

# Hyundai and GM Korea autoworkers vote to strike

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9 July 2021

Autoworkers in South Korea voted this past week by large margins to strike as they fight to improve working conditions following a series of wage freezes in the industry last year imposed by the unions and the companies. On July 7, workers at Hyundai Motors, the country's largest auto manufacturer, approved a walk-out, which followed a similar vote two days earlier by GM Korea workers.

At Hyundai, 74 percent of the 48,599 union members belonging to the Korean Metal Workers Union (KMWU) voted to strike. They are demanding a 99,000 won (\$US87) increase in the base monthly pay, 30 percent of Hyundai's annual profits to be paid as bonuses, and an extension of the retirement age from 60 to 64 as workers are not eligible for the national pension until 65.

The company has offered a 50,000 won (\$US44) monthly wage increase, an additional month's salary plus so-called performance-based pay of up to three million won (\$US2,622), an additional two million won in bonuses (\$US1,748), and 100,000 won in gift certificates. Management is refusing to alter the retirement age in order to avoid paying older workers higher wages.

GM Korea, where jobs have been slashed in recent years, voted to strike with 76.5 percent of workers voicing approval. The KMWU's GM Korea branch has 7,635 members and 6,613 took part in the vote. Workers are also demanding a 99,000 won increase in monthly base pay, a bonus equal to 150 percent of the ordinary monthly wage, and an additional four million won (\$US3,487) in bonuses. They are also demanding the production of new vehicle models at the plant in Bupyeong, in Incheon.

Workers at both companies fear that as the industry switches to producing electric vehicles, it will lead to

job cuts. Electric vehicles require fewer parts and less time to build. According to the Korean Automobile Manufacturers Association, an expected increase in sales of electric vehicles will lead to the slashing of 4,700 jobs in the industry by next year. The union is calling for Hyundai to expand operations within South Korea instead of investing in overseas factories. The Hyundai Motor Group, which owns both Hyundai and Kia, is expected to invest \$US7.4 billion in operations in the United States to build electric vehicles.

Hyundai Motors President Ha Eon-tae responded to workers' demands, stating, "We have made a decision to offer a wage raise that is the highest amount in the past three years, and a bonus that is also more than what we have agreed to last year." In other words, workers should be happy they are being offered anything at all.

Hyundai is citing the COVID-19 pandemic to justify its stance. This is significant as the union enforced wage freezes last year at Hyundai, GM Korea, Kia, and Ssangyong Motors when management raised the same issue. The union has not called a strike at Hyundai in two years. Under the worsening pandemic, Hyundai and the union will attempt to force through another rotten deal that will become the basis for deals at other companies.

The KMWU, which is affiliated to the so-called militant Korean Confederation of Trade Unions (KCTU), released a statement before the strike vote saying, "Last year, when other conglomerates and public companies were raising wages and offering ample bonuses to encourage their workers, we had agreed to the collective bargaining agreement without a conflict." This statement is a damning indictment of the union, which hails big business and the government for pitiful wage raises while essentially admitting that it

hung its members out to dry.

In reality, according to the Ministry of Employment and Labor, real wages increased last year by only 0.5 percent, down from three percent the previous year and the lowest growth in the past five years. The 2021 minimum wage negotiated last year for the most vulnerable workers rose by only 1.5 percent to 8,720 won (\$US7.62), the smallest increase ever. Furthermore, the poorest workers saw a sharp decrease in wages last year. In the fourth quarter alone, the bottom 20 percent income bracket saw wages drop 13.2 percent to 596,000 won (\$US521) a month.

Hyundai is well aware that it has nothing to fear from the KMWU. “The strike does not start immediately after the vote—it needs to get approval from the regional employment and labor administration, and after receiving approval, the union leaders will decide when to conduct the protest, so that will take some time,” a company official said in the *Korea Times*. “It is not like the old days, where the union conducts a full-on strike; nowadays they hold around a two-hour strike daily as a warning to management.”

The partial strike described by the Hyundai official is the union’s main tactic in preventing a broader struggle against the auto companies. The partial “strike” is designed to allow workers to let off steam and give the appearance the union is fighting for better conditions while reducing the impact on the company as much as possible. The KMWU also drives wedges between workers in the same industry and even within the same factories in order to prevent a unified struggle.

The KMWU has no intention of launching a joint struggle of autoworkers, even as General Motors, the Detroit-based auto company that owns GM Korea, threatens to exit the country. This is despite a deal GM signed in 2018 to maintain operations in South Korea through 2028 in exchange for the union signing off on the company’s plans to shutter its factory in Gunsan, North Jeolla Province. This led to the slashing of 2,000 jobs.

Even the phony appearance of struggle is too much for GM. In telling remarks about the role of the United Auto Workers (UAW) in the United States, the *Korea Times* reported on a closed-door meeting in June between representatives of the GM Korea branch of the KMWU and senior GM officials. In the meeting, the company told the KMWU it should take a page from

the UAW with GM’s Executive Vice President of Global Manufacturing Gerald Johnson praising the UAW for “co-existing” with management. In real terms, this means being bought-and-paid-for stooges of GM, forcing pro-company contracts on the workers.

Workers at Hyundai, GM Korea, and throughout the auto industry must not allow the KMWU to isolate them once more. They need to take matters into their own hands, form their own rank-and-file committees, independent of the unions, and reach out to other sections of workers.

Only a united struggle, in alliance with workers throughout South Korea and internationally, will enable them to fight back against the auto companies and the demands of the capitalist class as a whole. To guide such a struggle, workers need to turn to a socialist and internationalist perspective.



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