

Samsung workers in South Korea stage first strike: union

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Samsung Electronics' union members hold placards during a rally outside the company building in Seoul.

Workers at tech giant Samsung Electronics in South Korea staged the first strike at the company on Friday, the head of a major union

representing tens of thousands of people said.

Samsung Electronics is one of the world's largest smartphone makers and also one of the only companies globally to produce high-end memory chips used for generative AI, including top-of-the-line artificial intelligence hardware from industry leaders such as Nvidia.

Management at the firm, the world's biggest producer of memory chips, has been locked in negotiations with the union over wages and benefits since January but the two sides have failed to narrow their differences.

Lee Hyun-kuk, vice president of the National Samsung Electronics Union, said Friday's collective action was "largely symbolic, but it's a beginning".

"We have plans for follow-up strikes if the management is not willing to communicate with us openly," Lee told AFP.

"The union is not ruling out an all-out general strike."

Union head Son Woo-mok added that the "first strike at Samsung Electronics" was taking place through "the use of paid leave, and it is understood that many employees are participating".

"It's difficult to provide an exact number, but from what I've seen of the workplace attendance in the morning, there is a significant difference from the usual," he said.

Samsung Electronics said it has been "diligently engaging in negotiations with the union and will continue to do so", and that there is "no impact on production and business activities".

The paid leave usage rate on Friday was "lower than that of June 5 last

year", which, like June 7, was sandwiched between a public holiday and a weekend, the company said in a statement.

Around 10 workers held a protest in front of Samsung's major office in Seoul on Friday, chanting, "Respect labor!"

Samsung Electronics is the flagship subsidiary of South Korean giant Samsung Group, by far the largest of the family-controlled conglomerates that dominate business in Asia's fourth-largest economy.

The company has offered workers a pay hike of 5.1 percent this year.

The union told AFP on Friday that it "is willing to positively review" that offer if Samsung also provides an additional day of annual leave and transparent performance-based bonuses.

Taiwan-based market research firm TrendForce said that the strike would not impact DRAM and NAND Flash production, nor would it cause any shipment shortages.

Samsung accounts for a significant chunk of global output of the high-end chips, but the strike involves headquarters employees, not workers on the production lines, TrendForce said in a report.

"Finally, fabs rely heavily on automated production and require minimal human labor. Therefore, the strike will not have any substantial impact on the future memory supply," the report said.

Historic strike

Even so, the strike carries historical importance, "since Samsung resisted unionization and engaged in union-busting for so long", Vladimir Tikhonov, professor of Korean Studies at the University of Oslo, told

AFP.

He said the collective action showed that "there is a gradual tendency towards empowerment of labor in South Korea".

Samsung Electronics avoided the unionization of its employees for almost 50 years—sometimes adopting ferocious tactics, according to critics—while rising to become the world's largest smartphone and semiconductor manufacturer.

Samsung founder Lee Byung-chul, who died in 1987, was adamantly opposed to unions, saying he would never allow them "until I have dirt over my eyes".

The first labor union at Samsung Electronics was formed in the late 2010s.

In 2020, Lee Jae-yong, the company's then-vice-chairman and the founder's grandson, apologized to "everyone who has been pained by labor issues at Samsung", adding he would "make sure" the company "is not criticized for union-free management".

Still, the National Samsung Electronics Union, which has around 28,000 members, or more than a fifth of the company's total workforce, has said the word "strike" has been a "taboo word" at the tech giant.

Union deputy Lee told AFP that the strike won't "lead to a disruption in production and we don't want it to lead into one".

"We just want Samsung to hear our voice," he said.

Semiconductors are the lifeblood of the global economy used in everything from kitchen appliances and mobile phones to cars and

weapons.

They are South Korea's leading export and hit \$11.7 billion in March, accounting for a fifth of total exports, according to trade ministry figures.

Shares of Samsung Electronics closed down 0.13 percent on Friday.

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