

China: Protracted strike at Honda parts supplier

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A bitter dispute that has been continuing since July 12 at a Honda parts supplier in the southern Chinese city of Foshan is another sign of ongoing labour unrest in China. Some 100 workers at Atsumitec Auto Parts (Foshan), which supplies gear sticks and other parts to Honda and other Japanese car companies, have struck for higher wages.

The strike, involving about half the factory's workforce, began after the management implemented a new shift system that drastically cut overtime hours, increased workloads and, therefore, slashed workers' incomes.

Honda is the largest shareholder of Atsumitec. The intensifying exploitation of workers by Atsumitec is part of a broader drive by manufacturers in Guangdong province and other parts of the country to prevent "rising" labour costs. A wave of strikes across China, initiated by Honda's transmission plant workers in Foshan city during May, has increased workers' expectations of higher wages. In early July, a three-day strike at Honda's assembly plant in Guangzhou disrupted Honda Jazz exports to Europe.

News of the Atsumitec strike was initially blacked out by the Chinese state media. It attracted public attention, however, when workers voiced their protests via Internet postings. Xinhua news agency reported the strike belatedly, but only in English, not Chinese.

A journalist from the Hong Kong-based *Ta Kung Pao* newspaper spoke to Atsumitec workers on July 15, who explained that their basic wage is just 1,070 yuan (\$US158) a month. After deductions for social insurance and superannuation, workers received only 800 yuan. They are demanding an increase of 500 yuan.

Far from lifting wages as in the previous strikes, Honda has taken a confrontational approach. Atsumitec's reply to the wage demand was that modern production is highly automated and requires few skills, and so there was no need for "excessive wages". On July 13, the company cut off meals provided to workers and tried to impose overtime to make up for lost production by locking the factory gates. On July 14, Atsumitec issued a notice threatening to fire all strikers and shut the factory dormitories the next day. These actions angered 105 office workers, who joined the production workers. One administrative

worker said: "Because of the employer's unreasonable actions against the strikers, we could no longer sit idle. It is over the top."

Ta Kung Pao reported that officials from the state-controlled All China Federation of Trade Unions (ACFTU) had been attempting to "mediate" the dispute, but withdrew in the light of Atsumitec's "hard-line" position. In effect, the ACFTU's action facilitated the company's aggression, highlighting the union federation's role, which is to suppress workers' struggles on behalf of the Chinese regime and employers.

Workers have elected their own representatives to negotiate with the employer, while staging a sit-in inside the factory. A short negotiating session with Atsumitec broke down last Thursday, as the company flatly refused to accept workers' demands. A striker told the *South China Morning Post*: "All of us have reached a consensus that if the company sacks any one of us, we will all walk out and quit immediately. We will also seek legal means to protect our rights."

In response, the company hired 100 temporary workers over the weekend to replace the strikers, in order to partially restore the production. Some strikers returned to their posts in order to keep their jobs on Tuesday, but refused to work. Management, however, forced them to leave the production lines.

Another 20-30 workers, mostly natives of nearby Zhongshan city, refused to turn up. One told Reuters: "How can we live with just 1,000 yuan and everything is so expensive now? The government is not helping us and the management rejected our demands and is not talking to us."

Local police have been deployed to watch the striking workers, but have not intervened. A local government official, Zhong Weiwen, told Xinhua on Tuesday: "We have police stationed near the plant to guard against any emergencies, but as to how to resolve the problem, it is still a tough question."

On Wednesday, just as Atsumitec appeared to be moving to accept workers' demand for a 500-yuan pay rise, about 400-500 workers, or half the workforce, at another Japanese-owned electronics factory, Omron, located in Guangzhou, went on strike. The plant makes switches and ignition keys for auto companies

such as Honda, Ford and BMW. The strikers are demanding a pay rise of at least 40 percent from their current wage of just 1,270 yuan a month.

Up until now, the Chinese regime has cautiously tolerated isolated strikes, due to the concern that outright repression would backfire, triggering broader unrest. But wage rises are ultimately incompatible with the interests of the international and Chinese corporate elites to exploit cheap labour.

While the government has been pushing state unions to reach some limited agreements for wage increases, making a show of sympathy for workers, the room to make concessions to the working class is very limited. Geoffrey Crothall of the Hong Kong-based *China Labour Bulletin* told Reuters: "If those agreements go through by the end of the year and workers are still demanding, then you might see the government starting to take a harder line (towards strikes). The argument being, 'Look we've gone the extra mile for you, just be happy with what you've got and don't rock the boat anymore'."

The threats issued against the Atsumitec workers, of wholesale termination and replacement, are a warning of a government-backed employer counter-offensive.

Further evidence emerged this month of the intolerable conditions of young migrant workers. A survey published by the Shenzhen branch of the ACFTU and Shenzhen University, in Guangdong's manufacturing export hub, showed severe overwork and low pay. The survey was prompted by 13 suicide attempts by workers at the giant Foxconn electronics plant in Shenzhen this year. Migrant workers from the countryside make up three quarters of Shenzhen's workforce.

Contrary to the popular myth that the second generation of migrant workers consists of "little emperors" because they are the only children in their families, the survey showed that they must work just as hard as their parents, with little improvement in pay and conditions. Ninety percent of the workers in their 20s complained of long hours. More than half said they were forced to work far longer than the legal limits, because their basic wages were so low.

The average wage for migrant workers in Shenzhen is just 1,800 yuan a month, including overtime. That is just 47 percent of the average wage in the city. "Even with overtime pay, most young workers can only manage to live a life of struggle," the survey admitted.

About four-fifths of young migrant workers' wages were spent on basic necessities, such as food, accommodation and transport. Still 90 percent of the workers sent most of their remaining income back to their families in the poor rural areas.

More than half the young workers were living in cramped factory dormitories, with more than six people sharing a small

room. Of those who had children, 70 percent had to live apart from their offspring. Like their parents, they continued to be discriminated against by the urban household registration system (hukou), which denies them basic rights such as access to urban healthcare and child education.

The same oppressive sweatshop conditions exist in Foshan. On Tuesday, an 18-year-old worker jumped to his death at Chimei Innolux, a subsidiary of Foxconn. The plant, which has 25,000 workers, makes flat panel screens for TVs and computers. The young man was a college student from northern China, working during the school break.

Atsumitec's refusal to make concessions to workers is a reflection of the growing anxiety of the corporate elite over the deepening global financial crisis. China's annualised GDP growth slowed to 10.3 percent in the second quarter of 2010, down from 11.9 percent in the first quarter, as the Chinese government imposed measures to control a highly inflated property bubble, exacerbated by previous stimulus packages.

Zhou Hongren, a spokesman for the ministry of industry and information technology, declared on Tuesday that China "faces many difficulties in accelerating growth". Zhou said manufacturers are particularly worried about the global economic uncertainty, with Europe's sovereign debt crisis threatening some of China's key export markets. Chinese exports rose 35.2 percent in June from the depressed level of a year earlier, but the commerce ministry warned that the growth would plunge in the second half of 2010. "Our export market has limited space to grow," a spokesman declared.

Driven on by the global crisis, the employers' intensifying attacks on the already unbearable conditions of Chinese workers will inevitably lead to wider social unrest.



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