Chinese workers storm local government office

John Chan
5 June 2012

Thousands of workers clashed with riot police in Rui'an city, in the eastern Chinese province of Zhejiang, last Tuesday in another sign of mounting social tensions produced by the slowing Chinese economy. The protest coincided with strikes last month across a range of industries—from toy production to auto manufacturing—as part of ongoing labour unrest since late last year.

Tuesday's protest followed the death of Yang Zhi, a 19-year-old migrant worker, who was killed by his employer Xu Qiyin during a dispute over 1,070 yuan ($US168) in unpaid wages. The packaging factory employer is alleged to have struck Yang with an iron bar. Yang died in hospital two weeks later on May 27 from serious head injuries.

The official Xinhua news agency reported: "Around 1,000 migrant workers rushed the government office building, turning over an iron fence gate and damaging over a dozen cars with stones and bricks." Unofficial accounts, however, claim that up to 10,000 people participated as the relatives of the dead worker demanded justice from the local authorities.

Hong Kong's *Apple Daily* explained that local officials laughed at the demonstrators' demands and called the police to quell a crowd of what had initially been just a few hundred people. Thousands, however, quickly mobilised to support the protest. Hundreds of anti-riot police were sent to defend the office building. They fired tear gas while officials fled the area. The police were unable to contain the angry demonstration until Yang's family was offered 300,000 yuan in compensation.

The eruption of thousands of workers is a result of the widespread pent-up anger over unpaid wages, especially to rural migrant labourers who are often treated as expendable cheap labour by employers.

A 2010 report in the *Nanfang Daily* revealed that the total unpaid wages bill in China was 100 billion yuan or some $15 billion. Protected by local government authorities attempting to attract investment into their "fiefdoms", sweatshop owners use all kinds of excuses to withhold or reduce wages as a means of keeping their payroll costs down.

Acutely nervous that unpaid wages often trigger violent protests, the National People's Congress (NPC) last year amended Chinese law to make it a crime, with a seven-year jail term, to deliberately withhold wages. But with the global financial crisis intensifying and Chinese manufacturing contracting for the seventh consecutive month, employers are escalating their cost cutting including of wages and conditions. This is provoking strikes and protests throughout the country.

In late April, 1,000 workers at Powerwave, an American-owned telecommunication manufacturer in Suzhou, struck for over a week in protest against the plant's sale to Tagfook, a Chinese technology group, without compensating the workforce. A worker told the *China Labour Bulletin* on May 4 that management refused to negotiate and police were sent to detain strikers. Female employees were assaulted.

On May 8, 1,000 shoe manufacturing workers at a Taiwanese-owned, Pou Chen group plant in the Yueyuan Industrial Park struck over cuts to their monthly bonus—from 400-600 yuan to just 100

yuan—due to falling orders. Even with overtime, the factory workers earn just 2,000 yuan a month and depend on bonuses to live. The plant produces shoes for the US-based Crocs brand. Last November, 7,000 workers at the Yue Cheng shoe plant in the Yueyuan Industrial Park walked out over wages. Yue Cheng is also owned by the Pou Chen group.

On May 15, 1,000 mainly female workers at the Japanese-owned Sanyo Optical Components in Huizhou City, struck for a wage rise to compensate for rising prices for food and other necessities. They rejected a 100-yuan monthly bonus offer from the management who claimed it had been hit by falling revenue. Police were deployed to prevent any further escalation of the strike action.

On May 15, 1,000 truck drivers employed by a logistics company in Nanchang walked out because they had no work contract and the company had failed to pay workers' insurance contributions. Five days into the strike, the police intervened and arrested six drivers. On May 19, angry workers blocked a main road in the city to demand the release of their colleagues.

Other industrial disputes last month included a strike by 1,000 workers against low wages and unacceptable conditions at Sofima, a Shanghai auto-parts manufacturer owned by the Italian UFI corporation.

The labour unrest is not limited to the private sector but extends to major state-owned corporations. In early May, 3,000 workers at FAW-GM Light Commercial Vehicle Co. (Hongta) in Yuan province's Qujing city struck for a week. The plant, which is one of the three joint-venture facilities involving FAW, China's state-owned auto company, and General Motors, is capable of producing 100,000 light trucks a year. Workers complained that their wage rates had stagnated for over a decade at about 1,000 yuan a month and accused company officials of corruptly transferring assets and property to other more profitable FAW affiliates. Workers demanded an investigation into the alleged corruption and all the missing company assets.

The Hongta strike is only a symptom of broader stress in what is now the world's largest auto market. In the last quarter, auto sales in China fell 1.3 percent from the same period last year—the worst since 1998. In 2011, auto sales rose by just 2.5 percent—compared to 32.4 percent in 2010.

Su Hui, vice president of China Automobile Dealers Association, told *Bloomberg* on May 17: "Unsold cars are crowding dealer lots in cities from Guangzhou in the south to Xi'an to the west. It's like a contagious disease that will spread."

The slowing Chinese economy will inevitably translate to losses and further attacks on workers' wages, conditions and jobs. The angry protest in Rui'an last week is another sign that Chinese workers are confronting the same assault on their social position as their counterparts in Europe, the US and across the world.