



Chinese factories must give workers a voice in decisions

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Over the past two months, a wave of factory strikes has swept across China, from the Pearl River delta all the way to the Yangtze River delta. Last month, 7,000 workers went on strike at the Yucheng shoe factory in Huangjiang, Dongguan that makes shoes for New Balance. At both the Jingmo electronics and Top Form Lingerie factories, workers walked off the job to protest their low salaries and opaque management.

Most recently, hundreds of workers at a Hi-P factory in Jinqiao, Shanghai went on strike on November 30th. They had been given an ultimatum: either relocate to Nanhui, a suburb in Shanghai, or resign from the factory without compensation. The workers chose a third option, blockading the factory gates with banners that read, "We want truth. We want an explanation." Each of these strikes has elicited some form of government intervention against the participants.

This wave of labor unrest in China has been receiving media exposure around the world. Many reports have correlated this recent uprising with the global economic downturn that has been plaguing the world for the past few years.

Yet while it is true that a slowdown in demand coupled with a rise in the price of raw materials has led factories to lower their labor costs in order to stay in business, there is a more important reason for this unrest—the authoritative management style of most Chinese factories. This unrest has shown that it has lost its effectiveness against a better educated workforce.

In today's China, workers have no say regarding the operation of the factory or the treatment and benefits they receive. The workers are systematically alienated from their employers. The top-down approach of factory management as it downsizes, slashes bonuses, and abruptly announces factory relocations is a more important cause of worker unhappiness than the changes by themselves.

As a result, workers have apparently decided that if factory management will not respect their rights under Chinese law, they will have to defend themselves. They have done so by staging strikes and protests. When this happens, factories only negotiate with local government departments and government-affiliated unions - who usually side with the factories -- to resolve the situation. Throughout the process, workers' opinions are completely ignored.

The workers will then inevitably reject the results of these "negotiations," since they were never a part of them in the first place. In some instances, factories turn to the local government to force workers back onto the assembly line. In others, factories threaten to fire workers who don't return.

Factory owners clearly think labor unrest can be solved through coercion, but all it does is to give workers another reason to be angry with them. Instead, the corporations need to give their workers a voice in the decision-making process by allowing them to represent themselves in their factories.

During an inspection tour this month in Ningbo (宁波) city, Zhejiang (浙江), Zhou Yongkang (周永康), a member of the Chinese Politburo's Standing Committee, called for a "complete mechanism for social management." He spoke too of the government's need to focus on stability. But, in the name of stability, workers' interests are ignored so mass labor disputes can be ended as quickly as possible.

However, as we have seen when the same factories play host to strike after strike, such "stability" is only an illusion. Therefore, for the government to build a "complete mechanism for social management" within a "harmonious society", it must change its approach to labor disputes. It needs to establish a legal system to protect workers as they exercise their rights and provide them with a process to negotiate with their employers on an equal footing.

Both factory management and local governments need to be very careful. If they wait too long, they will be dealing with dragons.