

# Alter-Globo in Hong Kong

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**Hong Kong labour activist Au Loong-Yu discusses the impact of Chinese sovereignty on the former British colony, and Pacific Rim protests against the WTO. What prospects for an alter-globalization in the East?**

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## **Can you tell us something about your background?**

I was born in Hong Kong in 1956. My family had come from Guangdong in the early 1940s—my father was an artisan, making small ornaments and the like. He came from the city of Foshan, which was known over centuries for its porcelain. In Hong Kong, he did several brief spells in factories, but couldn't endure factory discipline; he loved his freedom as a craftsman. My mother worked alongside him in their workshop at our house. They didn't earn much: my three brothers and I sometimes had to walk the streets with my father selling souvenirs he had made. We lived in Kowloon, but I went to a Catholic secondary school—though I'm not a religious person—on Hong Kong island.

## **How was the prc perceived while you were growing up in the 1960s?**

People were divided in their attitudes towards China—though not the Hong Kong bourgeoisie, who of course loathed the ccp. But in the labour movement, there was a deep split between Communist-led unions and those run by the kmt, which lasted up until the early 70s. The hostility between the two peaked in 1956, when the kmt trade unions physically attacked ccp unionists. The ccp had extensive influence among workers: the 'Socialist Fatherland' was seen as a counterweight to colonial rule. But then in 1967 the Maoist pro-ccp union called a general strike that no workers supported, and then in the wake of its failure launched an 'urban warfare' campaign. This was a bitter disappointment to many workers who had been dedicated to the cause, and who paid a high price for the ccp-led unions' desire to emulate the Gang of Four. The popular saying at the time was that they wanted a big strike, Da bagong, but instead it was Dahua bagong, a big exaggeration.

I was a schoolboy during this period, but two things in particular made a strong impression on me. I remember seeing long queues at the post office in the early 1960s: people were sending rice, clothes, daily necessities back to their relatives in China because of the famine. And in 1967 and 68 there were stories of people beaten to death during the Cultural Revolution, and their bodies floating into Hong Kong harbour from the Pearl River.

## **How was British rule viewed at this time?**

British rule in the postwar era can be divided into two periods either side of 1971. In the earlier period, there was a form of spatial apartheid—the Tai Ping Shan area was restricted to Westerners—and conditions were much more oppressive: working hours were long, wages low and strike activity ruthlessly suppressed by the colonial government. National oppression took a very

visible form: nearly all high-ranking posts were occupied by Brits, and English was the only official language; at school, we would be refused permission to go to the bathroom if we didn't ask in English.

The British clamped down hard on the labour movement after the 1967 events—perhaps 4,000 or 5,000 trade unionists were sacked, and thousands put in prison. This took a toll from which the Maoist unions never recovered. Nevertheless, by the early 70s, pressure had begun to mount on the British, both from within and from without, to make some reforms in order to maintain any legitimacy. Hong Kong students and social activists were agitating for Chinese language rights, and against the possible transfer of Diaoyu Island to Japan. A key turning point came on 7 July 1971, when the colonial government harshly repressed a demonstration by radical nationalist youth movements. A wave of further protests ensued, and the government was forced for the first time to permit demonstrations. After that student groups mobilized with some success against official corruption, and in 1973 pressured the government into forming an Independent Commission, which continues to function. Externally, China's rising international status—its assumption of a UN Security Council seat in 1971, Nixon's visit and so on—was an important factor pushing the British into granting limited political freedoms.

### **How and when were you radicalized?**

By the 1971 mobilizations around the Diaoyu Island. They were organized by young students, many of whom were beaten and hospitalized by the colonial police. The worldwide radicalization of the 1960s was late in coming to Hong Kong—it wasn't till 1970 that young people began to respond to socialist or Marxist ideas, for instance. Though the ccp had lost much of its base among the Hong Kong workers after 1967, it benefited greatly from the upsurge in national sentiment among students and intellectuals. China, and its Maoist model, was seen as an alternative to British rule—though during the course of the 1970s the local ccp moved away from advocating the end of colonialism, in the name of stability. In student circles, the Maoists were constantly challenged by liberal currents and the radical left, notably Trotskyists and anarchists. The Chinese Trotskyists had had a presence in Hong Kong since the 1940s, while anarchism had become fashionable in the early 1970s. I followed lively debates in the papers between the two groupings, and read Marx and Trotsky as well as Marcuse and Fromm. I was attracted to Fromm's humanism, and found Trotsky's analysis of bureaucracy highly relevant to contemporary Chinese history. Many of my classmates became Maoists, but despite my youth I felt a strong aversion to the cult of personality. I joined the Young Socialist Group, which moved increasingly in a Trotskyist direction, but disintegrated in the early 1980s.

### **What did you do after graduating?**

I finished high school in 1974, and worked in the offices of a British and then us trading firm until 1977. After that I spent two years working in factories, making garments and Japanese watches. I then enrolled at Hong Kong Baptist College to study Chinese, which I went on to teach in high schools until 1995.

What was the response in Hong Kong to Tiananmen Square, and to the democracy movement more generally?

The initial reaction was both horror and anger—including among pro-Beijing groups, though these repented their criticisms of the ccp soon enough. Many dissidents fled China in the wake of the repression, but they mostly went to the us, and so had little impact on Hong Kong's political scene. The real effect of Tiananmen Square was to bolster the liberals in Hong Kong, who became dominant in the opposition camp—a position derived not from any innate strength, but from the degeneration

of 'really existing socialism'. The 1989 crackdown made for a glaring contrast between colony and mainland, which increasingly came to be seen as a barbaric, absolutist regime.

Not that Hong Kong itself was an authentic liberal democracy, even by the time Britain's ninety-nine year lease expired. For all the rhetoric, Patten did little towards democratization: prior to the 1997 handover, only half the seats in the legislative council were directly elected under universal suffrage. It was only the fierce opposition of the Chinese government and its backers in Hong Kong to such a small step that enabled the uk to garner some credibility. This was nothing new: in the early 1980s, when the colonial government began to introduce direct elections, the heads of the pro-ccp unions opposed it, claiming that 'We workers only care for fan piao [rice voucher], not xuan piao [ballot]'. The ccp's rigidity made Patten's piecemeal democratic engineering appear more significant than it really was. In fact, London's reforms simply served to ensure that in 1997, power was peacefully retained by the same set of mandarins as before, the colony's Administrative Officers, only this time under the leadership of a governor appointed by Beijing, Tung Chi Wah.

Nevertheless, there has been significant progress for Hong Kong Chinese since the days of my youth. There is now a clear agenda for universal suffrage and parliamentary democracy, which was totally lacking in the 1970s. The democratic movement in Hong Kong is important, since freedom of the press and assembly are the only weapons we have to defend our autonomy, and resist the political convergence between the one-party regime on the mainland, and Hong Kong's mandarins and tycoons. Liberal democracy does provide working people with a space to resist, which is entirely lacking in mainland China. However, because of the dominance of liberal ideas, these democratic aspirations are never linked to social and economic rights. Even three or four years ago, the minimum wage was seen as a radical demand. Hong Kong society is very atomized: few people join political parties, social movements and trade unions are very weak, and it is difficult to mobilize rank and file members in any great numbers. Movements are often led by paid officials. Such a low organizational starting point makes it hard to wage a prolonged democratic struggle, and it seems likely that if full universal suffrage and parliamentary democracy arrived in Hong Kong, the same clique would be able to monopolize it.

### **Can you tell us about what has happened since 1997? What has the process of integration with the prc involved?**

The idea of 'one country, two systems' was essentially the invention of Deng Xiaoping. When the prc's leaders spoke in the 1980s of learning from Hong Kong, they naturally did not mean freedom of the press or limited democratic rights, but the example of Hong Kong capitalism. After 1997 mainland corporations rapidly moved to strengthen control over Hong Kong's media—tv, newspapers and so on—resulting in growing self-censorship on the part of broadcasters and journalists. In economic terms, Hong Kong was already undergoing de-industrialization before the handover: whereas manufacturing accounted for a third of the labour force in 1986, by 1996 it had dropped to a tenth. The overwhelming bulk of jobs—over 90 per cent today—are in the service sector. A deep restructuring of the working class is under way, as hundreds of thousands of workers, especially women, have been forced into increasingly precarious employment. The main effect of the handover was to greatly accelerate this trend towards downward mobility. Even service jobs have shifted to southern China: banks, insurance companies, airliners, accounting firms and so on all have their logistics bases in Shenzhen or Guangzhou, where wages are a fraction of those in Hong Kong, and white-collar workers never strike. As a result, Hong Kong wages dropped by a third or more across the board after the Asian Crisis.

Many people left Hong Kong before the handover: there was an enormous middle-class migration to the West. The shortage of teachers, incidentally, made it easier for me to secure jobs in better schools. But Hong Kongese are still much more able to travel than mainlanders. Under the rules of

'one country, two systems', citizens of both Hong Kong and the mainland prc need an internal passport to cross from one side to the other; but it is easy for Hong Kongese to get this passport, whereas mainlanders face a number of obstacles—notably the Hukou household registration system, which practically makes second-class citizens of the rural population. In effect, the richer you are, the easier it is to come to Hong Kong—making for a form of combined spatial and social apartheid.

Beijing mandarins from time to time warn Hong Kong residents not to turn the region into an 'anti-communist base'. But for all its distaste for Hong Kong's autonomy, 'socialist' Beijing has long depended on the capitalist colony: from 1949–79, one third of all foreign exchange earned by the prc came through Hong Kong. For the moment, they cannot take any drastic measures to curtail that autonomy, which would greatly radicalize local opinion. Gradual erosion seems the most likely path in the long run, barring the advent of significant resistance on the mainland.

### **How did the Globalization Monitor originate? What is its readership?**

Globalization Monitor was founded in 1999, just a few months before Seattle. A group of activists including Gerard Greenfield, John Chan and myself had already been in contact with trade unionists and environmentalists, and in 1997 we staged the first anti-globalization protest in Hong Kong, against the World Bank. Other Hong Kong social movements just ignored us, so after more serious discussions we decided to launch a journal and website, Globalization Monitor, with the aim of providing public education among trade unions and ngos. We initially worked with the Confederation of Trade Unions (ctu). The Monitor currently has 12 editorial board members, drawn from the women's movement, Greens, trade unions and public-sector unions. The readership we aim at is first of all Chinese workers, rather than English-speakers; we devote what resources we have to reporting the truth as broadly as possible in Chinese, and then see if we can secure enough international support for publishing materials in English.

A second strand of our tactics is to help spread the news of workers involved in spontaneous strikes. Through our network of contacts in mainland China, we gather information on labour conditions and disputes there. Where possible, we invite the more outspoken workers to Hong Kong to take part in informal discussion groups—though this is complicated and prohibitively expensive for most migrant workers, since in order to travel they have first to return all the way to their home village and apply for a passport there. Our idea is to raise the awareness of the workers who do make it here, with a view to their eventually becoming activists themselves.

### **What sort of campaigns have you been able to mount?**

In 2004, through our mainland contacts we heard about two battery factories in Huizhou owned by Gold Peak, where 177 workers were diagnosed with cadmium poisoning. The company has 12,000 employees worldwide, and annual revenues of over \$500m. We leaked the story to the press in Hong Kong, and it hit the headlines: the ceo of Gold Peak, Victor Lo, is a member of the Hong Kong Executive Council. The company also has factories in Shenzhen and one in Hong Kong, where we heard about more cases of cadmium poisoning, which we also publicized. The story was picked up by the mainland press, and in late 2004, Central China tv made a programme about it that was—by their standards—surprisingly critical. This made a big contribution to raising public awareness about the costs of the 'Chinese miracle': a previously indifferent public now at least had some knowledge of what was happening. We've circulated the programme to workers on dvd as an educational tool, to show them that it is possible for the national media to pick up their stories. This hope is the real gain from our action; sadly, the report on national tv was not enough to pressure Gold Peak into meeting workers' claims for compensation. Three times in 2006 we arranged for Gold Peak workers to come to Hong Kong, where they tried to meet with senior executives of the company, and publicly picketed Victor Lo. In November 2006 we finally succeeded in setting up a meeting between Lo and

the workers. But he rebuffed their claims—and is now suing Globalization Monitor and the ctu.

### **What has been the response to Globalization Monitor from other Hong Kong organizations?**

Hong Kong's social movements are generally very conservative, in part because of the deep-seated individualism of the culture. It is very hard to get people to participate actively, something the democratic movement has also experienced—though they can draw large numbers to demonstrations, they have very few committed cadres or intellectuals. Up until around 2002-3, trade unionists, ngos and community groups would listen to what we were saying, but did not agree. After 2002-3, things changed significantly—the government was privatizing relentlessly, making sweeping cuts, and many public employees lost their jobs. This set off a first wave of radicalization, during which people became more sceptical about the effects of neoliberal globalization. This laid the foundations for us to form the Hong Kong People's Alliance on the wto (hkpa) in September 2004, and prepare for the anti-wto action week at the end of 2005.

### **What has been the impact of wto accession on China?**

Overall, the impact has been to speed up capital-friendly restructuring. State-owned enterprises, initially the manufacturing and energy sectors, bore the brunt of this: a total of 26 million manufacturing jobs were lost between 1996 and 2001. The effect of the wto on agriculture will destroy the basis of the small peasant economy. Agricultural tariffs have been slashed as per wto requirements, and are now among the lowest in the world, while domestic farm subsidies were cut from 10 per cent of total agricultural production value to 8.5 per cent. China recently became a net importer of agricultural products, an alarming development for a country of its size and agrarian traditions. Government officials point to the abolition of agricultural taxes as a measure beneficial to farmers. But this tax only ever accounted for a fraction of the money peasants pay to officials, who impose all kinds of 'fees' for education, infrastructure or even local militia. Moreover, there are numerous cases of land being expropriated from farmers for commercial purposes.

In accordance with wto rules, in 2007 China will have to open its service sector, including banking and finance. In the last few years the banking sector has shed 250,000 workers. There has already been a general commercialization of services, which has affected education in particular. It will also make China much more vulnerable to regional financial crises than was the case in 1997. This is all the more pressing in view of the unreliability of official data: no one knows the real amount of non-performing loans, or of hidden foreign debt. There is a range of estimates for illegal capital flight—perhaps as high as \$70bn, much of it laundered through Hong Kong or Macau.

The lack of transparency surrounding the true state of the Chinese economy is obviously connected to the issue of corruption. The reality is that elites are immune to prosecution despite the occasional trial of an official. In fact, very often these trials are more about faction fights than weeding out corruption. Tiananmen sent the message that the bureaucracy is entirely above the law. We are witnessing a revival of the ancient tradition according to which criminal charges applied only to commoners; perhaps an even better analogy would be mianzui tiejuan—a kind of certificate, made of iron, granted to the emperor's favourite ministers which pardoned them for all crimes in advance. In these conditions, there can be no rule of law. The same principle helps make sense of the post-Soviet experience. A European activist I met in 1990 argued that the Soviet bureaucracy could not go capitalist, because it lacked the money to buy the national assets; but since they were above the law, they could simply plunder them.

### **Has there been any opposition to the wto within China?**

Owing to severe censorship, most workers in the prc don't really understand much about what impact the wto will have on them. Globalization Monitor's editors have done many interviews, and discovered that rural migrant workers knew least of all; state-sector workers are more knowledgeable—those in auto factories will have heard, for example, of tariffs on cars being cut, and know that this will affect their jobs. But the general response from workers has been apathy. Some opposition has come from inside the party bureaucracy and academia, though before 2001 this was confined to a very small circle of New Left intellectuals. Since then, critics have become more outspoken, but often on purely nationalist grounds. They will attack a mode of accumulation that is too dependent on foreign capital, but they are not opposed to the wto on principle; rather, they support entry on more favourable terms. Han Deqiang, for instance, has advocated pushing for better protections while China gains greater access to the world market, allowing it to increase its share of global trade. [1] From a nationalist perspective, China has every right to seek profits—hence the recent recurrence of arguments for a strong military to defend China's geopolitical interests; after all, there are oilfields in Indonesia, coal and iron ore mines in Peru to be protected.

**Some have argued that the best way to mobilize workers in order to secure their rights is through using legal means. What is your view of such a strategy?**

Han Dongfang, who founded the China Labour Bulletin, has been arguing on these lines for over a decade. [2] I think these tactics have been a failure. To begin with, workers always act according to the law in the first, second and third instance. In almost every case we have come across in the course of research for Globalization Monitor, before they had gone on strike or organized demonstrations and roadblocks, workers have been petitioning the government or private companies for years. And officials or managers have always turned them away. Han also argues that you can transform existing trade unions by calling for elections. This is problematic enough in the state sector, where the primary role of unions has always been to raise productivity, rather than protect workers' rights. In the private sector, where the worst abuses and violations of labour rights take place, the situation is far worse: there are no genuine trade unions at all. Often the boss will simply assign union posts, and the personnel manager is usually chairman of the union. In the Gold Peak factories on the mainland, assembly line supervisors have been appointed union members. How can the workers collectively respond to this? How can they approach a union official and ask for fresh elections, when the person they have to ask is their boss?

In his two books on Chinese labour, Han has made clear the rationale behind his legalistic strategy: pointing to the terrible consequences of the Cultural Revolution, he says explicitly that a popular uprising is to be avoided at all costs. We understand his concern, but reject the idea that the legal path is the only avenue of attack. In fact, in the majority of cases, when workers go on strike or block the road, nothing terrible has happened, no one has been killed—and the workers at least manage to win back some of their wages, or score other partial successes. Moreover, Chinese peasants can endure a tremendous amount. If they do become violent and burn your property, it is nearly always your fault. In a Taiwanese-owned shoe factory at Xing Ang, the workers had become so downtrodden that they virtually destroyed the place; several of them were sent to jail, but we would see management as being responsible for their condition in the first place. On the whole, outcomes are more peaceful, and any violence tends to be in the private sector, where workers are more vulnerable. The predominance of rural migrant workers there, however, makes organizing more difficult—they are from a more individualistic farming culture, and are deeply divided among themselves. But spontaneous strikes are in our experience more effective than approaching personnel managers or government officials.

**Overseas labour organizations have taken divergent stances on China's official unions—some pointing to limited achievements such as securing permission for union**

## **branches in Wal-Mart. What approach would you recommend?**

In my view, supposed gains such as in the case of Wal-Mart are largely meaningless. The All-China Federation of Trade Unions pockets union dues without providing the workforce with any bargaining power. It presents a very convincing façade to organizations such as the International Confederation of Free Trade Unions, but does not permit workers to speak freely to foreign delegates. The official unions are not run for the benefit of the workers. Their Western counterparts should really oppose recognition of the acftu, and refuse to talk to them unless they allow people independent trade union rights.

## **What role did China play in the wto negotiations at the Hong Kong ministerial conference in 2005?**

The most important factor allowing the Hong Kong meeting to advance beyond the Doha round was the betrayal of small developing countries by the G20 leaders, China, India and Brazil, who sacrificed the former's interests and made a compromise with the eu and us. Many Asian ngos and delegates were reluctant to criticize China—as a 'socialist', anti-imperialist state—but the position of the Chinese government was completely clear: it would fully accept the Doha agenda, especially non-agricultural market access and gatts, as long as a few token concessions were made to developing countries to sweeten the pill. The Trade Minister Bo Xilai said that 'China enjoys comparative advantages in low- to medium-end products. Therefore, China hopes to develop a new market for herself.' The Chinese delegation took part in all Green Room negotiations, from which all but a handful of developing countries were excluded. Those expecting China to defend their interests were sorely disappointed.

## **Can you tell us more about the hkpa?**

The hkpa was set up in 2004, and its backbone really came from the ctu and its affiliates the Asia Monitor Resource Centre, the migrant workers union, and Globalization Monitor. A range of other organizations also participated—independent trade unions, migrant workers, sex workers, student and community groups—but the Hong Kong branches of Greenpeace stayed away, perhaps with one eye on their operations in China. The migrant workers have been an especially strong component. Filipinos and Indonesians working in Hong Kong can mobilize in far greater numbers than local Chinese, which is rather shameful. It's a very diverse coalition, with around three dozen member organizations in total. In the run-up to the wto Ministerial, the hkpa's dozen-strong coordinating committee linked together international and local mobilizations. The latter remained small compared to the international delegations, at least until the 18 December demonstration.

## **How did the protests against the 2005 wto Ministerial unfold?**

We spent a year preparing for the Ministerial. Campaigning against free trade in Hong Kong has been difficult—it has been a free port for 150 years, a status which has supposedly made it so prosperous. Thirty years ago activism on this front would have been easier. Working conditions were much harder, and people still remembered imperialist sponsorship of the opium trade. We expected a cool reception, but the response has been surprisingly positive, in part because of the educational work Globalization Monitor has done over the past few years. We are no longer so isolated.

But it was the international support that was the most significant element in the protests' success. The fact that 2,000 Koreans would be attending, including 150 delegates from the Korean Confederation of Trade Unions and ten times that number from the Korean Peasants League, was widely reported in the media. Attention was drawn to the plight of Korean farmers, whose livelihoods had been destroyed by the wto. They were fantastic, very organized and well drilled: the

women beat their drums at the back, and the men advanced on the police barricades as one. The Koreans also won over local opinion by leafleting in Chinese, and had banners written in Chinese proclaiming 'Agriculture is the base of a nation'.

On the very first day, 13 December, I was one of dozens of speakers at a rally organized by the hkpa, and had just handed over to the next speaker when the demonstration suddenly dispersed—everyone had rushed to the waterfront to watch over a hundred Koreans jumping into the sea. The police had no idea what to do. There were some skirmishes with the police on 14 December. Then, on 15 December the Korean farmers did a march involving one step forward and kneeling three times—a gesture to a shared Confucian heritage that resonated with many Hong Kongese. Local tv journalists interviewed members of the public, who generally expressed sympathy for the farmers—their livelihoods are under threat, they had to protest. Interestingly, the news coverage was rebroadcast in South China, something local Chinese governments don't generally do. However, some of the local groups, as well as fishermen's and farmers' organizations from other countries, were not happy about this: the Korean farmers deflected attention from demonstrations they had organized, which were scarcely reported.

The ante was really raised on the 17<sup>th</sup>, when protestors—Koreans at the forefront—broke through the police cordon and shut off the entire Wan Chai district, where the Ministerial was being held. In the evening, the police used tear gas on the crowds and made hundreds of arrests—including Kang Ki Kab, a Korean mp who had accompanied his countrymen; he was told by police to persuade them to retreat, but he refused. A demonstration had been planned to coincide with the closing ceremony the following day, but some of the hkpa's leadership wanted to cancel it, fearing police repression. Fortunately it went ahead, and over 1,000 locals spontaneously joined in; some even sent food and medicine to the Korean delegates. Altogether the demonstrations involved around 8,000 people. Hong Kong residents had never seen confrontations like this, which proved a great education for them.

### **What are the hkpa's future plans?**

After the anti-wto protests in 2005, it was agreed to hold a Hong Kong Social Forum to discuss future strategies for mobilization in China. It will involve the hkpa as well as some church groups and small unions, but will be smaller in scale than the 2005 events. Still, we are expecting a delegation of dozens of Korean farmers, with whom Hong Kong organizations have forged good links after helping them with court cases arising from the demonstrations last year. In general, exchanges between Chinese and international activists will be crucial to our efforts in the long term, and we are going to set up a bilingual website to facilitate these debates. We are also discussing mobilizing around the 2008 Olympics, providing alternative information and critical thought on China in the run-up to the Beijing games. We are in talks with other groups about the idea of organizing a Workers Olympics, but the authorities would clearly not allow such an event to go ahead. It is hard to do even minor things in China. But we will keep trying.

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### **P.S.**

\* From New Left Review 42, November-December 2006.