

# Worker unrest in China sends tremors through world capitalism

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The eruption of protests by workers in Zengcheng has sent a tremor through global financial circles, underlining just how dependent the world economy is on the super-exploitation of the Chinese working class.

The *Financial Times* and *Wall Street Journal* both published worried articles about the ability of the Chinese police state to contain any mass movement of the working class. A *Financial Times* editorial speculated on the number and intensity of protests in China, then declared: “The perception that local protests might be gaining a broader national coherence is deeply threatening to China’s Communist Party.”

This prospect is also deeply threatening to the international bourgeoisie. Even a local social explosion in Zengcheng—known as the “Jeans capital”—has reverberated throughout the world. The satellite city of Guangzhou produces one third of the world’s jeans, for some 60 different international brands. Zengcheng is only one of many manufacturing “capitals”, each specialising in a single commodity, mainly for export.

Broader industrial unrest in China would have far-reaching ramifications for international corporations, ranging from German machine exporters to the mining giants in Australia and Brazil. General Motors now produces more cars and trucks in China than in the US and Walmart is dependent on China for most of its cheap consumer goods. Apple’s iPhones and iPads are made by huge sweatshops run by Foxconn. Foreign-owned subsidiaries directly employ 16 million Chinese workers, with many millions more involved in complex supply chains for transnational corporations.

The angry protests of rural migrants in Zengcheng

were sparked by the rough handling of a pregnant woman by local security guards. Underlying the incident, however, were sharpening social tensions produced by soaring prices for food, housing and other essentials. The wage rises won by workers last year in a series of strikes that began at a Honda plant have been completely eroded by inflation.

The Zengcheng protest has been followed by industrial stoppages. Last week, 2,000 workers at the Japanese-owned Citizen Watch plant at Dongguan stopped work for several days over long hours and low pay. This week, 4,000 workers at a South Korean-owned handbag factory producing high-end products in Guangzhou struck for higher pay and an end to management abuses.

In response to the Zengcheng protest, an editorial in the state-run *Global Times* was at pains to deny that China was prone to the revolutionary convulsions wracking the Middle East and North Africa. “Many people may have specific complaints and appeals, but they have no interest in breaking the existing social order and overturning overall social stability,” it declared. “China is not a nation where public anger collectively seeks to topple the existing order. It is time to debunk this ludicrous lie.”

In fact, the Chinese Communist Party (CCP) regime is still haunted by the upheavals of May-June 1989 when millions of workers joined students in Beijing and other cities to demand decent living standards, democratic rights and an end to official corruption, only to be brutally suppressed.

None of the social contradictions that led to that

explosion has been resolved. On the contrary, the staggering growth of Chinese capitalism over the past two decades has produced an even deeper social divide between rich and poor. The number of urban workers has grown from 120 million in 1978 to more than 500 million today, including 210 million rural migrant labourers. The number of US dollar billionaires in China has leapt from none in 2002 to 189—the largest group outside the US.

In an online survey in March, the *Global Times* found that that 94 percent of respondents regarded themselves as “marginalised” by the current social order. Typical of those who voted “yes” was one person who declared that China was “a heaven of the rich, while the poor are bitterly struggling for employment, housing and survival.” In one way or another, this seething social discontent in China will eventually find its expression in a mass movement against the Stalinist regime in Beijing.

In Europe and the US, having bailed out the banks and major corporations, governments are now imposing the huge debts incurred in the form of drastic austerity measures. Terrified at the prospect of rising unemployment and discontent, the Chinese regime responded to the global financial crisis by providing massive stimulus packages and opening the credit floodgates to keep the economy growing at a frenetic pace. These policies were never sustainable in the long term. Already Beijing is applying the credit brake that will inevitably lead to a slowing economy, rising unemployment and wider unrest.

If there is one lesson that Chinese workers should to learn from the protests in the Middle East, Europe and the US, it is that no amount of pressure is going to force the regime in Beijing to make any fundamental changes.

Chinese workers are well aware that the state-run unions function as police agents for the regime. However, they should also reject the perspective of those such as *China Labour Bulletin* founder Han Dongfang, who proposes that workers can defend their rights through the formation of independent “depoliticised” trade unions. He is using his reputation

as a workers’ leader during the 1989 demonstrations to dupe the working class into believing that strikes and protests will pressure the government to make concessions.

Han recently appealed to Beijing for a system in which workers’ demands could be resolved through “peaceful, equal and constructive negotiations with management.” He continued: “If workers can achieve their goals through peaceful collective bargaining, in the long run there will be fewer strikes, workers will be better paid and labour relations will be vastly improved.” In reality, Han is offering his services to assist in paralysing any independent movement of workers through “collective bargaining”, even as the regime strengthens its police-state measures.

Just as in Europe, the US and the Middle East, workers in China have to rely on their own independent strength and mobilise on the basis of a socialist and internationalist program. Their natural allies are workers around the world, who confront the same exploitative transnational corporations and the same oppressive profit system. The central task facing Chinese workers is to lead the oppressed rural masses to overthrow the Stalinist regime in Beijing and to take power in their own hands. This means the building of a revolutionary party as the Chinese section of the International Committee of the Fourth International, the world Trotskyist movement.

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