

# South Korean Hyundai union agrees to sellout contract ahead of looming autoworkers' struggle in US

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Despite overwhelming support for a planned walkout today of Hyundai autoworkers in South Korea, their union reached a tentative agreement with management Tuesday night and called off a two-day strike. If imposed, this sellout deal will do nothing to reverse the attacks on jobs and working conditions. Hyundai autoworkers should reject the deal and link their struggle with other autoworkers in South Korea and internationally, including in the United States, facing a similar onslaught.

The deal includes a 111,000 won (\$US84) per month raise or 4.8 percent of a worker's basic salary, a so-called "performance-based" bonus equal to 400 percent of a worker's basic monthly salary, a one-time bonus of 10.5 million won (\$US7,910), and 250,000 won (\$US188) in gift certificates. Hyundai claimed it would also hire some 800 new production workers over the next few years.

The contract falls far short of the demands for which workers voted to strike in August. These were a 184,900 won (\$US139) increase in basic salary, 30 percent of Hyundai's net income from 2022, nine months of salaries in bonuses, and the extension of the retirement age from 60 to 64.

According to Job Korea, an online recruiting company, the average annual base salary for a Hyundai employee is 39.85 million won (\$US30,000). Real wages for the working class, however, have been falling consistently since April 2022 as a result of rising inflation.

Workers were also demanding the rehiring of those who have been laid off and an end to discrimination against non-regular workers. They are paid significantly less than their regular counterparts and

lack basic job protections, similar to temporary part-time (TPT) workers in the US automotive industry.

In addition, the demands included a call for the release of plans regarding the development of new electric vehicle (EV) manufacturing, given that an estimated 60 to 70 percent of jobs at Hyundai alone could be lost by 2030 in the transition to EV production. The vehicles have fewer parts and require fewer workers to build, putting hundreds of thousands of jobs around the world on the chopping block.

Hyundai has rejected the demands. In response, the union, the Korean Metal Workers' Union (KMWU), has essentially accepted the company's original offer, which included a proposed 106,000 won (\$US80) salary increase, three and half months' worth of so-called "performance-based" pay and an 8.5 million won (\$US6,400) bonus per person.

Hyundai workers should reject this sellout agreement in the vote this coming Monday and take matters into their own hands. Strong sentiment exists for a strike, with 88.93 percent of workers voting in favour in August. The KMWU Hyundai branch represents 44,538 members with 96.92 percent taking part in that vote.

Other sections of autoworkers have also voted to take strike action. Kia workers are making similar demands as their counterparts at Hyundai, which owns Kia. The 26,693 members of the KMWU Kia branch voted on September 8 to strike as did 3,529 union members at Kumho Tire. There is also growing discontent among workers at GM Korea and Renault Korea.

Neither the KMWU nor other sections of the union bureaucracy will lead a struggle against big business in South Korea in defense of jobs and working conditions. The KMWU is affiliated with the so-called "militant"

Korean Confederation of Trade Unions (KCTU), which is aligned with the Democratic Party. To wage a fight, autoworkers should need to form rank-and-file committees, independent of the unions, the Democrats, and other pro-capitalist parties.

The KMWU deliberately seeks to prevent a genuine working-class movement from developing while falsely posturing as “militant.” The union regularly calls partial strikes to allow workers to blow off steam while limiting the impact on companies as much as possible. Different KMWU branches reach separate deals with individual companies while others are still negotiating, or even when their workers are on strike, thereby isolating the struggles and putting pressure on workers to accept company demands.

The KMWU intended to do the same this week, announcing four-hour strikes on Wednesday and Thursday with no additional walkouts planned. The Hyundai branch likely had a deal with the company in place, but used the strike announcement to give the phony impression that it was fighting for its members in order to better force through the deal. Even when strikes do take place, the union regularly enforces overtime to help the company recoup its losses.

Furthermore, the KMWU has for the past four years imposed concession contracts on Hyundai workers without any walkouts. This included a wage freeze in 2020 to ensure Hyundai would not suffer any negative effects from a trade dispute with Japan as well as the COVID-19 pandemic. At the same time, it kept workers on the job and at risk of exposure to a potentially deadly or debilitating virus.

For Hyundai Motors, times have never been better as the company last year enjoyed record profits. Sales for 2022 reached 142.5 trillion won (\$US107.4 billion), a 21.2 percent increase over the previous year, while its operating profit rose to 9.82 trillion won (\$US7.4 billion), a 47 percent increase from 2021. Both were record highs. Net profit also increased by 40 percent to 7.98 trillion won (\$US6 billion). These were increases over previous records in 2021.

South Korean workers are not alone in their fight. They are entering into struggle alongside workers around the world. Notably, 170,000 autoworkers in the United States and Canada are poised to strike at the “Big Three” automakers Ford, General Motors, and Stellantis when their contracts expire Thursday night.

Autoworkers are demanding significant wage increases, abolition of tiers, fully-funded pensions, and the immediate transition of temporary part-time workers to full-time positions.

Autoworkers in North America should take the treachery of the KMWU as a serious warning. The United Auto Workers is preparing the same type of pro-company deal as in South Korea and as is being demanded by the auto industry around the world.

As a result, workers’ struggles cannot be limited to individual countries. The production of vehicles is a global process with workers connected to one another through huge supply chains while companies employ workers of numerous nationalities. Both Hyundai and GM, for example, also operate auto plants in the United States and South Korea respectively.

Workers around the world therefore encounter the same attacks on their working and living conditions as the capitalist classes demand workers pay for declining economic conditions. South Korean autoworkers should reach out to their class brothers and sisters in the US and in other countries to take their struggle forward. A unified international struggle is needed, not just against individual corporations but against the capitalist system as a whole based on a socialist perspective.



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