Chinese slowdown triggers more strikes

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A series of strikes in China since late March indicates that workers are increasingly resorting to industrial action amid mounting signs of economic slowdown, declining exports and a restructuring of the remaining state enterprises, all of which are producing wage cuts and job losses.

About 1,000 workers at Hong Kong-owned Yu Pa Plastics and Hardware in Guangdong province's manufacturing centre, Shenzhen, staged a strike for at least a week from March 23. They struck over the sale of the plant to another factory, with the management refusing to compensate the workers as required by labour regulations. The factory produces shower heads and make-up kits.

On March 29, 5,000 employees at Ohm Electronics in Shenzhen, owned by Japan's electronics giant, Panasonic, walked out over the management's failure to contribute to workers' superannuation. The plant manufactures battery chargers and electrical transformers. A worker told *Nando Daily* that her basic monthly wage of 1,423 yuan ($US225) in February was lower than the local minimum wage of 1,500 yuan, even after the inclusion of "allowances."

Workers raised 12 demands, including a wage rise of 200 yuan a month, and the election of their own trade union representatives. In 2007, without even telling the workers, the government had installed a state-controlled union branch consisting of 12 managers. This was part of a wider turn by the Chinese Communist Party (CCP) regime to extend state unions into the private sector as a means to police the working class. After a three-day stoppage, the company agreed to the workers' demands and promised to hold a union election this month.

On March 30, all 2,000 workers at Hong Kong-owned Kam Toys & Novelty Manufacturing Limited in Huizhou, another Guangdong city, went on strike and blocked the factory entrance to protest against unpaid wages and long hours. The conflict at the plant, which mainly makes mini toy cars and dolls, typifies the impact of the sharp downturn in exports, which led to a $31 billion trade deficit in February—China's largest since 1998.

With the CCP regime pushing through a further restructuring of the state-owned sector, partly in an attempt to keep the economy growing, labour unrest is spreading into some of the most strategic military industries directly controlled by the Beijing government.

Late last month, there was a violent three-day protest by workers at a rocket factory operated by the China Aerospace Science & Industry Corp (CASIC) in Guizhou province. The base produces components for China's "Divine Vessels" manned spacecraft as well as long- and medium-range ballistic missiles. These include DF-21D anti-ship ballistic missiles, which are widely regarded as one of China's key military weapons.

According to the Hong Kong-based Human Rights and Democracy Information Centre, nearly 1,000 workers demonstrated and blocked roads for three days from March 27, clashing with large numbers of police sent to disperse them. More than ten workers were injured. Workers were angered at the lack of housing assistance, being forced to pay for overpriced apartments, while government housing allowances were paid only to technical specialists.

About 4,000 workers at Jinan Qingqi Motorcycle, an affiliate of the central government-owned China Ordnance and Equipment Group Corporation, staged a strike on March 28 against the parent firm transferring their company to another affiliate, military turbocharger manufacturer TYEN. The purpose of the restructuring was to use Qingqi Motorcycle’s listing on the stock markets to raise capital for TYEN. The new company was registered as a private firm with a capital of just one million yuan, without motorcycle manufacture being included in its business description. Workers were concerned that this would mean the loss of their jobs and alleged that relatives of senior Beijing bureaucrats had stolen the original capital of one billion yuan.

In order to placate workers, the company declared the registration as a privately-owned enterprise a “mistake” and said it would be revised to a state firm with capital of 80 million yuan. Jinan Qingqi Motorcycle was originally owned by the Jinan municipal government, which sold it to the China Ordnance and Equipment Group Corporation in 2006 so that the ordnance giant could use its share market listing to raise capital.

Such manipulations of company ownership within “state-owned” enterprises highlights the CCP’s contempt for the workers who have been exploited as cheap labour since the state-owned industries were transformed into joint-stock companies during the 1990s. Jinan Qingqi Motorcycle’s workers told the *Economic Herald* on April 5 that their factory had been in semi-shut down for the past year, with production line workers consequently earning just 1,200 yuan a month, while redundant employees were paid just 860 yuan, before deductions for various social insurance contributions.

On March 27, some 400 to 500 workers at Fujian Nanping Motor, a key former state-owned power generator manufacturer, began a strike against the sale of their plant to a smaller private company at a heavily discounted price late last year. They marched to the municipal government holding banners declaring, “Where are the state assets of Nanping Motor?” and “Punish the corrupt officials, return the hard earned money to workers!” Police were sent to disperse the protest, but were driven away by workers. The demonstration ended only after the mayor came out and promised an investigation into their grievances (click here to see the photo of protesting workers).

With export-dependent cities struggling with falling orders, and the restructuring of the state sector also threatening to produce factory closures, the CCP is preparing to use its police-state apparatus to put down any oppositional movement among workers. From the start of April, the Shenzhen authorities have boosted the number of police patrolling the street by five-fold to 10,000.

At the height point of its export growth in 2008, China recorded a $300 billion annual trade surplus. February’s $31 billion deficit was a direct result of declining demand from Europe, China’s largest market, where the financial markets and governments are now imposing deep austerity measures on the working class, directly affecting consumer spending. In turn, manufacturers operating in China are stepping up their attacks on the already highly exploited Chinese workers, in order to compete against other cheap labour platforms such as India and Vietnam.