



China's Summer Of Labor Unrest

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Cheap labor, no independent unions and a bottomless pool of impoverished migrant laborers. That model for China's export manufacturing sector--which over the past three decades has made the country's Pearl River Delta region the "workshop of the world"--suddenly looks less certain than in the past. In recent months, a series of rolling strikes in southern Guangdong province by mostly migrant workers at factories for Japan's Honda and Denso Corporation have up-ended popular conceptions of a workforce content with the calculated injustice of the status quo.

Labor unrest is nothing new in China. The majority of the country's annual 100,000-odd "mass incidents" are local work stoppages by disaffected laborers ranging from taxi drivers to garment workers. State-owned factories in China's northeast rustbelt region are particularly prone to wildcat strikes, though the combination of state-ownership and bans on domestic media coverage of such actions invariably gets workers back on the job through a combination of enticement and intimidation by management and local government.

The recent spate of strikes has defied that pattern and resulted in hard-won gains for the strikers. It helped that the factories were Japanese-owned, and therefore more politically acceptable targets of Chinese unrest, and that the domestic media was allowed to cover the events. The tenacity and solidarity of the youthful, tech-savvy organizers who used instant messaging and mobile phone technology to maintain their picket lines demonstrated a heightened awareness of workers' rights.

The result? Rather than being strong-armed into submission, the Honda and Denso employees have been able to bargain their way back to work with pay rises and some benefits.

But longer-term labor peace requires the Chinese government to do more than stifle labor activism or, on occasion, actually permit workers to negotiate with their employers. By proactively resolving the grievances stoking worker discontent, the Chinese government can buy itself a measure of labor peace essential to its official goals of "harmony" and "stability"--also prerequisites for maintaining strong foreign direct investment inflow.

The Chinese government should first take the simple but critical step of lifting its prohibition on independent unions and collective bargaining. China's Trade Union Law, in direct violation of article 8 of the International Covenant on Economic, Social and Cultural Rights, which China ratified in 2001, forbids any union activity outside the state-affiliated All-China Free Trade Union (ACFTU).

The ACFTU's close ties to the government undermine its ability to advocate effectively for workers; its only public intervention in recent strikes in southern China was an ill-conceived mediation attempt which degenerated into a melee in which several workers reported being injured. Moreover, its organizational efforts have traditionally focused on the state-owned industrial sector while neglecting the migrant-dominated export manufacturing sector. Although the ACFTU has publicly recognized the need to expand its ranks of union-represented migrant workers, less than half of the 211 million migrants are ACFTU members.

The recent Pearl River Delta strikes highlight the hunger of Chinese workers for what the ACFTU, due to its subordination to government interests, can't and won't provide: independent representation of worker concerns on the factory floor.

The Chinese government can also ease the growing frustration and resentment of the country's migrant workers by abolishing the household registration, or hukou, system [↗](#). The hukou system, which links government services to citizens' birthplaces, chronically deprives China's migrant workers of social welfare protection such as the unemployment, medical and education benefits that are guaranteed to registered urban residents. The Chinese government has stated repeatedly that it plans to eventually eliminate the hukou system, including an announcement in June that China's cabinet, the State Council, has proposed "gradually implementing" a national resident permit system. However, that announcement included neither a timetable nor planned allocation of funds necessary to extend social welfare benefits to migrants.

Individual municipalities such as Guangzhou and Shanghai have recently rolled out programs aimed to extend to migrant workers certain rights previously reserved only for hukou-bearing residents. However, those programs require rigorous educational, family planning and tax payment history criteria which effectively exclude the vast majority of China's migrants [↗](#).

Finally, shifting demographics wrought by China's one-child family planning policy means that the law of labor supply and demand may increasingly favor the bargaining position of a steadily shrinking labor force.

Without fundamental changes in respect for workers' rights, we can expect increasing demands to change the status quo of low wages, prohibition of independent unions and hukou-dictated social and economic marginalization fueling current labor unrest in China. Addressing the grievances of Chinese workers today is the best way to create a more sustainable industrial manufacturing model for the future.

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