

Strikes, suicides and labour activism in China

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The suicides at Foxconn and the strike at Honda's components factory in Foshan [1] have focused almost unprecedented international media attention on the plight of China's workers. Commentators have asked why are workers taking such drastic action, are we seeing an upsurge in worker activism, and if so could that threaten social and political stability in China?

CLB executive director Han Dongfang addressed these questions in a video interview with the *Financial Times* [2], and made the point that strikes and protests are inevitable when wages are too low and workers lack formal channels through which they can express their demands. These strikes and protests however should not be seen as a threat to the government, he said, but simply a manifestation of China's workers' determination to stand up for their own interests.

CLB communications director Geoffrey Crothall argued further in the South China Morning Post that the events at Honda and Foxconn demonstrated the need for genuinely representative trade unions in China [3] that could present workers' demands for higher pay during scheduled, peaceful and equal negotiations with management.

The attention of the popular media [4] in particular has helped put pressure on major brands such as Apple, with even Steve Jobs expressing his guarded concern [5]. And importantly it has also raised awareness among a much wider audience of the problems faced by workers in China.

With increases in the minimum wage across the country and significantly higher wage demands from workers, several commentators [6] are suggesting that we are witnessing the beginning of the end of low-cost labour in China. There are certainly some encouraging signs; however, as the reported detention of more than 20 striking workers at a Henan cotton mill on 1 June [see below] shows, workers are clearly not having everything their own way.

Many workers are still fighting long battles just to get the work-related injury compensation they are legally entitled to. A worker at a battery factory in Jilin suffering from lead poisoning [7], and a jewellery worker crippled by silicosis [8] have encountered almost insurmountable obstacles created by both their employers and the local authorities in their quests for redress.

And workers continue to face widespread and blatant discrimination while applying for jobs. A new investigative report by a Chinese civil society group reveals that nearly 60 percent of companies in Shenzhen still actively discriminate against prospective employees on the basis of age, gender, health, appearance or residency.

Finally, a new research report [9] available on our redesigned Chinese language website [10]

provides a detailed analysis of the development of labour relations in China over the last two decades and examines why it has thus far proved impossible for the government to legislate a solution to the country's growing number of labour disputes.

Another suicide at Foxconn after boss attempts damage control

Hours after Foxconn boss and founder Terry Guo led 200 journalists around the company's Longhua facility in Shenzhen, another young worker jumped to his death, bringing the total number of such suicides at the plant to ten this year, with three just this week.

And according to unconfirmed reports another young woman survived a fall early in the hours of Thursday morning, the third attempted suicide this year.

During the press walkabout, Mr Guo apologized for the spate of suicides and, when pressed by journalists, promised to withdraw a letter of agreement the company had drafted in which employees would have to promise not to self harm and allow the company to hospitalize them if they exhibited abnormal behaviour patterns.

The Taiwanese billionaire blamed the suicides on China's social problems and refused to accept that excessive overtime or Foxconn's strict and disciplinarian management style had anything to do with the issue.

However, the company's attempts to slow down the "suicide express," as it has been dubbed in the Chinese media, have had little effect. Foxconn has drafted in hundreds of psychiatrists and Buddhist monks, set up a telephone hotline and stress-relief centre and erected barriers and safety nets to deter suicides. But thus far it has done nothing to address the core grievances of workers.

The vast majority of workers complain of low basic salaries which force them to work excessive overtime just to earn a living wage. At their work station, they are under constant pressure to work as quickly and efficiently as possible and avoid social interaction with their co-workers.

Instead of simply trying to relieve the pressure that the company itself has placed on young workers, Foxconn should focus on eliminating that pressure in the first place, by, amongst other things, paying higher wages so that employees do not have to work 60 hours overtime each month and consequently have more time to relax, socialize and enjoy all the facilities at Longhua that Mr Guo was so keen to show off yesterday.

27 May 2010

Foxconn announces wage rise just one month before Shenzhen increases

minimum wage

In response to widespread criticism of working conditions at its factories in China, Foxconn announced on 2 June that it is raising the wages of its Chinese workforce by an average of 30 percent.

“We hope the hike in wages will help improve the living standards of the workers and allow them to have more leisure time, which is good for their health,” an unnamed Foxconn official in told AFP in Taipei.

The announcement came a week after Li Ming, spokesman for the Shenzhen Municipal Human Resources and Social Security Bureau, revealed that the city would increase its minimum wage on 1 July this year.

The exact figure will be announced later this month, Mr Li told the Shenzhen media on Wednesday 26 May. However, the Shenzhen government had earlier committed itself to an increase of “at least ten percent” in the minimum wage this year, and following an average increase of 20 percent in neighbouring Guangdong on 1 May this year, the actual amount will probably be around 20 percent, the same level as initially offered by Foxconn.

As such, after 1 July, Foxconn will still only be paying its Shenzhen workers a basic salary only slightly above the minimum wage. The current minimum wage level is 1,000 yuan per month inside the Special Economic Zone and 900 yuan per month outside the SEZ, where Foxconn’s Longhua facility is located.

28 May 2010

Police reportedly detain striking workers at Henan cotton mill

More than 20 female workers were detained after police attempted to break up a two-week-long strike at a former state-owned cotton mill in Pingdingshan, Henan. The workers, eight of whom were listed by name, were accused of “disrupting production” (扰乱生产), according to reports circulating on the Chinese internet.

Up to 3,000 police officers moved in to clear the factory gate on 1 June, which had been blocked by striking workers since 14 May. Some of the 5,000 workers have reportedly returned to work but the majority remains on strike.

The strikers have four basic demands: That employees get a fair share of the proceeds from the restructuring of the enterprise and the sale of assets; that holiday pay and bonuses conform with the provisions of the Labour Law: that wages (especially for front line workers) be increased and that workers get paid annual leave; and that elderly and infirm workers be allowed to retire early on a basic subsistence allowance.

For more information about the harassment, arrest, and detention of worker activists in China, see CLB’s most recent list of imprisoned workers, which is updated every year on 4 June.

4 Jun 2010

Report uncovers widespread employment discrimination in Shenzhen

Nearly 60 percent of companies in Shenzhen actively discriminate against prospective employees on the basis of age, gender, health, appearance or residency, a new investigative report has revealed.

Women suffer from a disproportionately high level discrimination, the report found, particularly in the service sector where "appearance" is regularly included in recruitment criteria.

The Shenzhen-based civil society group Hengping (恒平) spent five months investigating jobs advertised at 1,560 companies in 103 different sectors and found that 868 of those companies used discriminatory hiring practices. Age was by far the most common barrier to employment with 68 percent of the 868 companies placing limits on the age of job candidates, typically 35 years-old or below. Some 37 percent of the 868 companies discriminated on the basis of appearance, 20 percent according to gender, 13 percent on health, and six percent according to household registration (hukou) status.

Height requirements were regularly stipulated for jobs in service industries (a growth area in Shenzhen), with 41 percent of secretaries and front desk clerks, and 38 percent of shop assistants having to exceed specified heights.

Hengping cited the lack of effective legislation and outdated social attitudes as the main reasons for employment discrimination in the city. It noted that while some laws have provisions against discrimination in the workplace, China still lacked a strongly worded specific anti-employment discrimination law. It also noted that the concept of equal employment is relatively new to China and old attitudes related to hiring and firing employees are still deeply ingrained in society.

The report calls on the Shenzhen municipal government to eliminate discriminatory clauses in existing legislation and implement new legislation that targets employment discrimination in specific sectors. It recommends setting up a report and complaint system, and that trade unions, and other civil society groups, get actively involved in helping victims of discrimination obtain redress.

And Hengping cited civil rights advocate and visiting Yale scholar, Lu Jun, as suggesting that the authorities in Shenzhen use the city's proximity to Hong Kong to its advantage when tackling employment discrimination. Mr Lu pointed out::

"Shenzhen is next to Hong Kong; when it is opportune to do so, Shenzhen should draw upon the latter's system and experience to establish equal opportunity bodies to mediate conflict and tensions and to fully mobilize various social groups in raising anti-discrimination awareness."

25 May 2010

P.S.

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Footnotes

[1] <http://www.clb.org.hk/en/node/100776>

[2] <http://video.ft.com/v/89280641001/June-1-Han-Dongfang-on-why-China-s-labour-system-is-broken>

[3] <http://www.clb.org.hk/en/node/100775>

[4] <http://www.clb.org.hk/en/node/100779>

[5] <http://www.reuters.com/article/idUSTRE64S0DO20100602>

[6] http://www.ft.com/cms/s/9c959f2e-6ea6-11df-ad16-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F9c959f2e-6ea6-11df-ad16-00144feabdc0.html&_i_referer=http%3A%2F%2Fwww.china-labour.org.hk%2Fen%2Fnode%2F100783

[7] See [Battery factory worker suffering from lead poisoning cheated out of compensation](#)

[8] <http://www.clb.org.hk/en/node/100762>

[9] <http://www.clb.org.hk/chi/node/1301251>

[10] <http://www.clb.org.hk/schi/>