

China: The Emergence of Real Trade Unionism in Wal-Mart Stores

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The trade unions in Chinese Wal-Mart stores are often dismissed as hollow shells set up by the All China Federation of Trade Unions (ACFTU) without workers' involvement. But through monitoring Chinese media and online blog discussions among Chinese Wal-Mart employees, *CLNT* has found workers who take an active interest in their store union, and at least in one case, of an elected rank and file trade union chair using the trade union platform to actively defend workers' interests. While most – if not all – of the trade union branches are heavily dominated by Wal-Mart management or local governments, some workers have seized this union-building exercise and try to turn the unions into a body that they identify as their own to protect and to use in their struggle against Wal-Mart management.

Background

There were two stages of union-building at Wal-Mart. Unionization at the first 17 stores was initiated by the ACFTU, in July and August 2007. Most of these 17 involved ACFTU quietly organizing rank and file employees. The ACFTU approached workers after work hours outside the stores and mobilized them to submit an application to set up a union branch. These efforts had culminated in democratic elections of trade union committees and trade union chairs by workers willing to take the risk to put themselves forward as candidates. Such election often took place in the early hours of the morning without Wal-Mart's knowledge. When these unions sprang up one after another for the two weeks Wal-Mart was taken aback and refused to recognize them.

Wal-Mart then seeing the problem if this trend was to continue, changed its stance and decided it was better to have the ACFTU working with it than against it. It approached the ACFTU and negotiated to sign a memorandum which allowed for trade union branches to be openly established at the remaining of its 60 Chinese stores (see *CLNT* March 2007). After this, the ACFTU abandoned its surreptitious organizing efforts and reverted to its long-time practice of seeking management approval when setting up union branches and union committees. Reports from the China press describing the establishment of these union branches clearly showed that this allowed Wal-Mart to intervene and manipulate the operations of the union branches, sometimes reportedly with the connivance of pro-business local Party branches and district trade unions. [1] Today China has just over 100 Wal-Mart stores, and all of them presumably have trade union branches.

There has been curiosity in China and abroad to know what is happening within these Wal-Mart union branches. ACFTU's critics have presumed that all of the branches will be quiescent stooges of Wal-Mart and the ACFTU. For instance, Han Dongfang, director of China Labor Bulletin in Hong Kong, in a recent speech in Los Angeles ridiculed these Wal-Mart unions as a mere window-dressing exercise. [2]

A search of Chinese websites and web blogs reveals a mixed but encouraging story. Although many of the Wal-Mart Trade Unions are indeed under the control and manipulation of Wal-Mart management and local Communist Party organs, at least one has been negotiating with management to remediate labor rights violations and to improve the income and work conditions of its members.

Our regret is that based on these web searches alone it is not possible to establish how many have really taken action to further workers' interests.

We have selected four cases of Wal-Mart trade union branches to illustrate the various situations faced in the 100 branches. At least three of these (possibly all four) belong to the first batch of branches set up secretly before 16 August 2006.

These four cases fall under two categories: unions controlled by the Wal-Mart management and/or the local Communist Party resulting in inactive union branches (Cases 1 & 2), and unions in which the membership treat their union branches as their own and resist being controlled by outside forces and corrupt officials (Cases 3 & 4).

Case 1.

Union branch controlled by Wal-Mart management

Shenzhen Jiali Center Wal-Mart Store #3424

Based on two blogs written by workers from this store, it is unclear whether the union was set up without management's knowledge or openly. It seems that the original union committee was not completely under management control, but has become so after a series of manipulations by management, such as by replacing elected trade union committee members with management staff. This is why the website contains a cry for help; "It's over! It's over! Come and save this Wal-Mart trade union!" It is likely that Wal-Mart was able to dominate the branch with the silent consent of the local Party, which moved into the store to set up a Party branch on 14 December 2006. [3]

Case 2.

Union branch controlled by the Chinese Communist Party

Shenyang Taiyuan Street Wal-Mart Store #5780

This Wal-Mart union branch in Shenyang City in the North-east province of Liaoning has been hailed by the Party as a success story because it was the first Wal-Mart store in China to have a Party branch. The trade union branch was set up without Wal-Mart's knowledge in the small hours of the morning of 12 August 2006; and four days later an "underground" Party branch and Youth League branch were set up. The trade union branch was quickly controlled by the Party, which declared it was "not intervening in the work of foreign enterprises", i.e., the Party branch would make sure it that the union branch did not interfere with management. Reading between the lines, it is obvious that the trade union only performs some formalistic functions at the store. This case reflects the government's stated goal to "setting up trade union branches to facilitate the setting up of Party branches" (□□□□□).

Case 3.

Trade union members struggling against corrupt elected union officials **Shenzhen Hujing Wal-Mart Store #2701.**

The Hujing Wal-Mart Store trade union was also set up secretly. It was in fact the second store in China and the first in Shenzhen City to have a union branch. It was a time when joining the union and running for office was a risky undertaking. But Zhou Liang, an ordinary worker stepped forth and got himself democratically elected. [4] The blog translated here indicates that he and the

elected accountant soon became corrupt, embezzling trade union funds, lording over the workers and doing nothing. The members are now trying to get rid of them and to re-organize a new committee. An interesting point to note about this case is that the trade union members, having elected their representatives (as opposed to being appointed by management or by an upper level of the trade union or by the Communist Party), insisted that they be held accountable. The experience of electing union cadres of their own choice has arguably created a sense of ownership over the union, and feel they have the right to dismiss these representatives when they did not live up to the expectations of their constituency. A few employees are willing to organize an investigation committee and signature campaign to get rid of Zhou and the accountant, despite encountering enormous pressure from Wal-Mart management during work hours.

Case 4.

Trade Union struggling against Wal-Mart management Nanchang Bayi WM Store # 5782.

The Nanchang Bayi trade union was clandestinely set up on 14 August 2006. The chair, Gao Haitao, was elected by popular vote. Since then he had fought against Wal-Mart management over one issue after another. It is significant that he had studied law on his own while supporting himself by working at Wal-Mart part-time. In 2005 he passed a nation-wide examine in law and decided to stay on in Wal-Mart as a full-timer. His legal knowledge became his main weapon to fight against Wal-Mart.

We have translated a very long blog related to this case that includes two articles that provide the background information on Gao and the struggles he has been going through ([Click here to view translation](#):). But just as interesting are the large number of comments (including a few from supervisors and managers) from Wal-Mart stores all over China that support him, hailing him as a genuine trade union leader. Some suggest that he should organize and train the trade union chairs in all of the other Wal-Mart stores. Many address him respectfully as “Chairman Gao” though he is not their union chair and is in fact just a young rank and file worker in one of the many stores. There are also suggestions for collective actions. One, for instance, suggests that they start collecting funds, and one writes that he is willing to contribute 100 RMB a month of his cigarette money to start a union fund.

It is alleged in this blog that Wal-Mart has tried one trick after another to control Gao. One attempt was to get the city level union on be on its side, and then to create a so-called union working committee at city level headed by a manager to override the workplace unions of the three Wal-Mart stores in the city. Gao refused to go along with this and sought help from the ACFTU in Beijing, which supported Gao and overrode the decision of the city-level union.

In two instances, Gao fought management against unfair dismissal and succeeded. This was seen as so unusual by other workers that membership suddenly jumped many fold.

Being required by the Trade Union Law to pay two percent of the total payroll to the workplace union as union activity fees, Wal-Mart tried to retrieve this expense by skimping on bonuses and an annual holiday gift. This provoked Gao to write an open letter to trade union members that argued against shifting the responsibility of workers’ welfare onto the union (

It has become a pattern that whatever Wal-Mart management does, the city-level union seconds it. Time and again Gao had to seek help from the ACFTU in Beijing to issue instructions to overturn the city union’s decisions. Gao openly laments the stance taken by the middle levels of the union. It is rare for a low-level trade union chair to engage in this type of frank criticism.

The comments made in the blogs bring out clearly that most workers in China do not totally dismiss the ACFTU. They can be disappointed and cynical about Chinese trade unions, but there is no mention of a desire to set up an independent trade union. When given the space to struggle against management through existing legal and institutional structures, if competent and committed leadership emerges they are willing to rally around it. These blogs are important vehicles for self-expression, exchanges of information and ideas, and discussions about collective action.

P.S.

* From China Labor News Translations. Some links are not reproduced here and can be activated as pdf in the original article:

<http://www.clntranslations.org/article/30/draft>

Footnotes

[1] Anita Chan, "Organizing Wal-Mart in China: Two Steps Forward, One Step Back for China's Unions", *New Labor Forum*, Vol. 16, No. 2 (March 2007), pp. 87-96.

[2] The speech was presented on 8 March 2008 to the Executive Board of the SEIU-UHW (Service Employees International Trade Union- United Health Union),

<http://www.seiuvoice.org/search/?q=...>

[3] <http://www.szlh.gov.cn/main/zfjg/jd...>

[4] <http://finance.sina.cn>, 4 August 2006.