

Hyundai Motor's Alabama suppliers use prison labor, affecting wages, worker safety: report



Headquarters of Hyundai Motor and affiliate Kia Motors in Seoul / Courtesy of Hyundai Motor Group

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Incarcerated workers have few ways to resist declining pay, working conditions

Thousands of workers at Hyundai Motor's auto parts suppliers in Alabama have allegedly faced stagnant wages and worsening working conditions, which the report attributes in part to the systematic use of prison labor, according to a new report from Columbia University's Labor Lab and Jobs to Move America (JMA).

Prison labor for corporate profit is technically legal in the U.S. because inmates are paid. In practice, however, they earn far less than non-incarcerated workers, a disparity that Hyundai Motor's U.S.

Drawing on responses from more than 600 Alabama autoworkers, the report from the research center at Columbia University found that employees at Hyundai Motor-affiliated suppliers earn 10 to 15 percent less than their peers elsewhere in the U.S., even after accounting for factors such as education, race, gender and age.

The report also highlights that workers in Hyundai's supply chain experience more frequent safety hazards, wage theft, forced overtime, harassment and missed breaks than employees at other Alabama auto suppliers. In the Montgomery area, where most Hyundai suppliers are concentrated, wages run 7 to 9 percent lower than comparable jobs elsewhere in Alabama and neighboring states.

"Even when you just look at the free world workers, the non-incarcerated workers, we find that the plants that are using a higher share of incarcerated workers have worse wages, worse working conditions," Columbia economics professor and co-author of the study Suresh Naidu said Thursday (local time) during an online press conference.

The report found incarcerated workers were "much less likely to quit in response to a hypothetical wage cut," a dynamic that gives employers leverage to push standards down for all workers.

State records cited in the report indicate that about 13 percent of Hyundai supplier plant workers in Alabama participate in the state's prison work release program. The report emphasizes that coerced



Hyundai Motor Alabama Plant in the U.S. / Courtesy of Hyundai Motor Group

"Hyundai/Kia came to Alabama in 2005, but Alabama has a long history of allowing companies to experiment with coercive labor practices that stretches back much further than that," JMA Southern Director Will Tucker said. "Since Reconstruction in the South, after the Civil War, the South has been a testing ground for a number of captive and exploitative labor practices."

"I got hurt on the job with my hand, snapped a bone," Miller was quoted by the report. "They bandaged me up, told me to keep working, so I did ... If I couldn't do my job, then they'd just call the camp and report it. And then the camp would write me up if I didn't do it, and probably send me back to one of the dangerous prisons. So I had no choice in the matter," he recounted.

Despite a 2022 amendment to Alabama's Constitution banning slavery and involuntary servitude, a loophole in federal law — the 13th Amendment's "exception clause," which permits prison labor "as a punishment for crime" — combined with the Alabama Department of Corrections' enforcement of mandatory work and penalties for refusal, has kept the state's prison labor system in place, fueling ongoing legal challenges. The clause has historically underpinned "convict leasing" systems across Alabama and the U.S., practices that were formally abolished only after the end of the Jim Crow era in the 1960s.

The study found that when the share of prison labor at a Hyundai Motor supplier rises by 10 percent, wages for non-incarcerated workers fall by 10 to 14 percent. Incarcerated workers, often eager to escape violent and overcrowded prisons, are less likely to quit over low pay or poor conditions, making it easier for employers to keep standards suppressed across the workforce.



Family members of people incarcerated in Alabama prisons rally outside the Alabama State Capitol in Montgomery, Ala., Oct. 22. AP-Yonhap

Hyundai Motor's headquarters in Korea told The Korea Times that it could not provide a separate comment on the independent business activities of its suppliers. Hyundai Motor North America acknowledged that it was aware some suppliers participate in Alabama's inmate work release program but stressed that the company is not involved in those decisions and that suppliers are required to comply with both the law and Hyundai Motor's code of conduct. The two largest among Hyundai Motor's 67 suppliers in the state did not respond to The Korea Times' request for comment.

The academic paper forming the basis of the report suggests that comprehensive prison reforms in Alabama, such as ending wage garnishments for work-release participants and instituting a \$15 minimum wage, would improve the well-being of both incarcerated and free workers.

"Workers in Alabama and Georgia deserve safe, dignified jobs where their voices matter, their safety

"We need the world's biggest auto companies to build the clean electric vehicles of the future, but we cannot repeat the shameful sins of the past, including prison labor, unsafe factories and disrespecting workers in this new economy," she said.