China: Strike erupts in Japanese-owned electronics plant

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Workers at the Mitsumi Electric plant in northern Tianjin city have been on strike since Tuesday, fighting low wages and atrocious working conditions. The strike is the latest in a series of walkouts by Chinese workers, initially erupting at Honda's transmission plant in southern China during May. Workers at Toyota's auto part suppliers in Tianjin also staged strikes in June, forcing Toyota's largest Chinese assembly plant to shut down.

The Mitsumi plant, which produces electronics parts such as audio tuners and power switches, is located in Dongli district, alongside other Japanese-owned factories, including Toyota and Honda affiliates. A Mitsumi spokesman in Tokyo told the media: "We suspect the situation might have been affected by the earlier developments," referring to the previous strikes at the nearby Toyota parts suppliers.

The official Xinhua news agency has only reported the strike in English, not Chinese, fearing that other workers will follow the example. A striker told Xinhua that most of Mitsumi's 3,000 workers were on strike. Many are poor migrant workers who complained that their wages were not keeping up with rising prices. One worker said that new recruits to the plant earned just 1,500 yuan ($220) a month, working six days a week with two hours overtime every day.

Many workers in green and blue uniforms staged a sit-in in front of the factory entrance, holding banners that read: "We want a pay rise" or "We want fair treatment". Hundreds of police officers were deployed to seal off the plant and stop strikers from talking to journalists. Nevertheless, a female worker managed to tell the Associated Press: "We're on strike because the factory has never increased our wages and they keep increasing our workloads. It's too tiring." Mitsumi has refused to provide details of the strikers' list of demands.

China's Internet police have deleted many postings, apparently by strikers and their supporters, that pointed to Mitsumi's low wages, intensive workloads and terrible working environment. Without overtime, front-line workers earn just 800 yuan a month, less than the official minimum wage. Most of production lines require workers to stand up at all times. Even during breaks or lunchtime, there are not enough seats—most workers must sit on the ground. Ventilation is extremely poor, making the factory hot and humid in summer, often causing fainting among employees. The welding of electronics parts also produces toxic gases, but management refuses to turn on the ventilation system, except when safety inspectors are present.

Another little reported three-day strike recently occurred at the American conglomerate Ingersoll-Rand's Zhongshan plant in Guangdong province. The strike at the plant, which manufactures commercial air conditioning systems, ended on June 26, but only became known to the media later because of the company's public announcement. This is another indication that much of the labour unrest is not being reported.

The ongoing strikes have caused considerable concerns in international financial circles, even though they appear to be sporadic and isolated. The fear is that the stoppages are just the tip of the iceberg of wider discontent. A broader political movement among China's multi-million workers would pose a fundamental threat not only to Chinese, but global capitalism.

Bloomberg columnist William Pesek commented on Tuesday: "If these factory strikes continue, China may have to go communist.” He asked: “It’s tempting to wonder which way the mainland [government] will go. Will it side with demands for higher pay and let strikes broaden? Might it clamp down on this budding [Polish] Solidarity-style movement to protect the all-important export machine? Or will workers demand a true communism—not just one that abhors Google?”

The comment is an acknowledgement from the US financial elite that any Chinese workers’ struggle for genuine communism would mean an open conflict with the misnamed Communist regime. Pesek assured his readers that the government would not resort to its usual police-state methods, but take a page from US auto industrialist Henry Ford in 1914 by increasing wages, to ensure that China went “more the way of capitalism than communism”.

Leaving aside the fact that capitalism and all its social evils already flourish in China, the argument ignores the reality that higher wages could threaten China’s position as the world’s premier cheap labour platform. Moreover, the Stalinist regime will not hesitate to crack down on any movement among workers that poses a political threat.

Likewise, a *Financial Times* editorial on Tuesday declared that Karl Marx’s theory was “outdated” in China. “His analysis of capitalism, describing how an ‘industrial reserve army’ holds down wages and boosts profits and capital accumulations, would have noted that nowhere is the pool of unemployed but employable workers greater than in this nominally communist yet voraciously capitalist state.” It added: “The protests and wage demands at Foxconn’s and Honda’s China plants, however, show how rapidly this analysis is becoming outdated.”

In fact, one of the chief factors behind the recent wage rises is precisely the shrinking of the industrial reserve army or the emergence of relative labour shortages. The editorial’s example of plans by the electronics giant Foxconn’s to relocate 300,000 jobs to interior provinces is because the company is seeking to tap new cheaper sources of labour. Moreover, workers are being propelled into struggle precisely because current wages are simply not enough to live on. In Marx’s terms, the companies are paying below the value of the labour power they exploit—the socially necessary labour time needed to enable workers to return to the factory every day and to reproduce the next generation.

Moreover, the present shortages are only relative. Economist Andy Xie recently pointed out in the business web site *Caixin Online* that the “labour shortage” in China was only a distorted impression of the fact that most companies prefer to hire young workers whose “maintenance costs are low” in terms of health care and family obligations. “Employment opportunities for middle-aged workers are poor, and a significant share has been idle for a long time,” he explained. Xie urged employers to tap into this labour force—in other words, expand the industrial reserve army—so as to “significantly shift the supply-demand balance” in the employers’ favour.

Tens of millions of skilled but mid-aged workers have been laid off from state enterprises, but remain unemployed. In addition, Xie stated, there was a “still unlimited” supply of millions of unemployed college graduates who were so far unwilling to take low-wage jobs. The implication is that the government and employers should find the means of forcing unemployed graduates into the factories. Although Xie forecasted a long-term rise of labour costs in China as rural migrants will eventually dry up, the analysis he put forward clearly pointed to the resistant from the capitalist elite to make any significant concessions to workers.

While Mitsumi’s strikers may win limited wage concessions, as in the most recent strikes, the Chinese government and employers cannot tolerate any fundamental change to the current cheap labour regime. This points inexorably to a looming confrontation between the Chinese working class and the police state regime in Beijing that operates on behalf of the corporate elite in China and internationally.

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