Chinese factories hit by strikes amid manufacturing slowdown—LA Times

Monday, November 28, 2011

Already facing a sharp slowdown, factories in China’s manufacturing heartland are now experiencing a rash of labor strikes reminiscent of the worker unrest that swept the country last year.

Thousands of workers at a massive shoe factory in the southern city of Dongguan last week clashed with police as they marched to a local government office to protest the loss of overtime.

The strike at the plant owned by the Taiwanese Pou Chen Group came shortly after 18 managers were laid off because of declining orders, according to the Economic Observer, a Chinese newspaper.

Earlier in the week, 1,000 workers walked out of a plant in nearby Shenzhen that manufactured computer keyboards for leading brands such as Apple and IBM. Employees said they were being forced to work excessive hours on weekdays so that owners didn’t have to pay overtime on Saturdays, as required by law. The company acquiesced after three days.

“People had to work so late, they couldn’t concentrate any longer,” said Zhao Xiaobing, 38, a former employee. “They will have more strikes.”

A day before in Shenzhen, 400 workers went on strike in a pay dispute at an underwear factory. Employees reportedly were denied fair wages and forced to meet unachievable production quotas, according to China Labor Watch, a New York-based workers advocacy group.

Two other strikes took place in October, one at a Shenzhen factory owned by Japanese watchmaker Citizen Holdings Co., and one at a furniture plant in Dongguan where employees were left unpaid after their boss disappeared.

“There are more protests because of the economy,” said Li Qiang, director of China Labor Watch. “The management systems in factories are not suitable.”

Official data to be released Thursday could show manufacturing contracting in November. The so-called purchasing managers index barely broke even in October.

Annual export growth rose 15.9% in October, down from 17.1% in September, largely because of diminishing orders from financially-troubled Europe.

Labor unrest spread across China during the summer of 2010 as workers were galvanized by strikes at plants operated by Toyota, Honda and Foxconn, the world’s largest electronic components manufacturer.

Workers then were protesting low pay as inflation was driving up the cost of living. Many provinces responded by boosting minimum wages. Independent unions, however, are still illegal.

It remains to be seen if the recent demonstrations will inspire others. Unlike in 2010, local governments and factory bosses may not be as willing to increase pay now that growth prospects appear grim in many foreign markets. China’s economy is also expected to taper off, because of declining exports and continued restrictions on the property market and limited options for fiscal stimulus.

“One difference between the recent strikes and last summer’s is that, as far as I can see, this time workers are not winning big victories” such as 50% wage increases, said Geoffrey Crothall, a spokesman for China Labor Bulletin, a Hong Kong-based workers rights group. “This means the domino effect of one successful strike inspiring another is not happening this time. There is a lot going on now, and I think we might have to wait a while to see what kind of picture emerges.”