

Interview

The state of the unions and labor unrest in today's China

Thursday 9 May 2013, by [AU Loong-yu](#), [BAI Ruixue](#) (Date first published: 6 May 2013).

Recently, Foxconn, the Taiwanese firm which employs 1.5 million Mainland Chinese workers to produce electronic goods for companies including Apple, announced that it will allow its workers to elect their union representatives by July 2013. Do you think the democratization of the workplace union is possible in the context of a police state?

Au Loong Yu and Bai Ruixue - Some Western media have described this as the first unionization attempt at Foxconn. This is not true. In 2007 the Shenzhen ACFTU (All China Federation of Trade Unions) publicly announced that it had founded a workplace union at Foxconn's plant there. The *Southern Metropolitan Daily's* report revealed that the workers they interviewed had told them that they did not know what a union was or that approaching the union would be their last resort. So at least in Shenzhen there is already a union at the Foxconn plant but nobody knows whether it has done anything for the workers.

Less than two weeks ago two workers from Zhengzhou Foxconn jumped to their death. This was after the company imposed "silent mode" on its workers without prior notice. Employees complained that they were not allowed to talk at work for more than 10 hours every day and this drove many people to despair. Foxconn is famous for imposing a militarized discipline on its workforce and in 2010 alone 14 workers killed themselves. One may wonder what the ACFTU has ever done to stop Foxconn from treating its workers like slaves. If the workplace union is ever effective, how can the management impose "silent mode" on the workers without first consulting them?

As the experience of the re-election of the Honda Foshan workplace union shows, we do not share the view that a general democratization of workplace unions is possible within the context of the lack of civil liberties in China. The Honda Foshan workers went on a heroic and successful strike in 2010 which not only forced the management and the local ACFTU to raise wages but also to agree to arrange re-election of the workplace union.

In 2012 a NGO did an investigation into the re-election of the union. Despite the rhetoric of the party and ACFTU leaders in Guangdong about respecting the workers' right to a democratic election, it turned out that only a by-election was held; only part of the workplace union leadership was open to election. The original chairperson, greatly resented by the striking workers, kept his seat. A full election was eventually held in November 2011, hosted by the local trade union. Yet the out-going leadership, in accordance to the rules set down by the ACFTU, monopolized the nomination procedure for the incoming leadership. Managerial grade employees were not only allowed to stand as delegates to the union congress but also enjoyed a disproportionately much higher delegates-to-members ratio than ordinary workers. As a result, members of the company management were elected as members of the union leadership, while the activists who had led the strike in 2010 were pushed out. The full election of the workplace union leadership was followed by the election of the leadership of branches and rank-and-file committees. This was deliberately arranged in a highly complicated way and the procedure was long drawn out so as to allow for manipulation from above.

And then not long ago, on 18th March, 2013, the workers at Honda Foshan once again went on strike. The strike was a result of workers' dissatisfaction with the proposed salary adjustment program put forward by the company and enterprise union. The workers believed that the program was only beneficial to higher level workers and disadvantaged lower level employees. As a result of the strike, workers on the two lower levels were subsequently offered a higher wage rise. This strike seems to show that the strength of the trade union today in defending workers' interests does not seem to be very strong. Rather it shows inadequate communication with grassroots workers who once again had to bypass the union and start a strike to protect their own interests. Indeed workers commented that the union's position is basically the same as the company's.

Two weeks later workers from another factory, the Ohms electronics factory in Shenzhen, demanded the removal of their elected trade union chairman, Zhao Shaobo. Zhao was elected by workers last year following a strike at the factory in which the workers demanded the right to be able to elect their own representative. Some of the workers, however, have now accused Zhao and the union of failing to safeguard their interests, including the defence of the labour contracts of 22 employees which Ohms decided not to renew earlier this year. According to the workers Zhao even tried to persuade them into accepting the management's offer. "We don't want our union chairperson to be biased in favour of the management. We want to elect someone who speaks for us", said one of the workers.

How about the unions in the state sector?

There is much less information about the unions in SOEs (State Owned Enterprises). The mass media are more open in reporting strikes and union re-elections in the private sector, and especially in the foreign owned companies because they can always point the finger at foreign investors and accuse them of not abiding by the law. When the same thing happens at SOEs it directly involves state officials and so is more likely to be censored in the press, unless the protests become big and last longer.

In general, whereas in the private sector the unions are more likely to be empty shells controlled by the bosses, hence leaving no space for the party state to intervene within the workplace, in the state sector, even if today's SOEs have a more independent management, the legacy of the party's role in intervening in workplace unions has not given way entirely to management's power, although the relationship of forces can be very different in different regions and industries. This probably implies that in this sector, if workers want a rank and file controlled workplace union, they may face not only the management but also a hostile party state apparatus within the enterprises.

The fact that today's SOEs employ great numbers of dispatch laborers, a practice which is against the labor code (according to which dispatch labor can only be used as a supplementary workforce to the current workforce and only when the latter is unable to perform specific tasks) but has not been rejected by the ACFTU, also shows that the official union does too little in protecting workers in this sector.

In a word there is no reason to believe that the ACFTU is going to stop acting as a tool for the ruling party and the latter's capitalist line. Even if the ACFTU did something positive for labor occasionally this is always its secondary agenda. In 2010, under pressure from the domestic business lobby in Guangdong province and from Hong Kong investors, a clause that might have led to an election of worker representatives for a "collective consultation" was deleted from the draft of Guangdong province's "Regulations on the Democratic Management of Enterprises." The clause's original reading was hardly revolutionary—the ACFTU would have controlled the nomination of candidates and the word "bargaining" never appeared, as it was considered too confrontational; however, successive revisions rendered the final bill totally meaningless for workers. Huang Qiaoyan, a legal scholar at the Sun Yat Sen University in Guangzhou, described the 2011 revised draft as "reflecting

the wish of the people who drafted the bill to continue to control, through different levels of the union, the increasing demands from workers for collective wage consultations. They do not wish to see the rise of a situation where there are spontaneous actions by workers in which the unions cannot intervene, organize and be in control." Nevertheless, the trend has been for the international labor movement to work ever more closely with the ACFTU, thereby further legitimizing it. Credibility was again falsely awarded to the ACFTU in June 2011, when it was elected by the International Labor Organization (ILO) workers' group to the ILO governing body.

How do you evaluate the present level of labor unrest in China?

For more than ten years labor resistance in China has consisted mostly of economic struggles. The anti-privatization struggles in the state sector carried the potential to develop into more political ones but this has not materialized under a relationship of forces where state workers remain demoralized and defeated on the one hand and experience heavy handed repression on the other. Still economic struggles from both the state and the private sector can bring about limited positive change. This is important not only in terms of the benefits of the immediate victory, such as to halt privatisation, to win better working conditions or to limit harm to the environment but more importantly as such victories can act to inspire the future action of others and help to impact on the potential for their positive outcome, as is illustrated by the influence that the struggles of the Tonghua steel workers and the Honda workers. The forms that resistance have taken also reflect how the current generation are becoming increasingly bolder. Although still on a smaller scale, the attempt by Pepsi workers in different provinces to coordinate their action through the internet is of particular note in this respect. Even if such coordination was contemplated in the past, fear of the consequences would only have acted as a deterrent. The fact that the young Honda workers made the claim that they were acting interests of the whole Chinese working class again shows how there are signs that this new generation, free from the memory of the terrible defeat of 1989, has the potential ability to see beyond their immediate issue and to identify with wider concerns.

One must also note that repression today is less effective than in past years. This is not only because protestors are becoming bolder, but also because beyond this is the beginning of a more fundamental shift in perceptions among both the people and the ruling class. Fear among the people is receding, while the bureaucracy feels its legitimacy is gradually eroding. After more than twenty years of privatization by and for the ruling bureaucracy, it has so enriched itself to the extent that it not only angers working people but also the private bourgeoisies and upper middle class people. The netizens play a big role here. For many years they demanded the release of the figure of expenditure of the so called sangong xiaofei, which literally means expenditure by government officials on overseas trips, purchase of cars and official receptions and banquets. When the figure was finally released the netizens' attacked it as being unreasonably high and continuously growing - the official figure was 10 billion yuan (US\$1.63 billion) last year. The netizens then further demanded the release of the figures of different government departments, to which the government yielded recently. They also made use of search engines to make investigations into corrupt officials and to publicize their findings. This kind of internet activism does have an impact beyond the internet, and further shapes the public's growing negative perception of the ruling party. Therefore, even if it is difficult for economic struggles by labor to develop into political struggles under the present repressive regime, this regime's continual decay, however, is also eroding its legitimacy, which, in the medium term, may politicize society, either because of some big scandal, or a factional fight among the ruling party, or because of the onset of an economic crisis, or a combination the above factors.

Do the continuous minimum wage increases and the expansion of public housing, etc, in recent years speak for the fact that the party state possesses both the political will and institutional muscle to implement its policy of improving the lives of common people?

Minimum wages have been rising continuously in the past decade but one must take into account rising inflation as well – the official figure is relatively low but it is not reliable at all. Workers that we have interviewed continue to say that life is hard for them as food and rent keeps on rising. This is never fully reflected in official statistics. In recent years the CCP has promoted labor laws reform, and in appearance one may say that China today has put in place a welfare state. The issue, however, has to be assessed from a broader political point of view. The bureaucracy has turned itself into a bureaucratic capitalist class, and it has accomplished this metamorphosis with ease because it stands above all laws except that of its divine right to be a one party dictatorship. Hence its paramount goal is to get rich when carrying out its task of public administration. This is why a lot of public housing has been distributed not to the working poor but to government officials or their cronies. Therefore even if the bureaucracy does occasionally enforce laws which entitle people to economic benefits this always comes next to the bureaucracy's own paramount objective of plundering the country. And when the people rise up to demand for their legitimate rights, the party state simply answers with repression.

While economic and social reform, however good in itself, continues to be interpreted and implemented by the Party leaders alone, these reforms necessarily turn sour sooner or later. Therefore it is not just economic benefits that are desperately needed but political power for the people as well, but this is something that the party state will never deliver unless hard pressed from below. One must note that the growing gulf between the rich and the poor and the party and the people is first of all a result of this party state and its bureaucratic capitalism, hence the state is not a solution to China's deep contradiction, but is more of a problem in itself – its rampant corruption increasingly constitutes an unbearable burden to society and will trigger off an implosion sooner or later.

It was recently in the news that more Chinese and foreign owned firms are now leaving China for Bangladesh and Vietnam because of rising wage costs. Will this situation gives workers more bargaining power?

Because of the appreciation of the Chinese currency, the shortage of labor and rising nominal wages, the number of firms leaving China has been on the rise for a while already, and it is expected to continue in the coming years. This in general favors labor, but for the moment this is not as significant as one may think. In a country where the law of the jungle prevails, the capitalists, with the help of the iron heel from the state, can always find ways to get around the shortage of labor and the rising wage costs. One of the ways is to hire interns from vocational schools, most of them are not even adults, and their internship is arranged by local public education institutions and local governments from the exporting provinces/cities. This is just one of the many examples of open collusion between capitalists and local governments. It is also how Honda Foshan, as well as many other companies, overcomes labor shortages. The other way is to hire child labor. This practice has receded a bit in previous years but we suspect it is recovering lost ground. We know of cases in Chaozhou, Guangdong province, where garment factories illegally hire child laborers again to allow them to have enough labor supply at a reduced cost.

Secondly, China's advantage has never just been about low wages. As a matter of fact, Chinese wages were not the lowest among Asian countries ten years back. As far as the labor force is concerned, Chinese workers are very productive compared to countries with similar levels of economic development. This is because of its highly disciplined and relatively educated nature, which is a result of a highly repressive state born through a revolution. This continues to favor China as a world sweat shop. There are also other factors at work as well but we cannot deal with them here. What is relevant to our discussion is that although the abundance of the labor supply is now gradually behind us, China's status as the world sweat shop will not disappear very soon.

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P.S.

* This interview was done for the French magazine "Tout est à nous", which will publish it in French.