

Growing signs of workers' unrest in China

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22 December 2008

A series of protests in China, involving state enterprise workers, labourers laid off from export firms as well as teachers, taxi drivers and demobilised soldiers, point to growing social unrest as the global economic crisis impacts on jobs and living standards.

Last Friday, workers from the bankrupt Jianrong Suitcase Factory in Dongguan city evaded a police cordon and took to the streets to protest over unpaid wages. About 100 marched out of the factory, pushing through 30 or so riot police and shouting "We have no human rights here." One of the workers said: "They don't want us to come out and have the international media cover our protest."

Zhang Guohua told the Associated Press that the Japanese-owned factory had shut down suddenly last Monday. The owner fled with employees being owed up to two and a half months' pay. Zhang said his monthly salary was 2,000 yuan (\$US290), although many others earned just half that amount. The laid-off workers held a protest outside the factory but the management refused to negotiate.

On Thursday, some 300 workers gathered outside the Dongguan city government office to demand action by local authorities. Determined to wait for a resolution, the protesters stayed outside the government office overnight before being driven back to the factory dormitories by riot police backed by police dogs. About a dozen protesters received hospital treatment after being injured in clashes with police.

Fearing that a prolonged protest could trigger broader unrest, the local government offered on Friday to pay 60 percent of the last month's wage. Workers, however, rejected the offer. With declining revenues from a slowing local economy, the Dongguan city government has limited resources to pay an ever-larger army of unemployed workers. The once booming manufacturing centre has been hit hard by declining export orders.

On December 9, 1,000 workers at the Hong Kong-based Wanxun factory in Dongguan suddenly found that the owner had disappeared with the assets. Equipment from the factory, which manufactured CDs and DVDs, had already been sold. In order to placate angry workers, the local government promised to pay three months in owed wages.

According to the Dongguan Labour Bureau, there were 117 cases involving 20,000 workers in September and October of factory owners vanishing without paying their employees. This figure is just the tip of the iceberg, however. The official Xinhua newsagency forecast last Thursday that 6.5 million rural migrant workers, the mainstay of China's manufacturing and construction industries, could lose their jobs next year.

The latest "2009 Social Blue Book" issued by the Chinese Academy of Social Sciences warned the urban unemployment rate could reach 9.4 percent next year—more than double the current official rate of 4 percent. It predicted that the joblessness rate among college graduates would be 12 percent. More than 4 million unemployed migrant workers have reportedly already returned home early before Chinese New Year in late January.

Factory closures are just one source of rising discontent. From December 8 to 10, hundreds of workers protested outside two electronics factories in Shanghai, demanding payment of overdue wages. The two plants making parts and batteries for laptop computers and printers are affiliated to Singapore-based Huan Hsin Holdings. Police cordoned off one of the factories and scuffles broke out with workers. Several employees were beaten up by gangsters hired by the firm.

The workers involved earned just 960 yuan (\$US140) a month. They were demanding overtime payments and other bonuses as stipulated by law before moving to other plants owned by the same firm or undertaking further training. Under the country's Labour Contract Law, the company was liable to pay employees extra for working in temperatures

over 33 degrees Celsius and for working on the 12-hour night shift.

The Labour Contract Law implemented earlier this year was drawn up when the Chinese economy was booming, with growth rates of more than 10 percent a year. The aim was to head off disaffection among workers over glaring social inequality and poor wages and conditions. Now that the demand for Chinese exports has plummeted, many companies are simply ignoring the law's requirements for extra payments and greater job security.

The labour discontent is not confined to export industries. On December 2, 500 workers at one of China's largest state-owned non-ferrous metals firms—Shaoguan Smelter (Shaoye) in Shaoguan city in Guangdong Province—blocked a major highway for more than two hours. They had been effectively laid off after the management refused to renew their contracts.

The fate of the Shaoye workers reflects the deep crisis in heavy industry as construction and manufacturing throughout China contracts. During the economic boom, wages at the smelter were not increased despite record prices of over 30,000 yuan a tonne for zinc and 1,800 yuan a tonne for sulphuric acid. Prices have now fallen to 18,000 yuan and 80 yuan respectively, reflecting the global collapse of commodity prices, and management has sacked the workers.

Global capitalism is heavily dependent on China as a source of cheap labour, raising concerns in financial circles about the political impact of widespread unemployment. The *Financial Times* warned on December 16: "The real threat to the [Chinese Communist] party-state would be large protests in urban areas that fed into each other and showed co-ordination. But the recent demonstrations have tended to be small and focused on local issues rather than showing general discontent."

Although, at this stage, it appears that protests are relatively small and isolated, most demonstrations are simply not reported. The international coverage of the protest by Jianrong Suitcase Factory workers is the exception, not the rule. The Chinese Communist Party (CCP) regime, which is deeply fearful of any movement in the working class, uses its police-state apparatus to censor and suppress any sign of discontent.

The last great upheaval of the Chinese working class was in May-June 1989, when millions of workers, angry over the social impact of pro-market policies, joined students in

Beijing and other cities protesting the lack of democratic rights. Terrified that the movement was spiralling out of control, the regime sent troops and tanks against unarmed workers and youth in Tiananmen Square and cracked down on opposition around the country.

Zhou Xiaozheng, a sociologist at the People's University in Beijing, told the *Los Angeles Times* on December 12: "Definitely, this is the most serious problem we have seen since 1989. You have millions of college students who can't find jobs... You have migrant workers who have lost their jobs at factories and don't have land to go back to."

The working class is far larger and more concentrated than in 1989. Foreign capital has poured into the country over the past two decades because investors took the Tiananmen Square massacre as a sign that Beijing would do whatever was necessary to discipline workers. Since then, another 200 million peasants have been transformed into wage workers. Moreover, the social position of peasantry, on which the CCP has traditionally rested, has deteriorated dramatically. There is no reason to believe that the rural poor will sit passively by as urban workers protested—as happened in 1989.

Furthermore, the state apparatus itself is not immune from social discontent. Frustration over jobs, pay and conditions is widespread. On November 21, 1,000 demobilised troops, demanding to meet with government officials over jobs, clashed with 500 police in Tainan city. About 200 were subsequently arrested. On December 2, hundreds of traffic police in Leiyang city smashed the local CCP offices in protest over low pay—the first police demonstration since the 1970s.

The CCP regime is well aware that it is sitting on top of a social time bomb. That is why any even limited protest, such as that by Jianrong Suitcase Factory workers last Friday, is immediately repressed for fear that it may trigger a broader movement.



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