

More strikes erupt in China's auto industry

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In the wake of stoppages at three Honda factories, new strikes hit China's auto industry last week—at two components plants of the world's largest car company, Toyota, and at two Honda suppliers. The strikes point to the growing determination of sections of Chinese workers to fight for better wages and conditions, creating deep concerns in Beijing and among local and international corporations.

Workers went on strike in Toyota's two affiliated components plants, in the northern Chinese industrial city of Tianjin, which supply parts for the corporation's assembly plants in China. By Friday afternoon, Toyota's largest assembly plant in the country, Tianjin FAW Toyota Motor, which has a production capacity of 420,000 vehicles a year, had to shut down.

Workers at the Tianjin Star Light Rubber and Plastics, which is jointly owned by Toyoda Gosei and Toyota, downed tools last Tuesday to demand higher pay. The 800 workers, who produce steering wheels and rubber and resin parts, ended their strike on Wednesday after the management agreed to review the wage structure.

Factory security guards tried to prevent workers from talking to journalists. Nevertheless, some workers told the *South China Morning Post* that they were disappointed that the firm had yet to restore wages after pay was cut by 30-50 percent in 2009, due to the global financial crisis. A worker warned that "we might do it [strike] again", if negotiations failed.

As production resumed at Star Light Rubber and Plastics, workers at Tianjin Toyoda Gosei, which is also partly owned by Toyota, stopped work. Toyoda Gosei had tried to prevent industrial action by agreeing to a 20 percent pay increase last Tuesday. While the factory branch of the state-run All China Federation of Trade Unions (ACFTU) rushed to accept the offer, workers rejected it.

The strike began on Thursday with just 40 logistics workers but spread rapidly to the entire workforce of 1,700.

A large number of police were deployed to "keep order". A 24-year-old striking worker from Guangxi told the *Wall Street Journal* that police had hit his colleagues. The assault only made the strikers more determined. "All the workers were talking about the beating incident this [Friday] morning and everyone is angry," a worker told the *South China Morning Post*.

The strikers returned to work on Sunday after the management promised to pay a 200 yuan a month "full-attendance bonus". However, a worker told the official Xinhua news agency: "I'm not sure the back-to-work thing is temporary or that all of us have already totally accepted (the) offer."

Toyota wanted to avoid a repetition of last month's strikes at Honda's transmission plant that disrupted the company's four assembly plants in China for two weeks. Toyota operates 10 factories in China and many more joint ventures like those with Toyoda Gosei. Toyota's sales in China grew 21 percent last year to 700,900 vehicles. The corporation's shares tumbled in Tokyo over news of the strikes in China.

Meanwhile, Honda was hit by a new stoppage at the Wuhan Auto Parts Alliance last Thursday, involving 240 workers demanding an extra 800 yuan a month in pay and subsidies. The plant is in the city of Wuhan, the capital of Hubei province. Although a Honda spokesman announced that workers had returned to work on Friday, an employee told the media that no agreement had been reached.

On the same day, 500 workers at Nihon Plast, which is 21 percent owned by Honda, also went on strike. The factory in Zhongshan makes steering wheels and airbags for the assembly plants of the Dongfeng-Nissan joint-venture. Although production apparently resumed the next day, negotiations between the workers and management were ongoing.

A strike also erupted on Thursday at two Chongqing Brewery plants to oppose the planned takeover of the state-

owned enterprise by the Danish beer giant Carlsberg. Although Carlsberg insisted the stoppage ended on Friday, a Chongqing Beer Group spokesman told the *South China Morning Post*: “None of the workers returned to work today [Saturday]. I don’t know when they will stop the strike.” More than 500 employees stopped work, fearing Carlsberg would cut jobs, pensions and other benefits.

The tentative character of all the return-to-work agreements was highlighted at the Honda Lock factory in Zhongshan where workers struck for two weeks. Employees returned to work last Tuesday for three days, but threatened to strike again if Honda failed to make a satisfactory offer by Friday. Honda announced an increase of 300 yuan a month—less than half what workers demanded—and the situation at the factory remained tense.

One Honda Lock worker told *Bloomberg.com*: “It’s much less than what I expected. I was hoping we would get at least 450 yuan more each month. About 80 percent of the workers in there were very unhappy with the increase.” He said that with such high dissatisfaction, workers were probably ready to join in should someone decide to stage another strike.

Honda Lock management has warned workers not to talk to the foreign media, but they have learned to use communication technology. The *New York Times* reported last week that Honda Lock workers, following the examples of earlier strikes at Honda transmission and exhaust system plants, set up online forums and online bulletin boards to share their grievances and discuss tactics. They also uploaded videos of the strike, including one showing company security guards manhandling workers.

“Wielding cellphones and keyboards, members of China’s emerging labour movement so far seem to be outwitting official censors in an effort to build broad support for what they say is a war against greedy corporations and their local government allies,” the *New York Times* wrote. While there was no obvious coordination of strikes at Toyota and other plants last week, the Internet clearly has become the means for workers to avoid the official media’s blackout of strikes.

General sympathy for striking workers is widespread, as comments to the British-based *Independent* underlined. A university teacher told the newspaper: “Chinese workers have been very low-paid for a long time. There are many rich people in China nowadays. They enjoy fabulous houses and get money easily. But there are also many poor people, working hard, earning very little.” A telecom company worker said: “I feel pity for our country’s workers. They are

good and hard-working people. To strike means they feel they have no way out.”

The latest strikes only heighten the dilemma confronting the Chinese Communist Party (CCP) regime. They came just days after Premier Wen Jiabao made a highly publicised visit to meet with rural migrants in Beijing in a bid to calm the situation at factories and workplaces. He declared that the government and society at large had to “respect” migrant workers and praised their role in building the Chinese economy. However, the comments have appeared to only embolden workers, who increasingly see the government and the state-run unions as their chief obstacle.

One Honda worker told the *South China Morning Post* today: “The government wants to keep wages from rising. They fear that if we are too successful other factories will be pressured by workers to offer higher wages... The government always speaks nice words, but they have always worked against our interests. We feel exploited, our goal is to protect our interests and ensure our basic living standards.”

What Beijing fears above all is the coalescence of individual strikes into a political movement of the working class against the government. While Wen was engaging in his public relations exercise last week, the regime was also putting the police on alert to swiftly deal with social unrest. As the army’s massacre of protesters in Tiananmen Square in 1989 demonstrated, the CCP will resort to any lengths to suppress any potential challenge to its rule.



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