Strike wave resumes in China

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A wave of strikes, initiated by workers in Guangdong province export factories last November, has resumed, fuelled by a slowing economy. This follows a pause due to the Chinese New Year holiday period from late January to early February.

Over 5,000 workers from the Hanzhong Iron and Steel Group in Shaanxi Province went on strike on February 14, complaining that their wages of 1,000 yuan-1,500 yuan ($US238) a month were barely enough to survive on, amid rising prices of basic necessities. According to the *China Jasmine Revolution* web site, the steel workers complained that they could not feed their families, while Communist Party bosses-turned managers had such high incomes that they had mistresses.

According to the *China Labour Bulletin* based in Hong Kong, thousands of workers held a demonstration outside the plant, holding red banners proclaiming “We want our rights, we want to eat.” In ensuing scuffles with hundreds of police, about a dozen workers were arrested. (Click here to see the photo of the demonstration)

Hanzhong Iron and Steel Group is a privately-owned company based on mergers of several state-owned firms in 2003, as part of the privatisation of state industry by the Chinese Communist Party (CCP) regime from the late 1990s.

The struggle by Hanzhong Steel workers followed January’s clashes by 10,000 Chengdu Steel plant workers with police, after talks between the management and state-run trade unions broke down. (Click here to see the video footage of workers confrontation with the police on January 4).

The Hanzhong Steel strike in turn inspired 900 workers at the company’s Yangjiaba Iron Ore mine, also in Shaanxi province. They blocked a major tunnel from February 23 to 24, and paralysed the mine’s operation. Miners complained that their poverty wages of 1,500-1,900 yuan could not support their families.

Due to a slowing property market and falling export orders, demand for steel is falling in China, leaving many steel mills operating at a loss. In January, China’s steel production dropped 13 percent from the corresponding period last year. In turn, employers have sought to cut costs at the expense of their workforces.

The growing pressure on workers has resulted in major accidents in recent weeks. A major blast at the largest steel company Anshan, the parent of Chengdu Steel, killed 13 workers last Monday.

Foreign-owned corporations are also intensifying the already harsh conditions of workers, provoking more strikes.

On February 14, 600 workers at the German-owned Siemens Switchgear in Shanghai, went on strike after four colleagues were fired for taking days off. Siemens issued a warning letter on February 16, threatening to treat the stoppage as absenteeism if workers did not return to work the next day. This fuelled even more anger among workers, who were already resentful of the company’s low wages and long hours. They responded by blocking the factory gate. Banners at the gate denounced Siemens as a “sweatshop” oppressing workers, and demanded “equality”.

On February 17 and 18, hundreds of workers at four factories in the Taiwanese-owned Foxconn’s Ningbo complex staged a stoppage to protest against insufficient compensation for working over the Chinese New Year period. The Foxconn complex, which has over 30,000 workers, is notorious for its oppressive conditions.

An unnamed manager told *Radio Free Asia* that the strikes occurred because the company had hired fewer workers after the holiday. "What [work] was for three people must now be done by two. It is tiring of course," he said. The pay levels remained the same, he commented, despite the increased workloads, because it was an hourly wage system.

Foxconn workers at this complex had posted their complaints online via the Baidu web site, explaining that most workers were just 16 to 25 years old, and had to stand up for 12 hours, often in uncomfortable work suits. The same unnamed manager explained that Foxconn sacked workers immediately after they struck.

Industrial production is weakening, signalling further job losses and cost cutting. According to HSBC's preliminary purchasing manager index, February was the fourth consecutive month of manufacturing contraction, driven particularly by falling orders from Europe. Earlier this month, the International Monetary Fund warned that China's growth rate could be halved to 4 percent this year, because "a storm emanating from Europe would hit China hard."

Strikes are especially prominent in China's largest export hub, Guangdong province. On February 20, 200 workers at the Japanese Sumitomo Corporation's factory in Dongguan's Shatian township went on strike. The plant makes metal parts for microwave ovens and fridges. After taking over another local firm, the company is shifting production there, workers were concerned their serving years will be reduced to zero at the new factory, which affects their medical benefits and pensions. Three hundred riot police were sent to break up the sit-in protest by workers last Monday.

On the same day, a thousand workers at a Taiwanese-owned sport shoe factory in Shaoxing city blocked a major highway in protest over the lack of compensation as the firm relocates to merge with a larger factory. The local labour bureau ignored their demands, forcing workers to take the desperate action. About 100 riot police were mobilised and threatened to disperse them.

On February 23, 1,000 workers went on strike at a factory in Huizhou run by the American-owned Merix Corporation. The company makes circuit boards, mainly for industrial companies such as BOSCH, Autoliv and Kimball. Workers struck against a 25 percent cut in their annual bonus.

Saniation workers have also staged protests in Guangdong. On February 20, more than 200 workers held a demonstration outside the Meizhou municipal building, demanding higher wages. They complained that after social security insurance deductions, they were paid only 800 yuan a month. The government responded by deploying riot police. On the same day, 100 saniation workers in the provincial capital of Guangzhou's Baiyun district struck over similar demands.

The Chinese regime is caught in a dilemma. A government employment plan issued last Wednesday for the next five years set a target of at least a 13 percent annual rise in minimum wages—the default basic wage for most workers—in order to placate the working class.

On the other hand, the document warned all levels of the government "to pay close attention to unemployment risks" because there remained an oversupply of labour, with 25 million urban job seekers and millions more rural migrants needing work each year. The fear in Beijing is that in the event of a major economic slowdown, rising unemployment and declining living standards will lead to greater social unrest.