

# Chinese labour report points to rising discontent

Carol Divjak  
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A research paper released in July by Hong Kong-based *China Labour Bulletin* (CLB) and entitled *Going it alone: The Workers' Movement in China (2007-2008)*, points to the growing discontent of China's multi-million working class.

While the 2007-08 span of the study does not fully reflect the impact of the world slump on Chinese workers, it indicates that unemployment rose sharply as soon as the global crisis began to bite late last year. Urban unemployment, for example, rose to about 10 million by the end of 2008 and by February 2009, an estimated 20 million of the 130 million rural migrant workers in China had lost their jobs. On top of this, around 6-7 million new college graduates were unemployed and looking for work.

In the first half of 2008 large numbers of the Chinese export firms began to collapse, after being hit by rising commodities prices. This process rapidly accelerated in September, after the financial crisis began to take hold in the US. This, in turn, produced inflation and job losses in China then a wave of militant action by workers.

The CLB cites the Hong Kong-based *Cheng Ming* magazine, which reported that there were 127,467 "mass incidents" (strikes, protests and demonstrations) during 2008, an increase of almost 50 percent since the last recorded figure of 87,000 in 2005. According to the Supreme People's Court, the number of labour dispute cases in 2008 increased 95 percent from the previous year.

These figures are further underlined by a mid-July report from the *Caijing* magazine revealing that labour disputes in China as a whole climbed by an average 30 percent in the first half of 2009.

This figure, however, disguises the fact that in some parts of the country the increase was far higher. For example, in the first quarter alone disputes rose by 41.6 percent in Guangdong, 50.3 percent in Jiangsu, and a

massive 159.6 percent in Zhejiang, where hundreds of electromechanical, textile, chemical, food, and construction production plants are located.

According to *Caijing* these disputes involve wage arrears, non-payment of insurance, retirement procedures, open-ended contracts and workers demands for equal pay and other benefits for similar work status.

*Going it alone* notes: "In addition to using legal and administrative avenues of redress, workers across the country continued to stage protests, particularly in response to factory closures and non-payment of wages. From January to September 2008, protests over wages in arrears accounted for nearly half of all mass incidents handled by the Guangdong Public Security Bureau.

"In Dongguan, mass incidents of this type in which workers blocked main roads accounted for 40.5 percent of the total; group petitions accounted for a further 22 percent and strikes 8.1 percent. The scale of wage arrears problems in 2008 was revealed by the Ministry of Human Resources and Social Security when it announced in May 2009 that labour departments had helped 6.98 million workers recover 8.33 billion yuan in back pay during the year. This figure obviously did not include the amount labour officials were unable to recover."

The CLB investigated a 100-case sample of workers' protests in 2007-2008, which revealed important trends and factors behind the labour unrest in China. Fifty-eight cases involved rural migrant workers, the most exploited section of the Chinese working class, 34 disputes involved urban workers and 8 disputes by urban workers who had lost their jobs through state-owned enterprise (SEO) restructuring. While layoffs are ongoing due to the privatisation of SEOs, the main area of the job losses and labour unrest is in the export-processing industry where violations of the basic rights of workers is rampant.

"Of the 100 cases, at least 17 involved the withholding of wages by employers, a lack of consultation on pay-

scale changes and wage cuts, increasing workload, and changes to working hours. In eight cases, employers withheld wages even though the business was running relatively smoothly. Employers could get away with these abuses because local governments were unwilling or unable to enforce the law,” the CLB noted.

While the right to strike was removed from the Chinese constitution in 1982, as part of the Chinese Communist Party’s pro-capitalist “market reform”, this is regularly defied by sections of the working class in spontaneous strikes, walkouts and angry protests and blockades.

In 2007, Beijing responded to the growing incidence of workers’ unrest with its Emergency Response Law. The legislation directed police and security forces to rapidly suppress any protest that “severely jeopardised public order”. The CLB pointed out that in the 100 cases it studied, at least 61 involved police intervention.

“After a strike breaks out,” the CLB noted, “the local government sends in the police to seal off the main factory entrance and prevent workers from getting on to the streets, staging demonstrations or blocking roads, railway lines or bridges. When a blockade does occur, riot police may be called in to persuade participants to abandon the action and allow resumption of traffic. Should the protestors refuse to comply, police may forcibly disperse them.”

## Super-exploitation

Atrocious working conditions, low wages and other forms of super-exploitation are precisely why China’s export processing trade has been so attractive for foreign investors. In fact, the industry’s annual import-export volume has rapidly grown from just \$2.5 billion in 1981 to \$986 billion in 2007.

In January 2008, Beijing enacted a Labour Contract Law and subsequently two other related laws in an attempt to claim that it was providing some basic protection for workers. This legislation, however, is regularly ignored by local governments when foreign investors threaten to withdraw from China if they have to comply with the laws. In fact, in 2007, even before the legislation came into effect, employers were preparing to circumvent its provisions.

Fearing they would be forced to provide workers with long-term contracts, some employers began sacking long-

serving staff, forcing them to sign short-term contracts or change their status to temporary dispatch workers. Other employers produced two contracts—one in English and another in Chinese. The real terms of employment, however, were in English, which workers could not understand.

Export processors and other factory owners also increased costs of dormitory accommodation, food and increased penalties to compensate their supposed “losses” from the new labour laws.

While documenting the widespread abuse of workers’ rights, the CLB promotes the illusion that the state-controlled All-China Federation of Trade Unions (ACFTU) can be transformed into an organisation that will defend interests of workers.

While the CLB report was forced to admit that workers were “highly suspicious and mistrustful” of ACFTU officials, it concluded with the claim that it was “essential that the formal organising power of the ACFTU be somehow integrated with the strength and support of the workers themselves”.

In this way, the report continued, workers will finally be able to “engage in the kind of healthy and equal tripartite relationship with management and government required for the smooth running of a market-oriented economy.”

The ACFTU, however, does not in any way represent the interests of workers but functions as an instrument of the employers and the CCP apparatus in suppressing their independent demands. In November, for instance, Guangdong ACFTU branch called for an end to collective bargaining because companies in China were “having tough time at present”.

The key issue confronting the Chinese working class is the building of a party based on the perspective of socialist internationalism to abolish capitalism, not to prop it up. That is the only way for workers to mount an independent political struggle to defend their jobs and living standards.



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