Letter to WSJ Editor re Stern Op-Ed.

Thursday, December 8, 2011

I happened to read former SEIU President Andy Stern’s “China’s Superior Economic Model” (op-ed, Dec. 1) and, as a labor advocate myself, I cannot see how he can think that China’s model of economic development is superior to America’s.

I say this because on the day Mr. Stern’s article was published, more than a thousand workers in Shanghai, China participated in a strike to protest an ultimatum they were given by management to move to another city or resign without compensation. In the same week, 7000 workers in a shoe factory in Guangdong Province making shoes for New Balance organized a strike to protest unexplained layoffs and slashed compensation. The wave of unrest also spread to 1000 workers in a factory which produces keyboards for Apple, who went on strike to express their displeasure with working as long as 16 hours on weekdays so that their bosses could get around paying them the higher weekend wage.

These recent strikes, taken together, lead one to conclude that Chinese workers’ interests have been undermined, or even ignored, in the pursuit of economic growth. Workers do not have the right to organize labor unions or to collectively bargain with factories for redress of grievances. Those rights, taken for granted by Americans, still have to be fought for every time workers at a particular Chinese factory have been pushed too far.

This is an inevitable byproduct of the Chinese development model that Mr. Stern lauds, since it relies on long-term economic planning at a high level of government. As a result, it is very hard for smaller, less powerful interest groups to have any attention paid to their concerns. Workers and their advocates are exactly the kind of constituency that this system fails.

As a result, China’s workers are bearing the vast majority of the costs of economic development. Currently, there are more than 242 million migrant workers working away from their hometowns in distant factories. Most of them can only earn the minimum wage of where their factory is located. Because the minimum wage is not enough for workers to survive in the city -- in Shanghai, it is $202 per month, while the average per capita income is $870 -- they are forced to work about 100 hours of overtime a month. Mr. Stern should consider how much worse our society would be if American factory workers could only earn the minimum wage. Because make no mistake, forcing wages down and hours up is a major part of the Chinese model for growth.

China’s model of economic development has also led to a series of other social problems, including environmental degradation, a growing chasm separating the incomes of rich and poor and spiraling costs of living that make life harder and harder for average Chinese people. Even Chinese officials such as Premier Wen Jiabao have repeatedly acknowledged that these problems are a result of China’s current development model and that it is a question of when, not if, these problems will pose a serious threat to the nation’s social stability.

I am not downplaying or denying the achievements of China’s rapid economic growth. Yet despite this growth, and despite the relative decline of the American and European economies, I cannot agree with Mr. Stern’s opinion that the Chinese economic model is superior for the average worker.

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