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China:

# Workers on the move - the Lide strike

- IV Online magazine - 2015 - IV486 - July 2015 -

Publication date: Tuesday 14 July 2015

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**For eight months the workers at a footwear company in Guangzhou fought to claim their rights while their factory was being relocated. In spite of harassment and occasional violence, thanks to the support of a local NGO they were able to achieve an extraordinary victory.**

Eight months of organizing and three separate strikes later, workers at Lide shoe factory, a foreign-invested enterprise producing leather shoes for international brands, in the industrial Panyu district in Guangzhou celebrated their well-deserved victory on May 16th. In response to the factory's plan for relocation, workers secured a range of compensations entitled to the 2,500 employees under labour laws, including years of unpaid social insurance and housing fund contributions, but also a lump sum payment of previously non-existent annual leave, maternity leave and heat allowance, as well as severance compensation for those who choose not to relocate to the new facility.

Strikes and protests sparked by factory relocation are common in this part of China, and workers are increasingly demanding companies to make social insurance and housing fund contributions potentially worth tens of thousands. Lide workers' struggle began in late 2014. Workers learned through rumours about the company's plan to relocate to Nansha district, another industrial district in Guangzhou. Production lines and workers were gradually transferred to the new facility. However, management did not discuss any settlement plan with workers. This is not surprising. But what is interesting is that fearing they would face redundancy without compensation, a group of workers approached Panyu Migrant Worker Service Centre in August 2014 to ask for assistance in negotiating with management.

Panyu Migrant Worker Service Centre is a well-known and long-established labour NGO operating in Guangzhou for close to two decades. Led by a former migrant worker-turned-barefoot-lawyer, it is one of a small number of labour NGOs in China that have gone beyond merely legal and social service provisions, and choose to assist workers in both individual and collective labour disputes. The Centre was to be instrumental in helping workers to elect representatives, drafting agreements and strategizing more broadly. As one of the staff at the Centre involved in the Lide dispute told the media, "our role is as consultant, facilitating labour-capital collective negotiation, providing workers with legal assistance, and helping them organize meetings. We did not play a leading role. Ultimately, it has to depend on the strength of workers' solidarity." But for their role, the director and one of the staff at the Centre were to be physically assaulted and harassed first by police then by a group of unidentified men.

Although it should have been a straightforward negotiation, the dispute intensified in November 2014 when management coerced workers to sign a new contract with changed conditions, and threatened sacking those who refuse. Workers promptly rejected the contract and such intimidation. Enraged, a group of workers, who had been elected as workers representatives and who agreed to the strike the night before, initiated a strike first in one workshop that then quickly sparked a factory-wide strike on December 6th 2014. Immediately, workers representatives held a meeting to elect eleven negotiators to participate in a collective negotiation convened by management on the same day.

The meeting reached only a tentative agreement: workers were to resume work the same afternoon, and a new contract would be negotiated. However, the striking workers believing management did not address workers' core concerns rejected this agreement, and continued their strike in the afternoon. As the Weibo account of the striking workers remarked, "once workers were organized, the balance of force between labour and capital will immediately shift...Lide workers' organizing and workers' enormous strength demonstrated in the process reaffirm the great wisdom and consciousness of the Chinese working class. Solidarity forever!" While this was too early a verdict, it did prove to be true in subsequent events.

## Workers on the move - the Lide strike

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In the evening, workers' representatives discussed their response. Indicative of the level of organization, the representatives not only elected a new team of negotiators for the second round of collective negotiation, but also made sure they delegated responsibilities to the three chief negotiators. In addition, the meeting elected three workers to manage the solidarity fund, five workers to publicize the strike on social media, and marshals to manage the picket line. The negotiators then went on to collect workers' demands and devise a proposal with specific timelines for the coming negotiation.

The next day, on December 7th the workers' negotiators proposed a comprehensive list of 13 demands, as in accordance to China's labour laws, during the second round of collective negotiation. These demands mainly focused on unpaid social insurance and housing fund, but also payment for annual leave, maternity leave and heat allowance, as well as a day-off per week for workers, but nothing on wages or union reform. But they are clear about their right to make these demands. The proposal prefaced by saying, "we are all workers of Lide shoe factory, and we have worked at Lide for many years. Although we cannot say we have created endless profit for Lide, the fact that the company can reach today's achievement is inseparable to our workers' efforts. The profit and value we have created are far above our meagre wages, but we cannot even fully enjoy social insurance and benefits".

Following a heated negotiation, the company made a unilateral announcement, which in broad terms accepted the legitimacy of workers' demands but did not spell out any specific plan or timeline. In response, the workers' chief negotiator called an all-staff meeting that produced very detailed demands and timelines and asked management to hold another round of negotiation. The date of December 14th was scheduled for the next negotiation. Meanwhile, as the dispute intensified, workers became more involved and organized. By this stage, more than 1,800 workers had indicated their willingness to defend their rights and contributed 20 Yuan each to the strike's solidarity fund.

While workers representatives and negotiators were drafting agreement, the company management called its own all-staff meeting and announced their own plan the day before the scheduled third round of negotiation. Management hoped to pre-empt the negotiation and dictate the terms of the agreement. The details of the announcement concerning the timing and amount of payment fell short of workers' expectation. Workers representatives, after consulting with workers, rejected the company's unilateral decision.

Two days later, on December 15th 2014 workers went on strike for the second time to protest the management's refusal to negotiate. Management tried to block workshop doors to prevent workers from leaving. But workers linked arms and rushed out of the workshops. By early afternoon, the overwhelming majority of the workers took part in the strike. And the strike continued into the following day. Workers walked out of their workshops, gathered in the factory square, shouted slogans like "Bosses do not keep promise; workers demand dignity!" and marched with banners within the factory compound. When some managers took down workers' banners, a group of workers came directly to their office and demanded immediate apology. Under pressure, management agreed to new negotiation, this time under the supervision of the local union and authorities. Management made a few further concessions and workers' representatives accepted the agreement that broadly met workers' demands. While workers were jubilant for their victory, they recognized the difficulty of negotiating the remaining issue: severance compensation, and the implementation of the agreement.

Meanwhile, division among workers representatives appeared. The main negotiators allegedly acted against workers' interests and secretly negotiated with management, and were demoted by other representatives. And when the remaining representatives and other workers held a meeting in a hotel to discuss strategy and elect new negotiators on April 19th 2015, more than a hundred special duty and assistant police broke into the hotel, bashing and arresting workers. Other workers soon gathered at the local police station, demanding the immediate released of the arrested workers. All were released.

The following day, April 20th, workers staged a strike for the third time as management failed to implement the

## Workers on the move - the Lide strike

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agreement of the previous negotiation. This time, the government intervened more forcefully. The county-level Party Secretary supervised the negotiation between management and workers' negotiators with delegates from the local labour and taxation bureaus and the local branch of the trade union. The strike continued into April 21st. Another negotiation took place in the meeting room of the local county government, and the government signalled that it would move both parties to reach a compromise, largely taking the side of workers. Clearly under government pressure, the general manager of the company agreed to most of the workers' demands particularly concerning the timing of the payment, which has to be before the factory relocation planned for June 2015. Meanwhile, hundreds of workers took turn to picket the factory at night, so that no finished order could be transported out of the factory.

The next day, on April 22nd 2015 both negotiators and managers addressed to an all-staff assembly in the factory square. Still not satisfied with the timing of the payment and the lack of a written agreement, workers continued the strike and blockade. Finally, in the evening of April 23rd, the company and the county government made a joint announcement that made more concessions to workers' demands. With the stamps of both parties on the agreement, the negotiating team including a consultant from the Panyu Migrant Worker Service Centre urged workers to accept the agreement, arguing a coordinated return to work was also a show of strength.

On April 25th, the company made a lump sum payment of housing fund and other compensations directly to workers' bank accounts, and progress was made about the more complex process of social insurance contributions, which required both workers and company to pay into local taxation bureau. The results are a considerable success for workers. All the compensations paid by the company, according to the calculation of the Panyu Migrant Service Centre, amount to more than 120 million Yuan. This would not have come about without the sustained and highly organized activism. Workers' collective actions at Lide are exceptional in their sustained organizing over eight months from August 2014 to April 2015. While each of the three strikes is brief in duration, amounting to 11 strike days including six days of factory blockades, called "factory protection" by workers, they were remarkably successful at pressuring management into negotiation and making concessions. Each time management sought to dictate the terms of the agreement by making unilateral announcement, workers pushed back.

In the process, workers held four rounds of negotiations, two elections of workers representatives, three elections of negotiators, three workers representative meetings, more than 20 consultations among workers representatives and negotiators outside of the factory, and three all-staff meetings. They elected representatives, drawing up demands, mobilizing strikes, and conducting negotiations with management and the local authorities. The intervention of the labour NGO was instrumental in lending experience and strategies. Not surprisingly with such sustained collective action, the government and management harassment and occasional violence were deployed and the threat to the safety of those involved was ever present. But the striking workers and the activists have shown, once organized, such intimidation can be defeated.

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