BEIJING — To tackle a wave of strikes at auto parts factories in southern China, company managers and government officials applied some traditional tactics. Mixing promises of wage increases with moves to hire replacement workers, Japan’s Honda persuaded strikers to return to work.

The government restricted news coverage, in fear it could promote copycat strikes, and made no concessions on workers’ demands for a more representative trade union. Still, change is happening in this nation dubbed the workshop of the world.

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Higher wages in China could affect U.S. consumers

The factory towns that mushroomed across southern China in the past two decades house armies of low-paid workers, predominantly from the poorer countryside, who make the low-cost consumer goods found in homes worldwide.

Now those workers boast more awareness of their legal rights and more stomach to fight for them, says Liu Kaiming, director of the Institute of Contemporary Observation in the southern boomtown of Shenzhen.

"Today’s workers go to the factories not just to earn money, but to build their futures," he says. "They have bigger demands now, and more respect for their own rights and dignity."

Collective action will spread, he predicts, as younger workers communicate and organize using text messaging and Internet bulletin boards.

Just don’t expect a nationwide labor uprising, Liu says.

"Of course the government worries about a movement like Poland’s Solidarity, so it still wants to keep unified leadership of trade unions," he says.

Chinese authorities permit only unions affiliated with a national trade union organization. In March, the U.S. State Department’s annual report on human rights in China described its constituent unions as “generally unassertive and ineffective in protecting the rights and interests of members.”

"Wages have been rising in recent years, but compared with soaring prices they remain very low," Li Qiang, founder of New York-based China Labor Watch, told the Associated Press. "The government recognizes that problem, so even if strikes are still illegal, some are tacitly condoned, though the strikes and protests have to stay within certain limits."

The demand of some Honda workers to set up their own trade union was "very unlikely" to succeed, says Geoffrey Crothall, a spokesman for Hong Kong-based China Labor Bulletin, a group that lobbies for workers’ rights. "But it’s been generally a very successful strike."

Workers’ organizing skills are increasingly sophisticated and their demands have risen, Crothall says.

Besides wage increases, "in every strike we see demands for better work conditions, from the state of food in the canteen to the lack of ventilation in workshops, possibly dangerous machines and the lack of protective clothing," he says. Workers have become more “willing to stand up for their rights and a decent standard of living.”

The disputes are based on specific local grievances, but workers are buoyed by successful strikes at neighboring plants or in the same industry, he says.

"It’s not an organized movement, but individual factories learning from each other," Crothall says. Wages "have been very low for a very long time, so it’s a long overdue adjustment.

Even the government has fostered a growing awareness of worker rights, says Thomas Liao, a labor lawyer at the Deheng law firm in Shenzhen. Promotion of a raft of labor legislation in 2008 and the abolition of labor arbitration fees led to a “volcanic eruption” in arbitration cases last year, he says.
However, a dragged-out arbitration process can inspire more dramatic action by some workers, Liao says.

"Striking is the most direct way to reach the upper levels of government and influence the employer," he says. The minimum monthly wage in Shenzhen will rise to the equivalent of $161 next month, the highest in Guangdong province, "but wages still remain far from high," he says.

"A multinational like Honda can afford to increase wages, but I most worry about small and medium-sized Chinese companies," Liao says. "They operate on very low profits, and rely on their low-cost workforce. If they had to increase wages, many factories would have to shut."

The recent strikes occurred soon after a rash of employee suicides at the huge facilities of Taiwan's Foxconn Technology Group in Shenzhen, which makes iPhones for Apple and other technological products that are popular globally. Foxconn rigged nets to catch jumpers and promised to double salaries for assembly-line workers.

Improving wages is just one limited way to improve labor relations, analyst Liu says.

"Foreign companies, including U.S. firms, must show more respect to workers. They earn low wages and perform dull, repetitive work with little training or education," he says. "If you give employees opportunities to grow, then you can avoid problems later."