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Reviews

# China: Workers Rising?

- Reviews section -

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**When I read a book about rebellious factory workers in China, what I want to know is: Where are all the wildcat strikes heading? Will workers be able to build real (at this point illegal) unions? Will they be able to keep any kind of organization going? Will they ever be able to make connections across factories and coordinate their actions?**

China's leaders are intent on making the 21st century the Chinese century. To do so they will need the cooperation of the world's largest working class, which these days is showing more restiveness than that of just about any other country. It would be good to read that this very new working class, an immense potential source of global worker solidarity, is overcoming its fragmentation and getting organized.

Neither of two fascinating books about China in 2014 and 2015 give me the answer that I want to hear.

Lu Zhang is assistant professor at Temple University and a researcher who interviewed 200 Chinese auto workers and 78 managers, party cadres and union officials at seven assembly plants. She does not predict the future except to say that local rebellions will continue and that the All-China Federation of Trade Unions (ACFTU), which is actually part of the government and the only "union" allowed, will likely become more active on workers' behalf.

Eli Friedman, assistant professor at Cornell's Institute for Labor Research who speaks Mandarin and has spent a great deal of time in China, sees it as next to impossible that workers will win better conditions through the ACFTU or through legislation, which goes unenforced. He's pessimistic about the legalization of real unions. He, too, says worker unrest will continue, but in its current fragmented form, not strong enough to force reforms, and inequality and poverty will persist.

It's not a pretty picture, and not hopeful for workers in the West who are constantly told by management that they are competing against "the China price."

Still, both authors take us inside the astounding manifestations of worker discontent that have the central government worried enough, in the last year, to crack down. The government has suppressed the worker-centered NGOs that sprang up in various cities to help workers file legal claims for unpaid wages or to assist on health and safety issues. It even shut down a labor-research center at SunYat-sen University in Guangzhou, co-sponsored by the University of California, Berkeley, that the regime found too friendly to worker concerns.

The message coming from the government these days is all about avoiding pernicious "Western influences" which would include independent unions.

## Growing Protests and Limits

Strikes and labor protests in China more than doubled last year to 1,379, according to the China Labour Bulletin, based in Hong Kong. In 2011 there were only 185. All strikes take place outside the official channels of the union.

Friedman shows us throughout *Insurgency Trap: Labor Politics in Postsocialist China* how the ACFTU takes a "passive repressive" response to worker unrest and sometimes not so passive. His case studies show how in

even the supposed best examples of collective contracts — the ones ACFTU officials show to visiting foreign unionists — workers find their union worthless and the contracts go unenforced.

His upshot, confirmed by other observers, is that the rising wave of protests wins gains for particular groups of workers but does not result in lasting organizations that workers could use to fight to alter the balance of power.

China's government makes sure that's the case because it fears independent worker organization more than anything — far more than outbursts of worker unrest.

A main role of the ACFTU, sometimes aided by the police, is to block any budding organization that might arise. The Wall Street Journal reports that during a recent strike at a clothing factory in Shenzhen, police entered the plant to force workers back to their jobs, breaking from past police practice of staying outside the premises.

A strike by 100 women workers at a small bike-light factory in Shenzhen in May this year is perhaps emblematic. Labor Notes reports that a Taiwanese company, New An Lun Lamp, was ignoring labor law and social insurance policies by not paying into workers' pension or housing funds.

The company refused to pay for sick, maternity, work injury, or marriage leave or the high-temperature allowance that workers were entitled to. Bathrooms were locked except during official breaks. When workers held a sit-in in May, 100 police came to help the company move out finished bike lights. Strikers were evicted and nine were arrested.

The nature of the ACFTU is fairly well known; Friedman explains that it's under the control of the government at the national and city levels, while at the company level, it's controlled by the employer. Higher-level officials are not elected but appointed. They're rotated in and out of union jobs and other positions in the state machinery.

Friedman says, "It is not at all unusual for people with no experience in trade unionism whatsoever to be appointed to very high-level positions...leadership is frequently unfamiliar with, and often uninterested in, labor issues...these officials think of themselves as, and behave like, government officials."

Indeed, the 2001 Trade Union Law says that in the event of a work stoppage, the "union shall assist the enterprise or institution in properly dealing with the matter so as to help restore the normal order of production and other work as soon as possible."

At the company level, Friedman reports, "it is quite common to have human resource managers or the enterprise owner serve as union chairs." And if a pro-worker union chair somehow makes it into office, "there are countless examples of activist union chairs being summarily fired for antagonizing management."

Faced with a union like that, what are workers to do? Over and over again, they organize on their own.

## Auto Workers' Strike Wave

Friedman details the famous 2010 strike wave in the auto sector. It began when about 50 workers from the assembly department of a Honda powertrain factory sat down in front of the plant in May, demanding a big raise of 800 RMB (\$50 a month). The strike spread to other departments, and within a week the lack of parts had shut down every Honda facility in China.

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At the start of the strike's second week, the district-level union federation sent vanloads of what appeared to be hired thugs, wearing union insignia, who ordered strikers to return to work. They assaulted some workers.

This intervention reinvigorated the strike but also brought in riot police to cordon off the road to the factory. The local government, Friedman says, wanted neither violent confrontation nor the possibility that the strikers might leave the grounds.

The union chair had been involved in negotiations with management, but essentially took Honda's side. In order to resolve the strike, local government now actually demanded that the strikers select their own representatives. Bravely, the strikers stated that they would accept nothing less than their original demands without a general meeting of the workers.

In the end, they got wage increases of 500 RMB, and 600 RMB for the second-tier "intern" workers, a hike for the interns of more than 70%. Says Friedman, "Such large wage increases in response to strikes were unprecedented."

That summer, strikes spread throughout the auto industry and spilled into other sectors. At Denso, a major parts supplier for Toyota, 200 workers met in secret to plan their walkout. They blocked trucks from leaving the plant, elected 27 representatives to negotiate, and demanded an 800 RMB raise. They got it.

In the northern city of Dalian, 70,000 workers struck at 73 employers in a development zone, winning average increases of 34.5%.

Friedman says the dozens of reported strikes are surely a small portion of those that occurred that year. Wage increases around the country sometimes offered by management preemptively prompted media commentators to declare the end of low-wage labor in China. That was premature.

The Honda strikers were perhaps the most daring and "political" of the strikers: one of their demands was for a "reorganized" union, that is, one that represented its members. After the strike, the ACFTU allowed workers to elect their reps but only at the level of the team, representing about 30 people. At higher levels, management stepped in, and mostly white-collar employees won the elections.

Friedman interviewed Honda workers in July 2010 and found them dismissive of the union, finding no change since the strike: "They just collect the dues each month and that's it." "If this company has a union or not, it makes no difference."

It would seem hopeful that the following winter, the elected representatives participated in wage negotiations at the Honda powertrain plant, and that management granted another 611 RMB raise. Some observers might seize on this as evidence of a real change in power relations. And Friedman notes how much power these workers potentially had, because they were the sole supplier of some parts for Honda in China and because they'd demonstrated their willingness to act.

But he also points out that their wages are still low, below those of Honda assembly plant workers in China, and that no gains were made on any non-wage issues.

Most important for long-term hopes for worker resistance: Workers in the strike wave of 2010 were clearly inspired by each other, but "there was no coordination between strikers from different factories."

## Two-Tier Workforce

In *Inside China's Automobile Factories: The Politics of Labor and Worker Resistance*, Lu Zhang describes vividly the two-tier system in Chinese auto plants. Most are joint ventures between foreign companies and local or regional governments. All are new and modern; all use a form of the Toyota lean production system, which Lu describes as grueling, monotonous, exhausting and authoritarian.

In particular, they hire a core of formal workers who have higher wages than the average Chinese factory hand and some job security — although their initial contracts may be as short as one year — and a large number of temp agency workers.

Temp workers tend to be between 18 and 24 years old; they earn half to two-thirds the pay of formal workers, with far fewer benefits. They do the same jobs as formal workers, often for years, but with no hope of becoming permanent.

In six assembly plants Zhang studied, the percentage of temporary workers ranged from a third to 60% of the workforce. (Oddly, the one plant that did not use temporaries as of 2011 was a Japanese joint venture.)

Even lower in the hierarchy are student interns, who must work six months in order to graduate from technical school. They get no training except in basic jobs on the assembly line and receive only a base wage, with no benefits. Sometimes their schools retain a portion of their pay.

At two plants, student interns were 30% of the workforce, and overall they were 30% of the temporary workforce.

Temp agency workers have become ubiquitous in China: at 60 million, they are 20% of the employed population, used long-term alongside regular workers not just in factories but in government agencies and industries of all sorts.

Lu explains the paradox of this system, which she calls “labor force dualism.” Management began using temporaries for flexibility in numbers, to save money on wages and, presumably, to create a division inside the workforce that would defeat solidarity.

It's the oldest trick in the book: create loyalty, or at least a reluctance to rock the boat, among one segment of the workforce (“at least we're not as bad off as those other guys”). And make the other segment more vulnerable, more fearful of losing their jobs, and thus more likely to conform to management demands.

But dualism hasn't worked as well as management hoped. Although it has kept formal workers from actively supporting the temps, for temporary workers it has become “a continuing source of irritation and an impetus to rebel,” Lu reports.

She notes three characteristics of temporary workers that help when they decide to dissent. Both regular temps and student workers are more likely to be urban, with higher education levels, than former temporaries who were migrants from the country. Even workers from rural areas want to stay in the city and get ahead. All talked of the injustice of their unequal treatment.

Second, temp workers are concentrated in dormitories, enabling them to form close connections. Third, they are adept at using social media. Three-quarters of those interviewed said they were active on online forums, and half said they had posted online comments about their jobs.

Presumably, many or most of those comments were complaints. One stated, "Although we work side by side with formal workers, they have preference over the job assignments, and they usually work at the same position as long as they want. But we have no choice, and we are...allocated to the least desirable positions" those tiring and dirty jobs, most at the welding shop."

Temps frequently cited the "equal pay for equal work" clause in China's labor law and denounced the illegality and injustice they suffered. Their deep resentment of the dual system meant that "their claims and protests were often explosive and morally based," Lu writes.

## A Pair of Strikes

Temporaries therefore resorted to minor sabotage, absenteeism, slowdown, and collective resignations. Most effective and most interesting were strikes.

At one state-owned plant, the vocational school that supplied student workers was late with their pay. More than 300 night-shift student workers decided not to go to work; they stayed in their dorm sleeping and a whole assembly line stopped.

A formal worker reported, "It was fun to watch managers running around and trying to find workers to get the line to start running again. But it was impossible when three-fifths of the line workers [temporary workers] went on strike."

Strikers' descriptions from a group interview are worth quoting at length:

"The shop manager came to our dorms one hour later and asked us to go back to work. We said not until we got paid our wages in arrears. The manager said they would discuss the issue with our school but we must go back to work first. No one responded. That was almost 10 p.m. And we learned that our co-workers, the formal workers, went back home without working as well. The whole assembly shop was shut down.

"The following morning the production manager and the HR manager came to our residence...They promised to solve the problem, but we must go back to work immediately. They threatened to fire those who didn't go back to work. Many of us were frightened, but we insisted on getting paid first.

"Our brothers in the day shift stayed with us and no one showed up at work...The vice principal of our school...apologized and said... we should see our paychecks in our bank accounts by noon. And we did. Most of us went back to work shortly afterwards.

"At that moment, you feel like we are all staying together, we are all supporting each other. You realize at least I am not alone...That makes you feel stronger. It's a great feeling!"

Lu notes the power the student workers had, to shut down the plant during peak season. She credits the formal workers with "silent support;" they too were feeling resentful, because of heavy overtime and a puny bonus. A team leader said that the student workers' strike became an outlet for the formal workers to vent their discontent as well.

Four months later, the temporary workers upped the ante. Formal workers had gotten a raise but temp workers nothing. Again 300 student workers stayed in their dorms, demanding the same wage increase formal workers had

received.

This time management took a hard line: return to work by noon or be fired. Eighteen workers who did not return were dismissed. And this time the dual system worked as management wanted it to: formal workers were not supportive.

Lu quotes one formal worker giving the classic “you’re lucky to have a job” rationale: “The market is not that good these days...You know, it is just impossible to pay everyone the same. Otherwise, why would the factory even bother to hire temporary workers? Because it needs cheap and flexible hands. I also think this is unfair. But look, there are so many people who don’t even have a job. They [temp workers] should feel lucky to even have a job and work here.”

The temp workers believed that their strike did cause management to give raises a month later: 100 RMB for those who struck and 200 for those who did not. They saw their main problem as having no representative to speak for them: “Individually, everyone was scared to be identified as black sheep and get fired. If we could have a union or an organization that can genuinely represent us and speak for us, things could have been different.”

## Can Stability Be Maintained?

Lu Zhang emphasizes throughout the central government’s focus on maintaining “stability.” As Friedman puts it, “different levels of the state are all concerned about worker unrest and are searching for various methods of dealing with the problem.”

Guangdong province, north of Hong Kong, produces more than a quarter of China’s exports and is a major site of worker restiveness and strikes. Last year more than 40,000 workers there, in seven factories, for two weeks struck the Yue Yuen company, which makes a fifth of the world’s sport shoes, including Nike and Adidas.

They demanded that the company stop short-changing their pension contributions “” and the company not only gave in but raised their pay by 230 RMB. According to a Hong Kong NGO, in the first quarter of this year 11 large factory strikes in Guangdong brought about violent police reprisals.

Guangdong officials responded by passing a labor law with disturbing implications. Workers will have the right to demand that their employers negotiate over wages and benefits “” but the law spells out that this can happen only through the ACFTU. And the law makes it illegal to strike during such negotiations “” for the first time officially prohibiting strikes and making possible long prison terms for violators.

Previously labor law had been silent on the legality of strikes; it was a “grey area,” according to Anita Chan, longtime China labor scholar and editor of *Chinese Workers in Comparative Perspective*. No one has as yet been arrested for striking, she says, but rather for “disturbing the peace” or “causing social instability.”

The new law “legalizes” strikes only in order to prohibit them, spelling out a long list of banned actions: “Employees are forbidden to initiate or promote a collective bargaining by: (i) refusing to complete assigned duties by breaching employment contract; (ii) breaching disciplinary rules, or forcing other employees to leave their duty; or (iii) blocking up entries and exits of enterprise or traffic arteries, impeding the transportation of personnel and assets, destroying equipments and facilities, or impairing business order or public order.”

Such a law, says Chan, "only means there will from then onwards be many 'illegal' strikes, allowing the government and the police to crack down."

Still, even without legal protections, Chinese factory workers have been remarkably unafraid to take bold action and have learned that it often works, in the short term. They apparently don't buy into the government's official goal of a "harmonious society," at least in practice.

Lu's book is full of evidence that workers, formal and temporary, see through the notion that all is fair under "socialism with Chinese characteristics" — read, capitalism. They are experiencing the worst of both worlds — capitalist exploitation and the harshness of its lean production regime, combined with the repression of a government accustomed to one-party rule and determined to keep it that way.

Lu Zhang urges us to look past the "localized, cellular, and apolitical" nature of Chinese workers' outbursts and instead "identify the potential for transformation from below." The question is whether workers' bravery and initiative can outmaneuver the corporations and government who are betting everything on their ability to contain them. The potential is enormous, as China's rulers are well aware.

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