMWU built up illusions in the state, appealing to the judiciary over the issue of the GMTCK workers' contract. An Incheon court ruled earlier this month in favor of the company, stating that "while GMTCK and GM Korea share joint liability, collective agreement, unlike debt, is not a liability that needs to be met." This will only pave the way for the deeper cuts GM has been demanding for years.

Similarly, Hyundai has been looking for a way to impose a two-tier system of wages, following in the footsteps of what the US Detroit automakers have achieved through collusion with the United Auto Workers union. Hyundai's chosen method is the so-called Gwangju jobs project, also launched in January.

Backed with funding from the Gwangju city government as well as from the administration of President Moon Jae-in, Hyundai intends to hire 1,000 workers at a new plant, where they would receive only 35 million won (\$31,000), less than half the average annual wage and benefits a worker would normally receive. The government claims an additional 10,000 jobs will be created indirectly in and around Gwangju, the second poorest metropolitan area in South Korea, where wages are already 13 percent below the national average.

The project is based on a German model used at Volkswagen from 2001 to 2009, which came to an end after concessions were enforced on autoworkers throughout the industry. As the South Korean government intends to expand this model to two more cities by June, workers must heed the warning that this is what lies in store for all.

The KMWU likewise postured as an opponent of the deal with Hyundai. However, at a signing ceremony to mark the project's inauguration, which included President Moon, two leading officials of the union's Kia branch also took part, providing the KMWU's stamp of approval on the whole affair. Kia is a Hyundai affiliate. The two were later removed from their positions as a face-saving measure, but no strikes have been called in opposition.

As Hyundai moves to create this lower tier of workers, it also intends to slash as many 7,000 jobs by 2025. The leader of the KMWU's Hyundai branch, Ha Bu-yeong, has already accepted this, saying, "Even though we accept the management's anticipation of

cutting 7,000 jobs by 2025, 17,500 are scheduled to retire by then. Thus, the company has to hire at least 10,000 to keep its plant running." Even if this dubious prospect were to come to fruition, Hyundai would seek the union's support in cutting the wages of new hires, just as it has done in forcing older, higher paid workers out of the industry.

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