

Shanghai truck drivers strike over rising costs

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Three days of strikes and protests by Shanghai truckers over rising fuel prices last week shocked the Chinese government, provoking new fears that social discontent over inflation will ignite a broader movement of the working class.

The majority of the truckers who were involved in the struggle are independent contractors whose incomes have been squeezed on all sides. In October, Shanghai warehouse operators imposed higher fees on trucks picking up more than one container, while the hauling fee paid to the drivers remained unchanged. This year, the central government in Beijing has raised the price of diesel twice, pushing fuel costs up by at least 10 percent.

Adding to the drivers' grievances and anger, Shanghai port officials often demand bribes. Local police also discriminate against truckers, who are mostly migrant workers from outside Shanghai, imposing stiff fines for small offences.

Hong Kong's *South China Morning Post* reported that about 1,000 truck drivers demonstrated on April 20 in the Baoshan district of Shanghai outside the offices of CIMC, a subsidiary of China International Marine Containers Group. An unnamed driver told the newspaper that the protest had been planned several days earlier via text messages and websites.

The truckers tried to hold up a banner that read "Cancel various additional fees", but they were stopped by plain clothes police. In an ensuing scuffle, two people were arrested. "We were not protesting against the Communist Party, so why did police detain them?" the driver asked. Up to eight other truckers were reportedly arrested for attempting to overturn a traffic patrol car.

More clashes occurred over the next two days as protests spread to other ports in Shanghai. Last Thursday, 2,000 drivers clashed with a large number of riot police in

the Waigaoqiao port area. Police attacked the workers with batons and detained six people. Two drivers showed foreign journalists photographs of police taking away a man with a bloodied head.

The clash led the Shanghai Transport and Port Authority to announce that it would cut the tolls and contract fees levied on taxi drivers, due to fears that the protests would spread to other workers affected by fuel increases. Some 600 truckers, who had been offered no concessions, gathered outside the container company's office in Baoshan. A confrontation developed with 50 police and at least two more workers were arrested.

On Saturday, the authority announced that it would cut "unreasonable" port fees to "ease inflationary pressure and rising costs faced by logistical companies." Shanghai's ports are run by the Shanghai International Port Group, which is 44 percent owned by the municipal government.

It is unclear, however, whether the announcement will be sufficient to appease the drivers. On Sunday, the *Wall Street Journal* reported that hundreds of truckers had parked together to consider "their next step", as many were reluctant to return to work. One driver told the newspaper: "We will in some ways benefit from the government announcement that charges will be eliminated and reduced, but I don't think they reached levels that truckers imagined." As a result, he said, "the strike will last a period of time."

Trucking is now a major industry in China, with revenue of \$129 billion in 2010 and some 10 million trucks on the road—the largest number in the world. As trucks often have more than one driver, road transport employs a significant section of the workforce. Overcapacity, however, forces truckers to operate on tiny margins, making them vulnerable to even slight cost increases.

Last year, a “blue paper” on truck drivers issued by the Shaanxi Heavy Duty Automobile Group and sponsored by the government, reported that the average trucker spent 80 percent of their time on the road. Those on long trips generally slept in their truck and only slept in a bed once in every one or two months. More than 50 percent of drivers suffered from neck and stomach diseases, and only 58.9 percent were able to afford insurance. Because of long hours and stress, many truck drivers smoke heavily, posing further health risks.

These conditions are typical of the largely unchecked capitalist exploitation over which the Stalinist Chinese Communist Party presides. The *Financial Times* talked to a trucker in Beijing, who was originally a construction worker from Henan province. He saved for three years to buy a lorry in the hope that trucking would provide him a higher standard of living. It did not. “Business is no good”, he said. “I’ve got a rent to pay, a kid in college, and I can hardly find work.” He is now trying to sell his truck, but has not been able to find a buyer. A Shanghai lorry driver in Baoshan port, where the strike took place, reported similar conditions of poverty: “Most of us live in small communal rooms with our families. There are no kitchens, no bathrooms.”

The coverage in the international press of the truckers’ protests is reminiscent of the response to strikes last year by auto and electronics workers in China. Industrial action in the so-called “workshop of the world” can rapidly disrupt global supply chains and production. The *Financial Times* noted on Monday: “Last year, auto workers in southern Guangdong province warned the world not to take cheap Chinese labour for granted... Last week, Shanghai truckers reinforced that message with a strike of their own.”

Shanghai is now the world’s largest container port, with cargo rising to 650 million tonnes in 2010 from 590 million tonnes in 2009. Wei Yujun, a general managerial assistant at Shanghai China Star Distribution Centre, told Reuters last week that even the short truckers’ strike would delay exports as many ships had been forced to leave with only 1,000 to 2,000 containers, compared with a full load of as many as 5,000.

The heavy-handed police response to the protests, and the virtual media blackout of the dispute in China, underscores the regime’s sensitivity to discontent over price increases. In the wake of the uprisings in the Middle

East and North Africa, the fear in Beijing is that even a seemingly localised incident that could trigger a broad anti-government movement. In 1989, inflation was one of the major factors that propelled millions of urban workers into protests that were only brought to an end by military repression in Beijing’s Tiananmen Square and other cities.

In recent months, the Chinese government has stepped up its repression of critics. It has rounded up several dozen prominent dissidents, especially those who have called for, or spread calls for, a “Jasmine Revolution” in China—the name of the uprisings in Egypt and Tunisia.

Last month, Chinese secret police detained Ai Weiei, a prominent artist who has conducted a campaign for an investigation into the corruption responsible for the substandard school buildings that contributed to the deaths of 5,000 children in the 2008 Sichuan earthquake. Liu Xianbin, who has conducted a similar campaign in Sichuan province, was sentenced to 10 years jail in March for “subverting the state power.”

However, repression cannot halt inflation, which is rising rapidly around the world due to rampant speculation in global commodities markets. Last month, the price of food shot up by 11.7 percent, pushing the overall consumer price index to a 32-month height of 5.2 percent.

Fuel costs, which are traditionally set by the National Development and Reform Commission, are also likely to continue to soar. While the government body has cut subsidies and increased diesel by 30 percent since 2008 to \$1.05 per litre, the cost is still 35 percent below the international market price. With oil prices soaring toward \$150 per barrel due to commodity speculation and instability in the Middle East, continuing such a rate of subsidisation would cost Beijing \$66 billion per year.

More price rises will mean the social antagonisms behind last week’s truckers’ strike will only intensify over the coming months.



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