

中国劳工通讯

China Labour Bulletin



GOING IT ALONE

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The Workers' Movement in China (2007-2008)

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Research Reports

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The Workers' Movement in China (2007-2008)

www.clb.org.hk
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About China Labour Bulletin

Founded in 1994 by labour activist Han Dongfang, CLB seeks to defend and promote workers' rights in the People's Republic of China. We support the development of democratic trade unions, respect for and enforcement of the country's labour laws, and the full participation of workers in the creation of civil society. We seek the official recognition in China of international standards and conventions providing for workers' freedom of association and the right to free collective bargaining. Our long-term goal is to assist in the formation of a strong and dynamic Chinese labour movement.

Over the past six years CLB has developed one of the largest labour rights litigation programs in mainland China. Since local enforcement of the country's labour laws is weak, litigation is one of the few avenues open to ordinary Chinese workers seeking redress for labour rights violations. In collaboration with mainland labour lawyers, CLB is committed to helping workers bring lawsuits against employers and government agencies across the entire spectrum of labour issues - from non-payment of wages and benefits to employment discrimination and workplace injuries - and to ensuring that detained labour activists have access to criminal defence services.

CLB also has an extensive research program and to date has web-published 12 reports in English and 15 in Chinese on a wide range of key labour rights issues. The report titles are listed at the end of this report and all the reports are available as downloadable PDFs on our website at www.clb.org.hk.

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Introduction

In early November 2008, primary and middle school teachers in rural Chongqing, frustrated at local governments' failure to pay them the wages they were legally entitled to, staged a series of strikes and go-slows across the region. In response, local government officials did something that just a few years earlier would have been unthinkable: They agreed to meet the teachers' representatives in face to face talks to resolve the dispute.

The Chongqing officials were not alone. In 2007 and 2008, government officials all over China were forced to the negotiating table, not only in disputes with their own employees but increasingly in private sector disputes as well. China's workers, squeezed by rising prices and unemployment, angered by management abuses, and emboldened by the passage of the *Labour Contract Law* and their own improved ability to organise, staged strikes and protests across the country demanding government intervention. And, more often than not, they were successful. Striking taxi drivers forced local governments in dozens of cities to curtail the excessive fees charged by cab companies, and in China's manufacturing heartland, Dongguan, tens of thousands of laid off factory workers secured payments for wages in arrears after staging demonstrations in front of the city government building.

In nearly all these incidents, however, there was one organisation conspicuous by its absence. The All-China Federation of Trade Unions (ACFTU), the sole legally mandated trade union, is now seen by the majority of China's workers as irrelevant to their needs, and as such they increasingly take matters into their own hands. In the Chongqing teachers strike, for example, all of the more than 20 directly elected teachers' representatives in talks with government officials from Qijiang county were members of the teachers' union, yet not a single union official attended the meeting. Asked why the union had not been involved, one representative explained that the teachers "don't believe in their own organization! The union is rather weak... It performs al-

most no function.”¹

In China Labour Bulletin’s third report on the workers’ movement² we focus on the worrying divide between the collective protests initiated and organised by workers in defence of their rights and interests, and the activities of the ACFTU which has a duty to protect those rights. We analyse the actions of both the workers and the union, and ask: is it possible for these two divergent tracks to somehow come together or are they destined to drift even further apart?

The report is divided into three chapters. The first outlines the socio-economic and legislative background to the period under study. It examines the effects of the global economic crisis on China, focusing in particular on unemployment, the cost of living, social disparity, labour disputes and social unrest, as well as workplace safety and the most infamous example of labour rights abuses in the last two years, the Shanxi brickyards slave labour scandal. The years 2007 and 2008 were remarkable for the sheer volume of labour legislation produced at the national and local levels, and the chapter examines each of the major new laws in detail and shows how they were largely a response to the growing demands of labour.

The second chapter is a detailed analysis of 100 collective labour protests that occurred in 2007 and 2008. It gives a broadly representative account of the labour movement during this period, the causes of disputes, the workers’ demands, the protest triggers, the types of action taken, and the government’s response to them. It shows that whereas in the past workers’ protests were largely in response to specific violations of rights, such as non-payment of wages or compensation for injury or employment termination, workers are now demanding higher

1 “Rural school teachers strike for promised higher pay.” CLB Director Han Dongfang’s interviews with striking teachers. CLB website, November 2008.

2 Every two years, CLB publishes an in-depth study of the workers’ movement in China. See, “Speaking Out: The Workers’ Movement in China (2005-2006)” and the English language executive summary of “Standing Up: The Workers’ Movement in China (2000-2004),” both available on the CLB website.

wages, better working conditions and in some cases, the right to form their own union. The study shows that workers are less willing to suffer in silence or just walk off the job as they did in the past, and more prepared to stay and fight for their interests. The study indicates that the authorities are now generally taking a more conciliatory approach to workers' protests. However, labour leaders are still being harassed and detained, and China's workers are still denied fundamental rights such the right to strike and the right to freedom of association.

The third chapter examines the ACFTU's high profile campaign to unionise the Fortune 500 companies in China, and its attempts to "professionalise" enterprise union officials. It looks at the union's response to media exposes of labour rights violations, and its attempts to increase the number of collective labour contracts signed in enterprises by having higher level officials conduct negotiations in place of enterprise union officials, often ignoring the voices of the workers in the process. It shows how, now more than ever, the ACFTU has become subservient to and dependent on the Party for survival, and suggests that it is in danger of losing its identity as a union altogether.

The report concludes that, although China's workers and the ACFTU have drifted apart, there is still hope for a reconciliation, if only the Party and government can encourage the union to relinquish its out-moded ideas and allow it, first and foremost, to stand up for workers' interests.

Chapter One: Socio-economic and Legislative Developments, 2007-08

Economic and social change

After a decade of double digit growth, China's rapid economic expansion finally began to slow in the latter half of 2008 as the global economic crisis began to affect export-oriented manufacturers. The economy had maintained its strong growth in 2007, increasing by 11.4 percent over the previous year to stand at 24.66 trillion yuan, according to China's National Bureau of Statistics. But in 2008, gross domestic product (GDP) grew by just 9.0 percent in real terms to stand at 30.06 trillion yuan.³ And the World Bank forecasts that China's economic growth will continue to slow this year with GDP increasing by 6.5 percent in 2009.⁴

Unemployment jumped noticeably during 2007-08. Even the notoriously myopic official unemployment rate, which only includes urban residents of working age who have registered as unemployed, increased from 4.0 percent at the end 2007 to 4.3 percent at the end of 2008, or to about ten million workers. In the first half of 2008, large numbers of small and medium-scale enterprises, hit by higher raw material and transport costs and an appreciating currency, started to scale back production and lay off staff, mostly rural migrant workers not included in the official unemployment statistics. And the trend was greatly intensified in the latter half of the year as demand for exports collapsed. Tens of thousands of manufacturers dependent on cheap labour, lax enforcement of labour and environmental standards and an undervalued currency went out of business, leaving millions without work. In February 2009, Chen Xiwen, director of the office of the Central Leading Group on Rural Work, revealed the results of an extensive survey of 15 migrant worker-exporting provinces, which estimated that 15.3 percent or 20 million of China's 130 million migrant workers had lost

3 “国民经济和社会发展统计公报” (Statistical Communiqué on the 2008 National Economic and Social Development of China in 2008) See National Bureau of Statistics website

4 “World Bank cuts China 2009 GDP forecast to 6.5 percent.” Reuters 18 March 2009.

their jobs in the previous year.⁵ These figures exclude the estimated six or seven million fresh graduates still looking for work. Despite the Chinese government's four trillion yuan economic stimulus package, many experts see further pressure on jobs in 2009 as a result of the economic slowdown, the fall in exports, rising real wages, tighter monetary policy and other factors.⁶

Inflation reached 4.8 percent in 2007, the highest level in a decade, with food prices being the main driving force. Food prices increased by 12.3 percent over the year, with the price of eggs rising 21.8 percent and poultry by 31.7 percent.⁷ Pork prices increased particularly rapidly, putting a huge strain on the budgets of the poorest families. In July 2007, the price of pork in Guangdong province reached 13.6 yuan a pound,⁸ while the minimum wage in the province remained between 450 and 780 yuan a month. Prices continued to surge in 2008 with overall inflation reaching 5.9 percent for the year. However, as commodity prices fell in the latter half of the year, inflation began to ease with the consumer price index for December standing at just 1.2 percent, the lowest level since July 2006.⁹

As the cost of living rose across China, many local governments increased the **minimum wage**, sometimes on a yearly basis rather than once every two years as recommended by the central government. In Shenzhen, which was particularly hard hit by inflation, the minimum wage increased from 690 yuan in 2005 to 810 yuan in 2006, and 850

5 Chen Xiwen (陈锡文). “无工作返乡的农民工约两千万，政府积极应对” (Government acts positively to help 20 million migrant workers returning home workless), 新华网 (Xinhuanet.com) 2 Feb. 2009

6 Mo Rong (莫荣). 2008-2009年就业形势分析与预测 “Analysis and Forecasts for Employment Situation in 2008-2009,” in Ru Xin (汝信), Lu Xueyi (陆学艺), Li Peilin (李培林) eds.-in-chief, 2009年：中国社会形势分析与预测 (Analysis and forecasts of the state of Chinese society, 2009), Beijing: Social Sciences Academic Press (China), 2008, 126-142.

7 “China's consumer price index rises by 4.8% in 2007.” Xinhua 24 January 2008.

8 “广东省物价局长称猪肉价格将持续上涨” (The Price Bureau of Guangdong Province warns of continued increase in the price of pork), Southern Metropolis Daily 12 July 2007;

9 “China CPI up 5.9% in 2008, Dec. inflation at 2-1/2 year low,” Xinhua 22 January 2008

yuan in 2007. By 2008, it had reached 1,000 yuan. The global financial crisis however put the brakes on this trend. On 17 November 2008, the Ministry of Human Resources and Social Security issued a circular which called for the suspension of all minimum wage increases until the economic situation improved.

According to official statistics, the disposable incomes for both rural and urban households continued to grow steadily until late 2008. In 2007, the average annual income for rural residents was 4,140 yuan, an increase of 9.5 percent over the previous year, after allowing for inflation. In 2008, rural income increased by another 8.0 percent in real terms to reach 4,761 yuan. The average disposable income for urban residents in 2007 equalled 13,786 yuan, up 12.2 percent in real terms, and increased by a further 8.4 percent in 2008 to reach 15,781 yuan.

A wide-ranging survey carried out between May and September 2008 by the Chinese Academy of Social Sciences clearly showed that the **gap between the rich and the poor** in China continues to grow. In 2007, the per capita annual household income of the top 20 percent of urban and rural residents was 17 times higher than the lowest 20 percent. Average annual household income levels in eastern China were 2.03 times higher than in western China, and 1.98 times higher than in central China. The most pressing concerns cited by respondents to the survey were; “rising prices” (63.5 percent), “difficulty and cost of getting medical treatment” (42.1 percent) and the “excessive income gap” (28 percent).¹⁰

In response to these concerns, in 2007, the central government expanded the provision of the **minimum subsistence allowance** (最低生活保障) to include, for the first time, rural residents in all regions of

10 Chinese Academy of Social Sciences. “力挽狂澜：中国社会发展迎接新挑战 - 2008_2009中国社会形势分析与预测总报告” (Turning the tide: New Challenges facing China’s social development-Social Analysis and Forecasts 2008-2009) in Ru Xin (汝信), Lu Xueyi (陆学艺), Li Peilin (李培林) eds.-in-chief 2009年：中国社会形势分析与预测 (Analysis and forecasts of the state of Chinese society, 2009), Beijing: Social Sciences Academic Press (China), 2008, 1-14

China. The number of rural residents receiving the allowance almost doubled in 2007 to more than 34 million (16 million households). However the average sum drawn was just 70 yuan per person per month. In 2008, nearly 43 million rural residents (19.6 million households) received an average allowance of 82.3 yuan per person per month. In the cities meanwhile, the number of urban residents claiming the allowance increased by 937,000 during the study period, with the average allowance at the end of 2008 standing at 205 yuan per person per month.¹¹

In addition to extending coverage of the minimum subsistence allowance system, the central government adopted a wide range of taxation and other social welfare measures, in particular the abolition of the agricultural tax, to ease the burden of China's poorest citizens and reduce the rich-poor gap. However, these endeavours to "return wealth to the people" (还富于民) have not significantly brightened perceptions of life quality among either rural or urban populations. According to China's "life satisfaction index" (生活满意度), there has been no significant increase in the people's level of satisfaction with their lives since the beginning of the decade. (See table below). The scores in the table are based on a scale from one to five, with five indicating a high degree of satisfaction and one a high degree of dissatisfaction.¹²

11 "民政事业发展统计公报" (Statistical report on civil affairs development), see Ministry of Civil Affairs website

12 Sources: Yuan Yue, Zhang Hui (袁岳、张慧): "Survey into quality of life of people in China for 2007," in Ru Xin, Liu Xueyi, Li Peilin (汝信, 陆学艺, 李培林) eds.-in-chief, 2008; Analysis and forecasts of the state of Chinese society, 2008 (中国社会形势分析与预测), Beijing: Social Sciences Academic Press (China), 2008, 155-168; Yuan Yue, Zhang Hui: "Survey into quality of life of people in China for 2008," in Ru Xin, Liu Xueyi, Li Peilin (汝信, 陆学艺, 李培林) eds.-in-chief, 2009; Analysis and forecasts of the state of Chinese society, 2009 (中国社会形势分析与预测), Beijing: Social Sciences Academic Press (China), 2008, 49-64.

China's urban and rural life satisfaction index 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Urban	3.27	3.28	3.33	3.26	3.38	3.28	3.44	3.35	3.51
Rural	3.22	3.50	3.56	3.48	3.59	3.46	3.52	3.53	3.62
Total	3.25	3.44	3.50	3.42	3.53	3.40	3.47	3.48	3.58

The report period was characterised by a number of high-profile “**mass incidents**” (群体事件), including the notorious Weng’an Incident in Guizhou, in which thousands of rioters torched a police station and overturned police vehicles after allegations that the Weng’an police had covered up the involvement of the son of a senior county official in the death of a 15-year-old girl.¹³ The riot, which erupted barely a month before the opening of the Olympic Games in Beijing, showed how easy it was for seemingly random events to trigger mass protests by hundreds, thousands and even tens of thousands of people, in which long pent-up anger was vented at, and conflict sought with, the local government and public security authorities. Most participants did not have any direct interest in the issue at stake.

The Hong Kong-based political magazine *争鸣* (*Cheng Ming*) quoted senior Party sources as saying the number of mass incidents in 2008 was 127,467,¹⁴ almost 50 percent higher than the last officially released figure of 87,000 in 2005. In the vast majority of mass incidents the underlying causes have been serious violations of ordinary citizens’ lawful rights and interests by local government officials, typically in connection with resource development, relocation for construction projects and land expropriation.

The number of **labour disputes** also increased dramatically during this period, reflecting the sharp rise in factory closures, lay offs and wage defaults discussed above, together with workers’ increased awareness of their rights and confidence in the institutions of public redress. In 2007, China’s labour dispute arbitration committees accepted 350,000 cases, an increase of 10.3 percent from 2006. In total these cases

13 See Roland Soong’s blog on the Weng’an Incident at zonaeuropa.com

14 *争鸣动向* (*Cheng Ming*. The Trend Magazine) 2009. No.1 pp.10-13.

involved 650,000 workers. There were 13,000 collective labour disputes, a decrease of 7.1 percent from 2006, affecting 270,000 workers.¹⁵ After the implementation of the *Labour Contract Law* and *Labour Arbitration Law* in 2008 (see next section), the number of cases nearly doubled to 693,000 by year's end, with the number of workers involved increasing to 1.2 million. There were 22,000 collective cases accepted by the committees, a 71 percent increase over 2007. On average, collective cases involved 23 workers and accounted for 41 percent of all workers involved in labour disputes.¹⁶

The number of labour-related lawsuits also doubled in 2008, according to the Supreme People's Court. Without giving actual figures, Supreme Court Vice-President Shen Deyong told a press conference in Beijing that the number of labour-related lawsuits filed in 2008 jumped by 95 percent compared with 2007, the largest increase among all types of lawsuits.¹⁷

In addition to using legal and administrative avenues of redress, workers across the country continued to stage protests, particularly in response to factory closures and non-payment of wages. From January to September 2008, protests over wages in arrears accounted for nearly half of all mass incidents handled by the Guangdong Public Security Bureau. In Dongguan, mass incidents of this type in which workers blocked main roads accounted for 40.5 percent of the total; group petitions accounted for a further 22 percent and strikes 8.1 percent.¹⁸ The scale of the wage arrears problem in 2008 was revealed by the Ministry of Human Resources and Social Security when it announced in

15 Ministry of Human Resources and Social Security, National Bureau of Statistics. "2007 年度荣动和社会保障事业发展统计公报" (Fiscal 2007 statistical bulletin on labour and social security development planning), website of Ministry of Human Resources and Social Security, 21 May 2008

16 "Chinese government says labour disputes doubled in 2008," CLB 11 May 2009

17 "Labour lawsuits double in 2008," CLB 3 March 2009

18 Song Erdong (宋尔东), Yan Congbing (严从兵). "2008年社会治安形势" (State of public order in 2008), in Ru Xin (汝信), Lu Xueyi (陆学艺), Li Peilin (李培林) eds.-in-chief, 2009年: 中国社会形势分析与预测 (Analysis and forecasts of the state of Chinese society, 2009), Beijing: Social Sciences Academic Press (China), 2008, 198-209

May 2009 that labour departments had helped 6.98 million workers recover 8.33 billion yuan in back pay during the year.¹⁹ This figure obviously did not include the amount labour officials were unable to recover.

According to official figures, the safety record of China's notoriously dangerous **coal mines** improved marginally during the reporting period, largely due to the forced closure of small and unlicensed mines in 2007. The number of officially reported deaths in China's coal mines in 2007 was 3,786, about 20 percent less than in 2006. And in 2008, the number of deaths fell another 15 percent to 3,215. The number of major mine accidents dropped significantly in 2007 but increased again the following year as the authorities were forced to reopen mines previously closed in its consolidation campaign, some with a production capacity of as little as 10,000 tonnes a year, in order to meet growing domestic demand for energy.

This increase was reflected in China's overall accident statistics released by the State Administration of Work Safety. In 2008, there were 42 major accidents at factories, mines and trade enterprises around China, leaving 689 people dead and missing. Of these, 31 occurred at mines, causing 503 fatalities, a year-on-year increase of seven disasters and 120 victims. There were ten disasters with "exceptional loss of life" (30 or more deaths), claiming 662 victims, including five underground accidents leaving 174 people dead or missing.²⁰ One of the most infamous disasters occurred on 8 September 2008 when an iron ore tailings reservoir at the Tashan Iron Ore Mine in Shanxi's Xingfen county collapsed, sending a devastating torrent of sludge into Yunhe village, with a population of 1,300, mostly migrant workers. In total, 276 people died.²¹

19 "China's labor departments help 6.98 mln workers get back wages in 2008," *China Daily* 19 May 2009

20 State Administration of Work Safety: "2008年1月1日-12月28日全国安全生产简况" (Overview of production safety 1 Jan.-28 Dec. 2008), SAWS website, 29 Dec. 2008.

21 "Shanxi iron ore mine disaster - a tragically familiar story," CLB 18 September 2008

But mine disasters were not the only human tragedy of this period. Perhaps the most horrific case was revealed in May 2007 when the parents of several hundred missing children, with the help of a local television station, exposed the existence of **Shanxi's slave labour brickyards**. The parents claimed that children as young as eight years old had been kidnapped and sold for 500 yuan a head to illegal brickyard operators in Shanxi and nearby Henan. The television exposure caused a national scandal and the central government reacted swiftly in an attempt to calm public anger. A massive investigation uncovered 3,186 unlicensed brick factories employing 81,000 workers but claimed only a few hundred had been held against their will, including about a dozen children.

But as CLB's investigation into slave labour showed, one year after the scandal's exposure, many reportedly freed slaves had not yet returned home, some of those who had done so were forced to beg for a living, officials who failed in their duty of care were still on the job, and the slave traffickers and slave factories were still in business.²²

According to official figures, a total of 95 Party officials in eight Shanxi counties, including 18 senior county level officials, were subjected to a range of "disciplinary" measures in the wake of the scandal. Three were expelled from the Party, three were placed on probation, 31 were dismissed, 19 demoted, 29 were given demerits, and 34 were given warnings. Despite the fact that local Party officials must have been aware of, or were even directly involved in, the Shanxi slave labour scandal, none were criminally prosecuted. A deputy district head from Hongdong county, Duan Chunxia, who was dismissed from her post last year, quietly returned to work in a slightly lower position in April. However, when her reinstatement was revealed by the media, public reaction forced the local government to rescind the job offer.

Once rescued from the brick factories, the victims were given next to no support or assistance from the authorities. In the notorious Hongdong case, in which labourers were routinely beaten and abused by guards,

22 "From Shanxi to Dongguan, slave labour is still in business," CLB 21 May 2008

the 31 victims were shunted around different departments for days before being sent back to Caosheng village - where factory owner Wang Bingbing's father served as Party secretary. They were then escorted to the railway station, given between 200 yuan and 400 yuan in travel expenses and sent home. Eight of the 31 victims went missing during the trip home.

A landmark year for labour legislation

At the height of the Shanxi slave labour scandal in 2007, China's national legislature, the National People's Congress (NPC), passed the *Labour Contract Law*, the first of three major new labour laws to be approved in what would turn out to be a landmark year for both national and local labour legislation.

The Shanxi slave labour brick factories were but an extreme example of the abuses and exploitation faced by rural migrant workers in China at the time. The majority of migrant workers did not have a contract with their employer and had little option but to accept whatever terms and conditions management imposed.

The Labour Contract Law was designed to remedy this deficiency and plug the loopholes exposed in the existing *Labour Law*. According to Article One, the law was:

Enacted and formulated in order to improve the labour contract system, specify the rights and obligations of both parties to the labour contracts, protect the legitimate rights and interests of the workers and construct and develop a harmonious and steady employment relationship.

The law confirms that all individual workers have the right to negotiate their own written employment contract with their employer, specifying terms, conditions and benefits. It enhances specific individual rights by establishing a statutory probationary period for a fixed term contract, improving health and safety regulations, requiring redundancy

payments to be made after the termination of a contract, and generally making it more difficult for employers to terminate contracts, especially those of long serving workers.

These latter provisions, in particular, provoked an outcry from domestic and foreign employers' organizations, who claimed the legislation would drive up costs and make doing business in China more difficult. The American Chamber of Commerce in Shanghai bluntly opined that the law "could have negative impact on the investment environment in China." The European Union Chamber of Commerce argued in its submission to the NPC that "the rigid provisions of the draft law will restrict employer flexibility, and ultimately will increase costs for Chinese producers." It warned that: "Any increase in production costs could force foreign companies to review new investments or question whether to continue operations in China."²³

Almost as soon as the law was approved in June 2007, enterprises started to circumvent certain provisions, such as the requirement to give employees who had served at the company for ten years or more "unlimited contracts" ("无固定期限劳动合同"). Fearing this provision would lead to a return to the "bad old days" of state-owned enterprises and a "job for life," employers laid off long-serving staff or forced them to sign new short-term employment contracts, or changed their status to temporary "dispatch" workers (派遣工). Telecommunications giant Huawei reportedly forced several thousand long-serving employees to resign and sign new one- to three-year contracts with the company. The move caused such public outrage that the company eventually agreed to suspend its plan.²⁴

Even after the implementation of the *Labour Contract Law* on 1 January 2008, companies were still blatantly flouting the law or using un-

23 Zhang Liwei (张立伟), Chen Huan (陈欢). "外商反弹劳动合同法草案，威胁将撤走在华投资" (In reaction to draft Labour Contract Law, foreign investors threaten to withdraw from China), 二十一世纪经济报导 (21st Century Business Herald) from 人民网 (People.com.cn), 11 May 2006

24 "ACFTU: Huawei agrees to suspend controversial employment scheme after union talks," People's Daily Online (English) 11 November 2007.

derhand methods to circumvent it. A survey of more than 300 workers conducted by the Dagongzhe Migrant Workers Centre in Shenzhen²⁵ showed that unscrupulous employers would provide workers with contracts in English rather than Chinese, force them to sign two separate ones or documents with two different company seals, or use other devious tricks to get around the provisions of the law. Employers also raised dormitory and food costs and increased penalties for turning up to work late and other violations of company rules. The survey showed that 26.6 percent of workers still did not have a contract, and that 28 percent of contracts offered wages lower than the legal minimum. Nearly two thirds of the workers interviewed said they had to work longer than the hours stated in their contract. And according to the Ministry of Human Resources, in China as a whole, in 2008, some 15.6 million workers lacked labour contracts.²⁶

In addition to the *Labour Contract Law*, in 2007 the NPC also approved the *Employment Promotion Law* (on 30 August) and the *Law on Mediation and Arbitration of Labour Disputes* (on 29 December.)

The *Labour Arbitration Law* was designed to streamline and speed up the arbitration and mediation process and was significant in that for the first time it made rulings by labour dispute arbitration committees legally binding in routine disputes. Article 47 states:

In respect of the following labour disputes, the arbitral award shall be the final award and the statement of award shall have legal effect from the date of making, unless otherwise stated hereof:

1. disputes in relation to the claim of labour remunerations, work-related injury, medical expenses, economic compensation or damages which do not exceed the local monthly wage standard for an amount of 12 months;

25 "New ongoing violations after the implementation of Labour Contract Law in China Shenzhen,". Dagongzhe Migrant Worker Centre. Translated into English by Worker Empowerment. 13 January 2009. Available at workeremployment.org

26 "China's labor departments help 6.98 mln workers get back wages in 2008," China Daily 19 May 2009

2. disputes arising from working hours, rest days and leave days and social insurance in the implementation of state labour standards.

Moreover, the law abolished the arbitration application fee, and extended the time limit for filing an arbitration case from 60 days to one year, making it much easier for employees to file claims against their employer. As noted in the previous section, the new law led to a massive upsurge in the number of cases handled by the labour dispute arbitration committees in 2008. However many committees are understaffed and under-funded and have not been able to process all claims, particularly the more complicated claims, in a timely manner.

The aim of the *Employment Promotion Law* was to create a more open and fairer job market and tackle widespread employment discrimination. It was of particular significance to the 130 million or so carriers of the Hepatitis B virus who face widespread and routine discrimination when applying for jobs. Article 30 of the law states that:

No employment unit, when recruiting employees, shall refuse to employ a job candidate on the basis that he/she is a carrier of any infectious pathogen.

This, together with the *Opinion on safeguarding the employment rights of people suffering hepatitis B (surface antigen)* (Ministry of Labour and Social Security, Ministry of Public Health, 18 May 2007) gave people living with Hepatitis B much greater legal ammunition with which to protect their rights.

Other labour-related laws and regulations issued by the State Council and its affiliated departments included the *Decree on Employment of Persons with Disabilities* (State Council, 25 February 2007), the *Ordinance on Workers' Paid Annual Leave* (State Council, 14 December 2007), the *Ordinance on Implementation of the Labour Contract Law* (State Council, 18 September 2008), the *Circular concerning further Development of a Sound Set of Minimum Wage Thresholds* (Ministry

of Labour and Social Security, 12 June 2007), and the *Regulations on Employment Services and Employment Management* (Ministry of Labour and Social Security, 5 November 2007).

At the local level too there were important developments in labour legislation. The *Regulations on the Promotion of Harmonious Labour Relations in the Shenzhen Special Economic Zone* approved by the Shenzhen Municipal People's Congress on 23 September 2008 was an attempt to provide a more effective framework for labour dispute resolution in the city. Shenzhen's *Implementing Regulations for the Trade Union Law*, implemented on 1 August 2008, were hailed by the municipal union federation as helping to create a "responsible, empowered and battle-ready union" capable of protecting workers' rights. Moreover, Zhang Youquan, head of the Shenzhen Federation's legal department told a press conference to announce the new regulations that this was the first time the term "collective bargaining," (集体谈判) as opposed to the previously-used but much weaker concept of "collective consultations" (集体协商) had been applied in China's local legislation.²⁷ Shenzhen's experiment with collective bargaining was put on hold, however, in the wake of the global financial crisis, when union officials were instructed to help enterprises get through their economic difficulties.

The unprecedented wave of labour legislation in this period was no accident. It was a direct response to the pressure exerted by the workers' movement over the previous decade. A government committed to maintaining social order and harmony could no longer afford to ignore the strikes and protests staged by workers on an almost daily basis across the country. It sought to create a comprehensive legislative framework that could help mitigate labour conflicts and better protect the legal rights of individual workers. This legislative approach has made workers much more aware of their rights and they are now more will-

27 "深圳工会新办法出台 首提集体谈判公开谴责等词" (Shenzhen's new Trade Union Law Implementing Regulations will use for the first time terms such as collective bargaining and public censure), 21 *事迹经济报导* (21st Century Economic Report) 2 August 2008.

ing to use the mediation, arbitration and court systems to stand up for those rights. However these systems are far from perfect and employers are increasingly fighting back, instructing lawyers of their own to exploit weaknesses in the law and evading their legal responsibilities and obligations on narrowly technical grounds.

What the government has not yet done, however, is to rigorously enforce its own laws or empower workers to safeguard their rights and interests on a collective basis. Local governments have rarely been diligent in the enforcement of national labour legislation, particularly when it is in conflict with local economic interests. But with the onset of the global economic crisis, they became even more willing to turn a blind eye to routine violations of labour laws as long as enterprises did not lay off large numbers of employees at one time.

At least until the onset of the economic crisis, the government and the ACFTU actively promoted the collective consultation and collective contract system, and Chapter Five of the *Labour Contract Law* contains specific provisions on the promotion of this system. However, collective consultations have generally been a *pro forma* exercise with little or no role for workers. Management and enterprise unions simply sign boilerplate agreements sent down from higher level unions. As a result, workers have by and large lost confidence in the ability and willingness of the union to protect their interests and have taken matters into their own hands, staging strikes, road blockades and protests in an attempt to attract local government intervention to solve their problems.

Chapter Two: The Workers

This chapter is largely based on an analysis of 100 labour dispute cases, sourced from online media in January 2009. The search used the keywords “strike” (罢工), demonstration (游行), sit-down (静坐), road-block (堵路), and petitioning (上访), together with supplementary words including; wage arrears (拖欠工资), state-owned enterprise restructuring (国有企业改制) labour contract (劳动合同) and overtime payments (支付加班) etc. Due to severe restrictions on the reporting of worker protests within China, the majority of the sources used in this report are (Chinese language) overseas media organisations. While some of the information in these news reports may have been distorted or misreported, we are confident that the basic facts of each case are correct. Moreover, we can say with a reasonable level of certainty that the cases reflect the basic characteristics of China’s labour movement during the period covered by this report, the causes of disputes, the workers’ demands, the protest triggers, the types of action taken, and the government’s response to them.

For a full list of the 100 cases including a summary of the dispute, the actions taken and the final outcome, please see the appendix at the end of this report.

The basic causes of workers’ protests

Rural migrants have for many years been the backbone of China’s workforce. There are an estimated 130 million migrant workers employed in cities across China, and if rural workers employed in towns closer to home are included, the number could rise to over 200 million. These workers suffer from widespread and institutionalised discrimination based on their rural household registration (*hukou* 户口), they work long hours in often dangerous conditions for low pay, and they are usually the first to be laid-off during times of economic difficulty. It is not surprising then that migrant workers were the driving force in the majority of disputes examined in this report. Of the 100 cases, 58 involved primarily migrant workers, 34 were workers with an urban

hukou, and eight retired urban workers who had lost their jobs in the process of SOE restructuring.

The causes of these protests were, by and large, obvious and straightforward. More than a third of the cases (at least 36) related to clear violations of legal rights, such as the non-payment of wages, overtime or social insurance contributions, or the failure to pay the compensation prescribed by law after the termination of employment contracts. These cases can be grouped together as “rights protection” (维权) cases. Rights protection, in these areas, has been the focus of the Chinese government and ACFTU’s efforts to improve workers’ lives and working conditions - providing workers with greater legal protection and more effective safeguards. However, in another third (at least 35) of the cases, workers did not simply seek redress for rights violations; they demanded higher wages, improved final severance packages from SOEs, shorter working hours, improved welfare benefits and reductions in workload. Some retired and laid-off workers sought higher retirement payments and basic subsistence allowances. Other disputes arose over proposed changes in employment status, arbitrary changes to working conditions, meals and housing allowances, as well as demands for government investigations into alleged management malpractice during the restructuring of state-owned enterprises.

Of course, many disputes involved both legal rights violations and basic economic interests, and both sets of issues were clearly viewed with equal importance by the workers themselves. The government, however, has done little to address the economic interests of workers. The minimum wage was introduced in China in 2003, but it has rarely represented a decent or living wage, and at the end of 2008, minimum wages across the country were frozen in response to the global economic crisis. The ACFTU too has preferred to concentrate on resolving rights violations after the fact rather than pro-actively fighting for workers’ interests, thereby inadvertently creating the conditions for protests to emerge.

The two years covered by this report were characterised by **economic**

difficulties faced by numerous small and medium-sized manufacturers, particularly those in the southeastern coastal region who were dependent on exports and operating on narrow margins. In 2007, rising costs of raw materials, fuel and transport, appreciation of the yuan, tightening monetary policy and changes to the export tax rebate policy left many enterprises with severe cash-flow problems. Thousands of enterprises closed, laying off workers with several months' unpaid wage arrears and no compensation.²⁸ In the second half of 2008, export markets contracted further in the wake of the global financial crisis, causing even more factories to close and lay off millions of workers.²⁹ In China's manufacturing heartland, Dongguan, there were 117 incidents in September and October alone of factories closing and the boss running away, leaving at least 20,000 workers without pay.³⁰

Twelve of the disputes discussed in this report were directly related to economic difficulties faced by the enterprise concerned, and were triggered by **factory closures** and/or the boss skipping town. Below are three typical examples.

- On 9 November 2007, several hundred workers at Nicewell Ceramics' Guangzhou plant blocked roads near local government buildings to protest wage arrears of more than two million yuan. Two days earlier, the chairman of the Taiwan-based parent company had informed the city government that he had been forced by "gangsters" to flee the idled plant.

28 According to Hong Kong Trade Development Council data, more than 10,000 enterprises in the Guangdong region went bankrupt in 2007. See Deng Meiling (邓美玲). "广东逾万中小企业倒闭，服装企业已达上千家" (Over 10,000 Guangdong SMEs go bankrupt, including at least 1,000 clothing firms), *经济观察报* (*The Economic Observer newspaper*), from *中国经济网* (*China Economic Net*), 21 March 2008

29 According to the Secretary of Guangdong Council for SMEs (广东省中小企业局), 15,661 SMEs went bust in the province between January and October 2008. See Xu Chen (许琛), Lin Cuicui (林翠翠). "广东15661家中小企业倒闭，称未出现「倒闭潮」" (15,661 SME closures in Guangdong does not mean a bankruptcy wave)," *羊城晚报* (*Yangcheng Evening News*), from *搜狐财经网* (*business.sohu.com*), 17 Dec. 2008

30 "东莞两月117家欠薪企业逃匿" (117 Dongguan entrepreneurs abscond without paying wages for two months), *南方都市报* (*Southern Metropolis Daily*) 19 November 2008.

- On 13 February 2008, more than 250 workers at the Lichang Shoe Industries factory in Panyu blocked the Luoxi Bridge after the plant was closed and the manager absconded, leaving wages and social insurance contributions unpaid. According to workers, before the Chinese New Year holiday, the manager tricked workers by telling them to return to work after the holiday. When they did, they discovered he had disappeared with the cash box.

- More than 1,000 workers at the Chunyu Textiles factory in Wujiang city, Jiangsu, blockaded an expressway on 27 October 2008 after the manager fled abroad, leaving employees with four months' wages unpaid. The company had been crippled by debts but rather than go through formal bankruptcy proceedings which would have given workers some protection, the boss elected to simply run away.

In nearly all these cases, the local government was left to pick up the wage arrears bill, although very often they could only provide around half the wages owed. Many workers felt they had no option but to accept the governments' offers, although some held out for more. Around 300 workers at the Jianrong Suitcase Factory in Dongguan staged a protest on 19 December 2008 after the government offered to pay only 60 percent of the two months' wages owed after the plant manager absconded.

In another 14 cases, worker protests were triggered by managements' attempts to survive the economic downturn by violating workers' rights and interests. Typical tactics included cutting wages or firing workers and hiring new ones at lower rates, paying no (or less than the legally mandated) compensation for contract termination,³¹ or forcing employees to resign.

31 The Labour Contract Law stipulates that after an employer lays off workers, the employees in question shall receive standard "monetary compensation" of an amount equal to one month's pay for every full year worked.

- On 4 January 2007, workers at the notorious Italian-owned DeCoro furniture factory in Shenzhen staged several protests after the company announced relocation plans. Management only allowed employees to stay on if they accepted a 20 percent pay cut. The plant had witnessed numerous protests in the past, such as in November 2005, when some 3,000 employees struck in protest at the beating of workers' representatives who asked the Italian managers for an audit of wages.

- More than 200 workers at the Dongguan unit of the Mengniu Dairy petitioned the local labour bureau after management forced them to write resignation letters and accept just 1,000 yuan in compensation. The protestors claimed the 1,000 yuan was actually part of wages owed and not compensation at all. The workers were laid off after a steep fall in sales due to the impact of the tainted milk scandal that swept China in 2008.³²

Economic difficulties could not be blamed, however, for all labour disputes in this reporting period; indeed there were strikes and protests just about every day when the economy was booming too. Many observers have suggested that the spectacular growth of China's export oriented processing sector, which increased from just US\$2.5 billion in total trade in 1981 to US\$986.0 billion in 2007, or 45.4 percent of overall trade,³³ was largely based on the routine exploitation of low cost migrant labour.^{34 35} **Deliberate violations of factory workers' rights** by management in these labour intensive processing factories

32 In June 2008, consumers complained that Sanlu Group Co., Ltd. (Shijiazhuang, Hubei Province) milk powder contained the chemical melamine, causing kidney stones in infants. In September 2008, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) inspected all infant milk powders made in China for melamine content. Results showed that 69 batches of infant formula products from 22 manufacturers contained varying levels of melamine.

33 "1978-2008对外开放30年系列专题报 - 加工贸易篇" (Special series of reports on 30 years of opening up 1978-2008 - trade in processed products), 中国国际电子商务网 (China International Electronic Commerce Center)

34 Harney, A. *The China Price: The True Cost of China's Competitive Advantage*, Penguin 2008.

35 *see next page.*

were a major reason for workers' collective protests in 2007-2008. Of the 100 cases, at least 17 involved the withholding of wages by employers, a lack of consultation on pay scale changes and wage cuts, increasing workload, and changes to working hours. In eight cases, employers withheld wages even though the business was running relatively smoothly. The employers could get away with these abuses because local governments were unwilling or unable to enforce the law.

- On 26 July 2007, more than 200 workers at the Heishan County Highway Management and Maintenance Co. in Liaoning staged a sit-in protest in front of the county government offices. The workers claimed that the company was 14 months in arrears with wages and social security contributions for road workers, even though salaries had been duly paid to managers and office workers. The workers were informed by government highway authorities that project payments had already been made to the company.

- Several workers at Huayang Printing in Shenzhen staged a strike and roadblock on National Highway 107 on 30 October 2007, claiming the company never paid monthly wages on time. The firm was contractually obliged to pay employees on the seventh of each month but payday had slipped back to the 19th, then to the 20th and in October to the 30th of the month.

- On 11 November 2008, more than 40 workers at a handicrafts factory in Guangzhou staged a roadblock after the owner fell two months behind in paying wages. The local labour department told the workers that the case could not go to arbitration because the company was operating without a valid business licence.

35 A National People's Congress delegate pointed out that in the case of a single DVD priced at \$32, foreign royalties are \$18 and the production cost \$13, leaving Chinese companies a profit of \$1. In the case of a Chinese made MP3 player selling for \$79, foreign royalties amount to \$45 and manufacturing costs to \$32.5, leaving Chinese companies with a possible net profit of \$1.50 at most. Chen Erhou, Hu Zuohua (陈二, 胡作华): "一台DVD赚取1美元利润, 中国造能走多远"(How far can Chinese manufacturing go when the profit on a DVD is US\$1?), 北京日报 (*Beijing Daily*), from 人民网 (*People.com.cn*), 11 March 2005.

Because there are next to **no genuinely representative trade unions** in China's private enterprises, workers have no one to turn to when seeking to defend their economic rights and interests. But even if trade union officials were willing to stand up for the workforce against managements, the lack of an effective intra-factory mechanism for resolving disputes means that grievances tend to pile up, causing disputes to escalate. When managements arbitrarily change employees' pay and conditions without consultation, workers are often left with little option but to stage a public protest in the hope of forcing the government to intervene on their behalf. At least nine of the cases in this report were triggered by arbitrary management changes to wage structures and pay rates, workloads and working hours.



Nearly 1,000 workers from Shenzhen's Hailiang Storage Products firm block a downtown thoroughfare, 19 December 2007

- Nearly 1,000 workers from the Hailiang Storage Products company staged a strike and blocked a major thoroughfare in downtown Shenzhen on 19 and 20 December 2007 (see photo above). The protest was triggered by a company decision to shift from a system of three eight-hour shifts to two 12-hour shifts, effective 1 January 2008. Workers said that under the old system, the maximum number of overtime hours was 36 per month, with double pay at weekends, but under the new system, overtime increased to nearly 50 hours a month, with fewer opportunities to earn double pay at weekends.

- On 6 and 7 March 2008, thousands of workers at the Casio Electronics factory in Guangzhou staged a strike and demonstrated in protest at the management's abolition of allowances and bonuses under a new pay scale system. The management had argued that wage levels under the new system were in line with the minimum wage, but the workers claimed that at a time of repeated stoppages due to a lack of orders, their real monthly wage could end up below the minimum legal threshold.

- From 19 August 2007 onwards, around 10,000 workers the Feihuang electronics factory in Shenzhen staged a series of strikes and roadblocks in protest at the management's moves to reduce wages and increase work hours at a time of rapidly increasing food prices and rents. According to a report by the Hong Kong-based Students and Scholars Against Corporate Misbehaviour (SACOM), when orders were flowing into the company, workers had to put in 11.5 hours a day, for 30 days a month. With compulsory overtime on statutory holidays, they could earn a maximum wage of 1,800 yuan. In 2007, with working hours and workload unchanged, they could only earn between 1,100 and 1,200 yuan. In the summer, workers' anger rose to boiling point during the repeated power cuts. Because the factory's backup generators only powered equipment and machinery and not the air-conditioning, employees were forced to endure the sweltering summer heat without air-conditioning or electric fans.³⁶

Some of these **worker actions ignited other protests** in nearby factories or company subsidiaries. The day after the strike at the Feihuang electronics factory, for example, workers at the nearby Shajingzhen factory in Shenzhen's Bao'an district also downed tools and blocked local roads. Two days after workers at Chengda-owned Quanta Shoes in Guangzhou took strike action over overtime arrears on 9 January 2008, workers at its subsidiary, Chengrong, also joined the action.

36 “深圳Nokia及Motorola供应厂工潮扩大，近二万工人继续罢工” (Factory strikes spread among Shenzhen suppliers to Nokia and Motorola; nearly 20,000 workers continue actions), SACOM website.

On 12 March 2008, workers in three units of Changshan Textile Co in Shijiazhuang went on strike demanding higher wages; they were soon joined by workers from four other factories. And six days after several hundred workers from a cement plant in Jiaozuo, Henan, staged a roadblock on 1 October 2008 in protest at the factory's closure, more than a thousand workers from a textile plant and a crane works in the city also staged roadblocks demanding wages in arrears. Having common interests such as shared locality or parent company made it easier for these workers to present a united front.

In the spring of 2007, a wave of strikes spread across the port areas of Shenzhen. On 24 March, a strike broke out at a container service company contracted by Yantian International Container Terminals in eastern Shenzhen. This was followed on 30 March, by a strike at the Shekou Container Terminal Port in the west of Shenzhen. In both cases strikers succeeded in forcing concessions from the managements. Then on 7 April, more than 300 crane drivers at Yantian International Container Terminals went on strike. According to a study of the strikes by academics Ren Xiaoping and Xu Xiaojun, the March strikes bolstered the confidence of workers at Yantian International Container Terminals, inspiring them to stage their own strike.³⁷ Ren and Xu also suggested that the fact that the strikers at Yantian included crane drivers, i.e. relatively high-paid, technical personnel, gave the workers a greater chance of success. On 1 May, more than 200 workers, including both gantry and tower crane drivers, at Chiwan Terminals, adjacent to Shekou, staged another successful strike, this time to recover overtime payments going back four years.³⁸

The Yantian dock workers' strike was also notable for the fact that striking **workers demanded the right to form their own union**, in-

37 Ren Xiaoping (任小平), Xu Xiaojun (许晓军). “双重受托责任’下的中国工会维权机制研究 – 以工会介入盐田国际罢工事件为例” (Research into union rights mechanisms under the “double-entrusted responsibility” model-the case of union intervention in the Yantian International Container Terminals strike), *中共福建省委党校学报 (Journal of Fujian Provincial Committee School of the CCP)*, 2008 No. 10, 10-17

38 “深圳码头工人追讨加班费罢工抗议,” (Shenzhen dock workers stage protest strike to recover overtime payments) BBC Chinese service. 2 May 2007.

sisting that: “unions can only be created through elections involving all front-line employees.”³⁹ The union was duly formed, and moreover a collective agreement was eventually negotiated with the Yantian management. The dock workers’ demands were echoed on 23 August 2007, in a strike at the Yunnei Power company in Chengdu, Sichuan Province, when several thousand workers angered at the indifference shown by the company union to workers’ rights demanded that the city government allow them to form union branches and elect their own union leaders and worker representatives.⁴⁰ It is important to note, however, that in both cases the workers were not advocating an independent union but merely demanding the right to establish their own democratically elected union branches under the umbrella of the ACFTU.

As mentioned in the previous chapter, the *Labour Contract Law* provoked strong opposition from employers’ groups and many enterprises sought to circumvent the new law by laying off long-serving workers and rehiring them on short-term contracts or as dispatch workers, or by simply cutting the payroll.⁴¹ These evasive tactics led to frequent protests by workers, who were well aware of the law’s provisions thanks to a massive publicity campaign conducted by the government and ACFTU, aided by local non-governmental labour rights groups. At least 11 of the disputes examined in this report were related to **attempts to circumvent the *Labour Contract Law***. For example:

- Nearly 2,000 employees at the Yuansheng Light Industrial firm in Shenzhen staged a four-day strike from 11 December 2007, protesting against the company’s demand that they sign new contracts requiring them to consider all outstanding overtime arrears as having been paid in a one-time settlement. The new contract

39 Ren Xiaoping (任小平), Xu Xiaojun (许晓军). *Op. cit.*, pp. 10-17.

40 Lin Cong (林聪). “山雨欲来? — 关注成都云内动力有限公司职工罢工事件” (Before the storm? Focus on Chengdu Yunnei Power Co. strike), from 乌有之乡 (*Utopia*), 10 September 2007.

41 Article 14 of the *Labour Contract Law* stipulates that an employment contract without a fixed term shall be concluded with any worker with over 10 years of continuous employment in a work unit, or who has previously signed two consecutive fixed-term contracts.

also allowed the management to arbitrarily transfer workers to different jobs, and not pay overtime on Saturdays and statutory holidays.

- On 10 January 2008, more than 200 workers at the Fusen Wood Industry staged a sit-in at Tianfu Square in Chengdu. Strikers said their new contract did not take previous years of service into account, and that a non-refundable deposit of 645 yuan was required from new hires in contravention of Article 9 of the *Labour Contract Law*, which stipulates that employers may not require workers to provide guarantees or demand assets from employees on any pretext.

- More than 1,500 workers of the Boluo County Forestry Equipment firm in Huizhou, Guangdong, staged a strike and week-long street protests between 5 and 11 March 2008. Prior to the Spring Festival, the management had forced the employees under threat of dismissal to sign blank contracts. When they finally saw their new contracts they realised they contained many clauses that violated the Labour Contract Law.

The whole-scale **restructuring of China's state-owned enterprises** reached a peak in the late 1990s with the layoff of around 30 million workers. The authorities hoped this “shock-therapy” style reform would, through closures, mergers or transfers to private ownership, weed out inefficient enterprises and thereby enhance productivity and boost economic growth. However, as CLB showed in its report *No Way Out: Worker Activism in China's State-Owned Enterprise Reforms*, the government's failure to implement clear policy guidelines for the process, combined with a lack of transparency, flawed auditing of company assets and widespread official corruption, left millions of workers out in the cold, with no job and barely enough income to support their families. Huge numbers of laid-off workers sought redress through the official petitioning (信访) system and staged public protests. Many of these dragged on for years without resolution and the ripple effects can still be felt today.

Local governments have often been unable to re-employ or provide welfare for laid-off SOE workers, and during the period covered by this report, workers continued to press all kinds of claims against government departments that orchestrated restructurings and bankruptcies at SOEs, and against the new owners that took them over. These grievances centred on rates of monetary compensation in the final severance packages paid out to workers laid off in restructuring, wages and social security contributions still owing from the time before restructuring, and minimum subsistence allowances for redundant workers. Moreover, SOEs are still being sold off to private investors even today and local governments appear to have learnt nothing from the debacle of the late 1990s. An indication of just how prevalent this problem still is in China is that at least 21 disputes in this report were related to SOE restructuring, including:

- From 16 April to 20 April 2007, workers staged a strike and blocked roads at the Lueyang Steel plant in Shaanxi. The plant was privatized in 2004 but workers remained deeply angry at the lack of transparency in the process, which, they said, led to enterprise assets being grossly undervalued. After the restructuring, workers wages decreased and some “internally retired”⁴² workers lost their state retirement allowances because the management had not kept up contributions.

- More than 3,000 workers at the giant Shuangma Cement plant in Mianyang, Sichuan, staged a three week strike from 29 June to 20 July 2007 in protest at the low monetary compensation in the proposed final severance packages announced by the management after restructuring. Under the package, workers would only be paid 1,380 yuan for each year of service. Moreover, those employees staying on had to sign three-year contracts with no guarantee of renewal with the new owner, Lafarge, the world’s largest building materials company.⁴³

42 “Internally retired” (内部退休) means effectively made redundant but kept on and part-paid until formal retirement.

43 See “Diary of a Strike: 3,000 workers at the Shuangma Cement Plant strike in protest at management’s compensation offer.” CLB 26 July 2007.

- Several thousand workers at Chengdu's Yunnei Power surrounded the company's offices on 23 August 2007 protesting against its offer of 1,800 yuan for each year of service in its final severance package. The original SOE, a manufacturer of internal combustion engines in Chengdu, was merged with Yunnei Power in Kunming in 2004. In July 2007, the company said that it would auction off the site of the old plant and relocate; in August, it announced mass layoffs with severance pay pegged to the number of years worked at the current employer, ignoring the years employed at the old company.

At least seven SOE disputes included allegations of corruption and embezzlement of state assets by managers during the process of restructuring. The lack of transparency and the absence of a unified or effective regulatory framework allowed SOE managers to siphon off billions of yuan in state assets while paying laid-off workers minimal compensation. As the examples below demonstrate, demands for investigation into alleged corruption on the part of managers were often more important to the workers than their demands for higher compensation.

- More than 1,000 workers at the Yintai Textiles company in Changsha, Hunan, staged a two-day sit-in at the main gate on 25 and 26 July 2007 to protest the alleged corruption of senior management. The workers claimed that after the former SOE was bankrupted and turned into a private joint-stock company in the mid-1990s, the former plant manager became the general manager of the new firm, with senior management controlling three-quarters of the equity. In the more than a dozen years since restructuring, over 1,200 workers had been laid off or internally retired. The monthly wages of the remaining workers were only 600 to 700 yuan. Workers had repeatedly petitioned government offices and the legal department of the procuratorate, but to no avail.

- Between 14 and 16 September 2007, up to 10,000 workers at the Luoyang White Horse Group in Henan staged strikes and road

blocks after the company announced its bankruptcy and restructuring plan, which included a final severance package of 1,220 yuan for each year of service. Although the compensation offer was cited as the nominal reason for the protest, workers said they were really venting their anger at management corruption.

Workers' protests and the government's response

China's constitution provides for a wide range of citizens' rights, including the rights to freedom of information (知情权), free speech (话语权), freedom of association (结社权) and the right to demonstrate (示威权). The reality for China's workers is that information is monopolised by managements, freedom of speech is curtailed by internet censorship and the official media, the ACFTU monopolises the right of association, and the local police decide who can demonstrate and when.

When workers are kept in the dark by managements and the official media, and denied outlets for their grievances by the lack of an effective collective bargaining system and the impotence of enterprise unions, they have little option but to make those grievances public by staging strikes, demonstrations, sit-ins and blocking transport arteries. This is the only way they can get government officials to take them seriously. Seeing these protests as threats to social stability, local governments will move swiftly to resolve them through a combination of conciliation, mollification, promises, threats, physical force and criminal sanction.

The right to strike was removed from the PRC Constitution in 1982, ten years before the advent of the "socialist market economy," on the grounds that it was not necessary under China's socialist system. Since then the status of strikes in China has been a legal grey area - they are neither legal nor illegal. However **strikes** are a fact of life in factories, offices and workshops all over China and have become an increasingly effective method of extracting concessions from managements. At least 47 of the 100 cases in this report involved strikes, with the numbers of participants ranging from a few dozen to more than

10,000. Many strikes erupted seemingly without warning when plants were operating normally, and the workers spontaneously downed tools and walked off the job.

It is important to note here, however, that in none of the 100 cases in this report or indeed in any media reports we have examined over the last two years, was there any evidence of a trade union calling for strike action. The Chinese government and the ACFTU-sponsored system of collective consultation discourage “extreme behaviour” and do not countenance any action that might be considered unlawful.

Blockades of major transport arteries such as roads, bridges and railway lines are another favoured tactic. At least 43 of the 100 cases studied here involved blockades, including 17 in which road blocks were used as a secondary tactic after the launch of strike action. In these cases, workers left the factory and blocked local roads in an attempt to amplify the public impact of their protest and force the government to take notice. In the other 26 actions, road blocks became the primary form of protest as most of the enterprises concerned had gone bust or closed down.

Sit-down protests at the factory gate or in public squares, and **protest marches** were used in 18 cases considered in this report, including six instances in which such protests were auxiliary to strike action. And collective **petitioning** or sending a representative to local government offices to air workers’ grievances was still a popular tactic in this reporting period, being used in at least 21 cases. Seven petitions concerned the problematic restructuring of SOEs.

Only five of the 100 worker protests involved **damage to factory or office property**, attacks on bosses’ representatives or clashes with security personnel called in by management. These outbursts were again examples of workers giving vent to long-bottled-up dissatisfaction and resentment.

- More than 800 mineworkers at Tanjiashan mine in Xiangtan,

Hunan, staged a strike on 8 August 2007 over arrears in the payment of final severance packages and social security contributions. Early in the morning of 15 August, more than 200 temporary security guards used physical force to break up the strike. The miners retaliated and in the ensuing *melée* at least one miner and a security guard were killed. Over 20 other people were injured, and two police cars destroyed by the enraged workers.

On 14 January 2008, a worker was injured by a security guard in the workers' canteen of Maersk Container Industry in Dongguan. Several hundred workers responded by throwing bricks through office windows and burning down the offices and dormitory used by the security force. Some workers said they were angry at years of constantly rising workloads, falling wages, and unprovoked physical abuse by security personnel.⁴⁴

The Chinese government has a well-thumbed playbook for dealing with “**mass incidents,**” based on the 2007 *Emergency Response Law*, Article 52 of which requires local police and security forces to restore order as quickly as possible after a mass incident that “severely jeopardises public order.” An analysis of the 100 cases in this report shows that the measures taken by local government nationwide to deal with workers' collective protests were basically in line with the central government's emergency response measures and legislation. After a strike breaks out, the local government sends in the police to seal off the main factory entrance and prevent workers from getting on to the streets, staging demonstrations or blocking roads, railway lines or bridges. When a blockade does occur, riot police may be called in to persuade participants to abandon the action and allow resumption of traffic. Should the protesters refuse to comply, police may forcibly disperse them.

44 Tang Bo (唐波), Zheng Siqu (郑思琪), “马士基东莞工厂发过激事件” (An extreme incident at Maersk's Dongguan plant), *羊城晚报* (*Yangcheng Evening News*), from *网易新闻网* (*NetEase.com*), 15 January. 2008.



Riot police remove a female worker at a street demonstration during a strike on 6-7 March 2008 by several thousand workers at Casio Electronics, Guangzhou. Photo Southern Metropolis Daily.

Police intervened in at least 61 of the 100 cases reviewed here. On occasion, police action sufficed to temporarily stifle workers' anger and prevent escalation, but it often created more tension and ultimately led to violence. In at least 19 incidents, there were physical clashes between protesters and police, and some workers and police officers were injured. The available information also shows that the authorities remain keen to press for punishment of protest leaders and participants, including penalties for "breach of public order" (治安处罚) and sometimes also criminal sanctions.

- On 13 February 2008, more than 700 workers of the Lichang shoe factory in Guangzhou's Panyu district blocked a bridge to protest against unpaid wages after the disappearance of the boss. The Panyu District Prosecutor's Office later arrested five workers on suspicion of "illegal assembly and staging demonstrations."

- Labour rights activist Zhou Mengxin was detained by the Mudan District Public Security Bureau in Heze, Shandong, on 24 February 2008 and accused of organising and planning a collective petition and demonstration by retired workers; he was held throughout March before being released on bail. The Public Security Bureau also questioned two retired workers representatives, Zhu Ming and Li Fazeng, and warned them not to take part in any more petitions or demonstrations. However, these threats failed to deter the protestors and on 26 February more than 300 retired textile workers petitioned in front of the city hall, demanding payment of heating bills and retirement benefits.

During this period, several labour rights activists were convicted on **criminal charges** or sentenced to re-education through labour (RTL), an administrative sanction that carries a maximum term of three years, extendable to four, used by the public security bureaus to deal with "trouble makers." (See box opposite.)

Examples of worker activists convicted on criminal charges or sent to re-education through labour in 2007-2008

On 16 November 2007, **Li Guohong**, a former worker at the Puyang Zhongyuan Oil Field in Henan, was sentenced to 18 months re-education through labour by the Puyang RTL Committee. Li had been made redundant in 2001, and together with his laid-off colleagues organised a series of petitions over several years to pursue their grievances. In 2007, Li switched tactics and urged workers to defend their rights and interests through civil litigation. On 31 October 2007, Li was subjected to 15 days administrative detention (行政拘留) by Public Security personnel at Zhongyuan Oil Field before being formally sentenced to 18 months RTL.

Zeng Jianyu, a former local legislator and member of the Chinese Writers Association, was sentenced on 15 February 2007 to two and a half years in jail for “fraud,” after helping laid-off workers from the Sichuan Petroleum Administration Bureau and taking part in protests against the requisition of farmers’ land for the Luzhou Jiangbei power plant. Zeng had earlier been jailed for one year and stripped of his status as a people’s congress delegate in December 2001 after helping taxi drivers in Luzhou with their rights campaign. On his release he continued to fight for workers’ and ordinary citizens’ rights.

Li Shuchun, a former worker at a stock-breeding centre at the Red Flag Farm, Yilan county, Heilongjiang, was sentenced to 18 months’ jail on the criminal charge of “assembling a crowd to disrupt traffic” (聚众扰乱交通秩序罪). On the morning of 15 August 2007, Li and more than 50 fellow workers went to the provincial capital, Harbin, to present a petition concerning social insurance rights and alleged management corruption at the livestock centre. As they were turning into a suburban highway in the main town of Yilan county, a disturbance broke out as traffic police and government officials arrived to thwart the petitioners. On 15 January 2008, Li was placed under administrative detention by Yilan County Public Security Bureau for “assembling a crowd to disrupt traffic,” and formally arrested on 4 March.

In many cases, however, the authorities took a relatively conciliatory attitude towards protesters. In an attempt to defuse anger and prevent an escalation, government officials went to the scene of 47 of the 100 disputes discussed in this report. They sought to mediate in the dispute or arrange for direct negotiations between management and labour. In cases of unrest triggered by wage arrears following the disappearance of an employer, local governments usually stepped in and paid some at least of the wages owed by the absconding employer.

It needs to be emphasized, that during this two-year period local governments still generally sided with managements, and their actions, or rather inaction, often inflamed disputes which could have been resolved peacefully, and forced workers to protest publicly. For example,

- After months of defaulting on social security contributions, the Shenzhen Huangxing Light Industry Products firm suddenly declared bankruptcy on 29 January 2007, leaving company employees out of pocket and out of a job. The workers blamed the government for not intervening earlier when it was clear there was a problem at the company, and 200 of them took to the streets to press claims for redundancy payments and their social security contributions.

- Employees at the Huayuan textile plant in Fuyang, Anhui, had petitioned the local government and Party on numerous occasions, demanding that the government investigate the disappearance of state assets and allegations of corruption by enterprise managers. After receiving no satisfactory reply, several thousand workers staged a strike on 16 April 2007.

Throughout the period covered by this report, workers and worker activists continued to suffer from threats, intimidation and violent attacks from employers and their agents. In many cases, police were present during the attacks and did nothing to prevent them, or later delayed or hindered the subsequent investigation.

- Labour rights activist, Huang Qingnan suffered serious injuries to his back and legs when he was attacked outside the offices of the Dagongzhe Migrant Worker Centre in Shenzhen on 20 November 2007. The attack was ordered by local factory owner, Zhong Weiqi, who feared that Dagongzhe's work publicising the Labour Contract Law would damage his business interests. After a long delay, on 18 May 2009, Zhong was sentenced to four years imprisonment for his part in the attack, while the principal assailant Huang Zhizhong was sentenced to five years.⁴⁵

- On 15 January 2008, Wang Chao, a migrant worker from Sichuan had an arm chopped off by thugs armed with knives and steel rods, hired by a state-owned construction company in Nanjing to attack workers' representatives when they sought payment of wage arrears. Wang was taken to hospital just in time for re-connective surgery.⁴⁶

- When claiming their wages for several months' work at a food processing plant on the coast of Shandong in early July 2008, a group of migrant workers from Henan were surrounded and threatened by factory security guards and local gangsters. One of the workers was beaten and threatened with a knife. In an interview with CLB Director Han Dongfang, one of the workers said that at this point, the factory boss yelled: "Kill him! Kill him! Kill him and bury him here! Make sure that not one of them gets out of here, forget about their wages. Don't be afraid they'll go to court! Just let them go to court. Don't worry about the Labour Bureau, they are all my friends, and failing that we have the provincial governor on our side."⁴⁷

45 "Labour rights activist's attackers sentenced to up to five years imprisonment." CLB 19 May 2009.

46 "Workers attacked after demanding wages in arrears." CLB 18 February 2008

47 "Migrant workers cheated out of 230,000 yuan - harassed and beaten by thugs." CLB 28 November 2008.

Industry-specific protests: Two case studies

In addition to examining the one hundred cases above, an analysis of the workers' movement in 2007-08 cannot ignore the emergence of widespread industry-specific protests in this period. Two protests, one by middle and primary school teachers, and the other by taxi drivers are particularly noteworthy, not only for the way they ebbed and flowed and spread across the country, but for the response of local governments in each case.

The **teachers' strikes** involved several hundred primary and middle schools as well as kindergartens across China. The number protesting ranged from several dozen to several thousand, and strikers mainly came from poorer rural areas in Sichuan, Chongqing, Hubei, Hunan, and Shaanxi. Their main grievance was that they were not getting the same salary level as other civil servants, contrary to the provisions of the *Teachers' Law* and the *Compulsory Education Law*, both of which clearly state that the average level of teachers' wages should not be lower than that of other civil servants. This requirement was reiterated in the *Circular on Work to Improve Remuneration Guarantees for Schoolteachers in the Compulsory Education System*, released by the ministries of Personnel, Finance and Education on 27 February 2008. The Circular called for:

Planning and consideration of the question of [salary] guarantees for schoolteachers under the compulsory education system, and in particular those working in compulsory education in the countryside, and as far as possible realise the provisions of the Compulsory Education Law, ensuring that average wages of teachers within the compulsory education system do not fall below those paid to civil servants.

The teachers' protests were focused clearly on the refusal of local governments to implement the law and central government directives. They pointed out that teachers' wages were in practice far lower than those

of government officials. For example, according to one local teacher, after salary reform for civil servants in Pi county, Sichuan, in 2008, teachers' salaries fell to half the level of allowances and subsidies that civil service employees enjoyed. A teacher in Yubei district, Chongqing, said local teachers earned at best 15,000 yuan a year and at worst little over 6,000 yuan. But civil servants in Yubei were getting more than 10,000 yuan in year-end bonuses alone.⁴⁸

The response of local governments to these protests varied from region to region. While some governments responded positively and found the money to increase teachers' salaries, others continued to prevaricate or rejected the teachers' demands outright on the grounds of "financial difficulties." Many governments sought to deceive, intimidate or cajole the teachers into giving up their protests and going back to work. Government officials often used the teachers' own reluctance to strike as a weapon against them. One primary school teacher in Chongqing, a 14-year veteran earning just over 1,000 yuan a month, told CLB director Han Dongfang:

*Although, of course, I'm not satisfied with the current level of pay, we primary school teachers...no matter what we are feeling, when we are in the classroom we feel we should respect the children and respect our education work.*⁴⁹

In this case, government officials sent teams to pressure teachers into giving up their demands "for the greater good." The official media also put pressure on the teachers by pointing out that local governments were responsible for around 96 percent of the education budget, and during times of economic constraint could not be expected to meet all central government funding requirements.⁵⁰ This kind of reporting

48 Yin Hongwei (尹鸿伟). "秀才造反川汽教师停课要待遇" (Scholar rebels: Sichuan and Chongqing teachers strike for better pay), *南风窗 (South Wind)*, 2008, No. 24, 57-59

49 "Rural school teachers strike for promised higher pay," CLB 28 April 2009.

50 Chen Liming (陈黎明). "教师群访事态调查：政策到基层成空头支票" (Teacher group's onsite investigation: policy down to the grassroots level is lip service)," *瞭望 (Outlook)* from *新浪网 (sina.com.cn)*, 25 Feb. 2009.

did not, however, explain why, within a single district, there could be such a huge difference in pay levels between civil servants and teachers. Neither was the key issue of the misappropriation of education funds by corrupt officials touched upon.

The government's response to the **taxi strikes** however was altogether different. There were at least ten strikes and protests by taxi drivers in 2007, and 32 in 2008.⁵¹ In nearly all cases the cause of the dispute was the high vehicle-hire charges (车份儿钱) that the drivers had to pay to the small number of taxi companies that monopolised the business. In addition, unchecked competition from unlicensed taxis and rapidly rising fuel prices had further eroded their income and lengthened work hours. A survey conducted by the Beijing government in 2006, for example, found that the gross monthly income of most city taxi-drivers was around 9,000 yuan. However, after payment of hire charges, food and fuel bills, net income slumped to just 1,000 yuan despite working more than 12 hours a day with hardly any days off.⁵² The average monthly wage in Beijing at the time was 3,008 yuan.

Most taxi-drivers were laid-off SOE employees or migrant workers, and their anger at their exploitation by the taxi company cartels was long-standing. But prior to November 2008, most local governments had responded to their protests with either repression or half-hearted concessions. All this changed on the morning of 3 November 2008, when more than 10,000 taxi-drivers in the urban districts of Chongqing went on strike. The municipal government convened an emergency meeting and police launched an investigation into the organizers behind the strike action.⁵³ The following afternoon, however, the govern-

51 “中国近年重大出租车罢工事件”(Major taxi-driver strikes in China in recent years), *亚洲周刊 (Asiaweek)*, 2008, No. 48.

52 Liu Shixin (刘世昕), Guan Jing (关靖). “出租车公司司机与黑车司机收入可能相差5倍” (Unlicensed taxi-drivers may earn 5 times as much as taxi company employees), *中国新闻网 (Chinanews.com)*.

53 “重庆出租车司机因运价低等原因举行全城罢” (Chongqing taxi-drivers stage citywide strikes to protest low fares), *人民网 (People.com.cn)*, from *网易新闻网 (NetEase.com)*, 3 Nov. 2008.

ment softened its line and declared that the taxi companies' practice of arbitrarily increasing vehicle hire charges without consulting the drivers was a breach of regulations. The government decided to take firm corrective action, demanding that all taxi companies lower their charges to 2007 levels.⁵⁴ On 6 November, Chongqing's Party secretary Bo Xilai, who is also a Politburo member, met drivers' delegates and citizen representatives and vowed that the government would find a long-lasting solution to the difficulties faced by taxi-drivers.

The methods adopted by the Chongqing government gave hope to embattled taxi-drivers across the nation.⁵⁵ On 10 November, some 2,000 taxi drivers in Sanya, Hainan, and about 100 taxi drivers in Yongdeng county, Gansu province, also went on strike to protest against high operating costs and competition from unlicensed cabs. In Yongdeng, drivers blocked the main entrance to the traffic bureau of the county government. In response, the county government established a taskforce to hear drivers' complaints and vowed to crack down on illegal taxis. In Sanya, on 14 November, the municipal government apologised to drivers, promised to consider their demands, and ordered taxi companies to pay back excessive operating fees. It also vowed action against unlicensed vehicles.

On 20 November, more than 100 taxi drivers went on strike in Putian city, Fujian. Subsequently, the deputy mayor promised to settle reasonable grievances. At the same time, more than 1,000 taxi drivers staged a strike in Shantou, Guangdong, complaining about the high number of unlicensed taxis, inconsistent management and higher fuel prices. At a meeting with drivers' representatives, the Shantou government promised to implement a six-month "rectification" campaign of the industry.

54 “重庆政府就份儿钱道歉 八成出租车恢复运营” (80 percent of taxi-drivers return to work after Chongqing government's apology over hire charge issue), *中国新闻网* (*Chinanews.com*) from *网易新闻网* (*NetEase.com*), 5 November 2008.

55 Bei Feng (北风). “出租车罢工驶向街头民主” (Taxi-drivers' strike leads way to democracy in the streets) *亚洲周刊* (*Asiaweek*), 2008, No. 48.

On 23 November, a protest by several hundred taxi drivers in Guangzhou caused disruption to traffic during which one driver was injured. Public Security and transportation officials investigated and detained three people suspected of causing criminal damage to taxis. On 1 December, anger over high vehicle hire charges prompted another strike by more than 10,000 taxi drivers. The city government immediately ordered an 800 yuan cut in monthly charges paid by drivers to their management companies. In all there were about 16 taxi strikes in November and December, with similar demands, and in nearly all cases local governments followed Chongqing's lead and made concessions to the strikers.

Commentary: Recent developments in the workers' movement

The protests discussed in this chapter were largely spontaneous reactions to specific violations of workers' rights, most commonly the non-payment of wages, or were triggered by specific management actions that unleashed long pent-up anger and frustration at low pay, poor or dangerous working conditions, and harassment and exploitation by managers or their agents. These actions were planned, organised and carried out by the workers themselves and reflected both workers' increased awareness of their legal rights and their willingness to stand up for those rights.

In CLB's previous reports on the workers' movement, we noted that collective protests tended to focus primarily on redress for clear-cut violations of rights and interests. Workers laid off from SOEs demanded wages in arrears, re-employment or better severance packages and pension benefits. And migrant workers staged protests demanding wage arrears, and compensation for contract termination and work-related injury and illness. In the two years covered by this report, however, workers' demands have become more sophisticated and ambitious. In more than a third of the 100 cases examined, workers proactively sought better pay levels, better working conditions, shorter working hours, and payment of overtime. They were no longer prepared to suffer in silence or simply walk off the job as they had done in the past, but

instead developed their own positive, innovative and usually effective solutions to their problems. Workers have seen plenty of evidence from media reports, blog posts and word of mouth that strikes, protests, roadblocks and sit-ins are effective methods of achieving their goals and have greater confidence in their ability to defend their own interests by such means.

The writer Sun Liping has argued that after a “division of interests” emerges in society, it is necessary to develop a set of regulatory mechanisms that allows competing groups to freely express their interests, facilitates dialogue and resolves conflict in a peaceful and productive manner.⁵⁶ The Chinese government has taken some steps towards introducing such a system but, crucially, it has never let go of its traditional approach to governance, characterised by strict controls and repeated *ad hoc* interventions in social conflicts without ever really getting to the root of the problem. As such, the current mechanisms for regulating labour relations in China have serious deficiencies:

- Government control over the media and Internet discussion severely limits the flow of information and the ability of workers and other ordinary citizens to voice their own agenda.
- Workers do not have the right to organise their own trade unions.
- The Public Security Bureau nearly always refuses applications by citizens to stage demonstrations, and actively tries to prevent them from presenting petitions to higher-level authorities.
- Workers do not have the right to strike, and as such risk censure or punishment every time they protest.
- The government and the ACFTU’s system of “collective consultations” that has been in place for over a decade, is largely a *pro forma* exercise between the management and the union that almost completely excludes the workers themselves.

56 Sun Liping (孙立平). “博弈：断裂社会的利益冲突与和谐” (The game: Clashes and convergences of interest in a fractured society), Beijing: Social Sciences Academic Press (China), 2006, 32-36.

In large part, workers' protests in China can be seen as a response to the above mentioned inadequacies. And these protests have, in some cases at least, played a *de facto* regulating role. Through collective protests, workers could voice their demands, and sometimes force managements to sit down with them at the negotiating table to hammer out settlements through direct dialogue and compromise - as was the case in at least four of the cases discussed in this chapter.⁵⁷ This demonstrates that genuine collective bargaining is possible in China, if only workers are empowered and encouraged to bargain directly with the employer. In many other cases, public protests forced local governments to intervene and resolve the dispute through mediation or, in wage arrears cases, by paying the money owed by the employer. In both scenarios, the workers usually obtained their desired outcome. Indeed, in 37 of the 100 cases analysed in this report, workers' demands were fully or partially met or managements promised to take action. In only three cases (Nos. 9, 10, 38) did the workers clearly lose either by having their demands rejected or by being sacked after taking protest action. In 21 cases, the local government intervened but with no clear result. In another 39 cases there was no reported government mediation, and the final outcome was unclear.⁵⁸

The academic James Scott defined collective protests as "everyday resistance" - simple, localised strategies adopted by vulnerable members of society, not to overthrow an oppressive system, but to minimise their losses within it, in other words, to get by on a day-to-day basis.⁵⁹ In China, however, workers' protests that began as "everyday resistance" have now become a launch pad for something bigger. Workers across the country are aware of their rights and have demonstrated the

57 The 7-8 April 2007 strike at Shenzhen Yantian International Container Terminals, the 1 May strike at Shenzhen Chiwan Container Terminal, the 19-20 December strike and road block at Shenzhen Hailiang Storage Products, and the 6-7 March 2008, strike and demonstration at Casio (Guangzhou) were all resolved through direct negotiations between representatives of labour and management.

58 The high number of unclear results is partially explained by the nature of news reporting. Strikes, protests and road blocks are clearly newsworthy but the subsequent negotiations between labour, management and government officials often go unreported.

59 Scott, James, 1985, *Weapons of the Weak: Everyday Forms of Peasant Resistance*. New Haven, CT: Yale University Press, 301.

ability to organize large-scale and effective protests. NGOs have sprung up to lend their support and assistance if needed, but crucially, these spontaneous, self-generating protests have brought home to workers that, in the end, they are the only ones who can truly defend their rights.

Chapter Three: The Trade Union

Organising work of the ACFTU

At the end of 2008, the All-China Federation of Trade Unions announced that it had increased union membership to 212 million,⁶⁰ including about 70 million migrant workers. There were 1,725,000 grassroots unions across the country and 77.2 percent of the workforce were unionised, the ACFTU claimed. This represented a remarkable achievement in terms of union organizing. Just five years earlier in 2003, the number of grassroots unions was 906,000 with 124 million members.

However, as the worker protests examined in the previous chapter indicate, the “historic highs” of unionisation in China have done little to help ordinary workers. The ACFTU’s process of unionisation has consistently been more concerned with meeting quotas than establishing genuinely representative workers’ organisations that can stand up to managements and fight for their members’ interests. During the period covered in this report, the ACFTU did introduce new measures on the direct election of enterprise union chairs and committee members but also made it clear that any elections should be under the purview of the local Party and higher-level trade unions. The justification for this approach was the “professionalisation” (职业化) of grassroots union leaders, giving enterprise unions more resources to rely on in dealings with managements. The effect, however, has been to discourage ordinary workers from standing for election.

On 11 June 2008, the ACFTU launched an intensive three-month campaign to “**unionise the Fortune 500.**” The ACFTU claimed that while 483 out of the world’s top 500 multi-national companies had a presence in China, the rate of unionisation in these companies was significantly lower than in overseas invested companies as a whole, less than

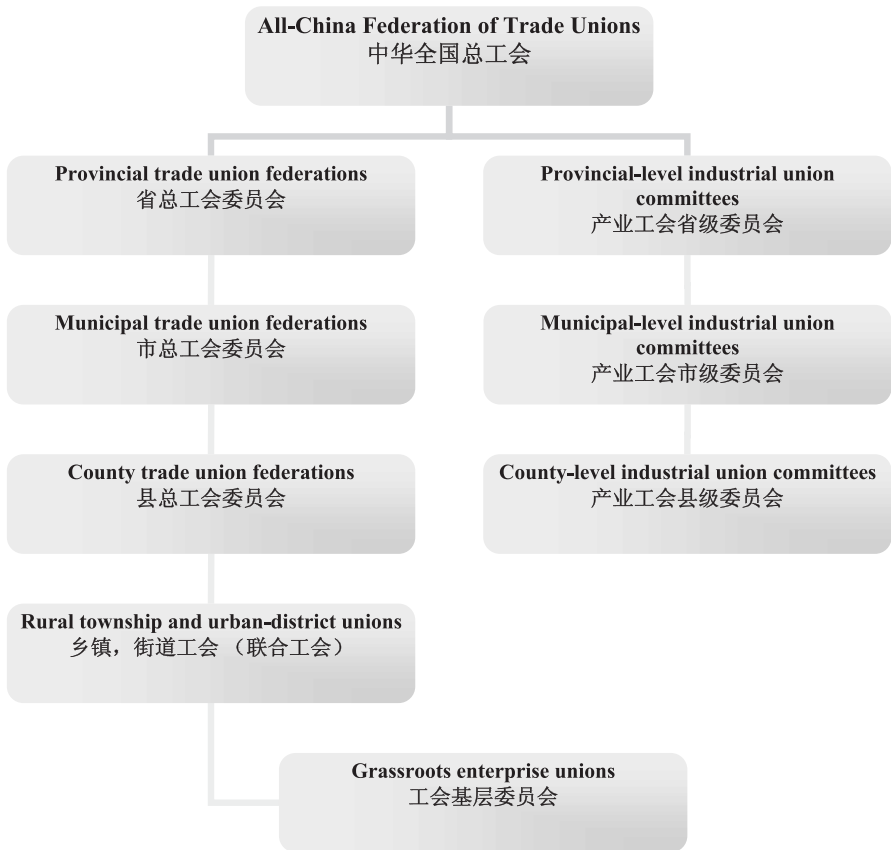
60 “中国工会会员数再创历史新高” (Number of union members in China reaches new high), 总全网站 (ACFTU website), 30 Dec. 2008.

50 percent as compared with 73 percent. The ACFTU's high profile campaign was designed to rectify this anomaly and by the end of September, the union duly announced that the unionisation rate at the Fortune 500 companies had shot up to more than 80 percent.⁶¹ The ACFTU stressed, moreover, that it would absolutely not allow companies to get around the unionisation process by setting up proxy-organisations such as "employee welfare clubs" and "employee entertainment clubs," funded by the two percent of payroll that by law should go to the union. At the end of December, an official of the ACFTU's grassroots organisation-building department stated at a press conference that 313 out of 375 Fortune 500 companies with their Chinese or regional headquarters in China had established unions, and the unionisation rate among the workers concerned was as high as 83 percent. In addition, 3,843 subsidiary companies had established unions, and their unionisation rate was as high as 85 percent. Total union membership in these companies had risen from 1.87 million to 2.125 million. However, the official pointed out several notable exceptions, including Microsoft, Wyeth Pharmaceutical and Morgan Stanley of the United States, and Marubeni of Japan.⁶²

61 Wang Jiaoping (平娇萍). "为企业和谐稳定发展提供网织保障- ACFTU基层部负责人就全国工会推进世界500强等跨国公司集中建会行动答本报记者问" (Providing an organizational guarantee for harmonious and stable corporate development - ACFTU grassroots officials answer press questions on national unions' drive to promote unions at 500 multinational corporations), *工人日报 (Workers' Daily)*, on *总全网站 (ACFTU website)*, 24 June 2008

62 Yang Aoduo (杨傲多). "未在华建工会组织，微软等4跨国公司被点名"(Without union organizations in China: Microsoft and three other multinationals named), *法制日报 (The Legal Daily)*, from *新浪财经网(biz.finance.sina.com)*, 25 December. 2008

Organisational Structure of the ACFTU (Simplified)



During the period covered by this report, county, municipal and provincial level unions launched several pilot programmes aimed at **raising the professional standards of grassroots union officials**. Union officials were recruited from the ranks of civil servants and the public bodies to serve (following election by the membership) as union chairs in grassroots unions. On 10 and 11 April 2007, the ACFTU convened a meeting in Changchun on the “nationwide implementation of the Enterprise Union Working Regulations and promotion of professionalisation of union chairs at non-public sector enterprises.” And in October 2008, the 15th National Congress of Trade Unions of China approved a draft amendment to the union charter, to the effect

that “county level unions may appoint and recruit working-level personnel for grassroots unions.” Regulations required that there be no employment relationship between these union officials and enterprise employers, with local level unions paying their wages and social insurance contributions. This professionalisation of union leadership was seen by the ACFTU as “a fundamental solution to the problem of union leaders being thwarted by management.”⁶³ However, these officials were “professional” only in the sense that they would be full-time rather than part-time, had a university education, and/or had some experience in trade union affairs. Many recruits, for example, were former trade union officials at SOEs who had been laid-off in the process of restructuring. These “professionals” were given no additional training and had no specific skills that would allow them to effectively conduct negotiations with managements on behalf of their members.

In August 2007, the ACFTU issued new regulations designed to protect full-time union officials who were concurrently workers within the enterprise. Under the *Provisional Measures for Protecting the Lawful Rights and Interests of Union Chairs in Enterprises*, they are entitled to protection from higher-level unions in situations where:

During the lawful performance of their duties, they are demoted, suspended without pay or with a pay cut, have wages or other benefits docked, or are wrongly blamed for problems caused by others, suffer job transfers, or are subject to retaliatory measures preventing them from returning to their former position or enjoying former benefits, or if a suitable posting is not arranged for them.

However, because the ACFTU is not a government department, it does not have the authority to back this promise up with administrative action. In effect, all that the higher-level unions can do is submit a report to

63 Wang Jiaoping (王娇萍), Ding Junjie (丁军杰). “创新世界：两万馀职业工会工作者从公开选聘中脱颖而出” (Innovation and development: Over 20,000 industry union workers stand out in public selection process), *工人日报* (*Workers' Daily*), on 搜狐新闻网 (*news.sohu.com*), 21 Nov. 2007

relevant Party organisations or ask the local government to intervene. The one thing county, and higher, level unions could do was to establish a “rights protection fund for unions” that would provide monetary compensation for officials whose rights had been violated. It is not known how many, if any, unions have established such funds.

In mid-2008, the ACFTU sought to revamp the system of direct elections for grassroots union officials, first introduced nearly ten years ago. The *(Trial) Procedures for Producing Enterprise Union Chairs*, issued on 25 August, confirmed the ACFTU’s “commitment to democratic elections,” stressing that to conduct an election, “it is necessary to call a meeting of union members or their representatives, and conduct a secret ballot.” At the same time, however the ACFTU placed a number of restrictions on candidates eligible for election. The *Procedures* require that: “Any candidate for an enterprise union chair should report to and obtain approval from the Party organisation within the enterprise and the higher-level union.” Moreover: “The higher-level union may recommend personnel from outside the enterprise as candidates for union chair in non-public sector enterprise and federated grassroots unions.”

The new regulations clearly reflected the top leadership’s wariness about the direct election of grassroots union chairs. As ACFTU vice-chair Xu Deming pointed out during a speech in 2007:

The work of promoting the direct election of union chairs in grassroots unions must be done in line with requirements laid down by ACFTU chairman Wang Zhaoguo. Elections must take place under the auspices of Party and union organisations, and not be allowed to just take their own course ... unions in all areas must study ways of building up their investigative capabilities, and rigorously pool their experience, to strengthen their guidance and regulation of direct elections, prevent hostile elements getting involved or other distorting influences emerging, and be sure to retain firm leadership of grassroots unions and a central role in them.⁶⁴

The ACFTU claimed that its attempts in this period to bolster the professionalism of grassroots union officials and revamp the election process were designed to make grassroots unions more of a force to be reckoned with. However, the ACFTU is still reluctant to take the one measure that really would empower the union - mobilizing the workers and allowing them to elect their own leaders without the need for Party or higher-level approval.

The background to the taxi driver strikes discussed in the previous chapter, for example, is fundamentally bound up with the refusal of higher-level union officials to let drivers set up their own union. As far back as in 1999, taxi drivers of the Tianyun Taxi Company in Beijing applied to the Tongzhou District Trade Union office in the southeast of the city for permission to set up a union. The response of the union head was that the establishment of a union was a “matter for the enterprise,” adding that; “I’ve lost count of the number of times you guys have tried to set up unions.”⁶⁵

Many other taxi driver groups filed similar applications. In August 2005, some drivers in Chongqing approached the municipal union federation and submitted an application to set up a union, but it was rejected on the grounds that “unions should be organised by the enterprise.”⁶⁶ In 2008, drivers in Chongqing and across the country forsook the union altogether and decided to go it alone, taking their grievances directly to the local government through strike action.

64 Xu Deming (徐德明). “认真学习贯彻胡锦涛总书记重畏讲话精神，大力加强工会基层组织建设在全国工会贯彻《企业工会工作条例》暨推行非公有制企业工会主席职业化现场会上的讲话” (A speech on the theme of earnestly studying and implementing the spirit of General Secretary Hu Jintao’s important speech, and vigorously strengthening the building of grassroots organizations of trade unions, given at the national union convention on implementation of the “Provisions on the Work of Enterprise Trade Unions” and promoting professionalisation of union chairs in non-public enterprises), *ACFTU website*, 10 April 2007

65 Xu Xiaoying (胥晓莺), Guo Juan (郭娟). “工会游说并拒绝着” (Union lobbying and rejection), *商务周刊 (Business Watch)*, 2005, No. 15, 72-75.

66 Liu Yanxun (刘炎迅), Yang Long (杨龙), Wang Jun (王军). “劳工神圣 - 出租车司机维权的努力” (Blessed labour - the taxi-drivers’ rights drive), *中国新闻周刊 (China Newsweek)*, 2008, No. 43, 22-28

The ACFTU's response to labour rights violations

In addition to its organising work, or lack of it, the ACFTU made a number of high-profile interventions in labour disputes and cases of rights violations exposed by the media. These interventions were designed to show the union's concern for workers' rights, but once again illustrated its reactive rather than proactive approach to rights protection. In other words, the union would only get involved after the damage had been done.

On 28 March 2007, the *New Express* (新快报) newspaper reported violations of labour laws at McDonald's, Kentucky Fried Chicken, Pizza Hut and other fast food franchises in Guangzhou, including payment of part-time workers lower than the minimum part-time wage; forcing part-time employees to work more than 10 hours a day; and withholding labour contracts from employees so that restaurant managers could arbitrarily amend them at anytime. This expose, which suggested the nation's youth was being exploited by greedy foreign multi-nationals, sparked widespread public anger. The ACFTU voiced its "serious concern" and instructed the Guangdong provincial union federation to:

*Immediately mount an investigation, fully assess the situation, check all facts, and have unions negotiate with the operating companies and demand that McDonald's and Kentucky Fried Chicken take prompt corrective measures... If legal violations are confirmed and no corrective measures are taken, the union must report the matter to the labour inspection authorities, demand an investigation and support workers in taking the matter to court.*⁶⁷

After the Shanxi brick kiln scandal broke in May 2007, the ACFTU expressed its "shock and anger," and dispatched a joint taskforce with State Council officials to the scene to inspect brick kilns, mines and smelters in the area for employment abuses, and comfort the migrant

67 Yang Aoduo (杨傲多). "全总要求麦当劳肯德基纠正违规用"(The ACFTU demands that McDonald's, KFC rectify employment violations), 法制日报 (*Legal Daily*), from 人民网 (*People.com.cn*), 中国工会新闻 (China union news), 2 April 2007

workers freed from slave labour. The ACFTU urged the judiciary and the government to punish the guilty bosses, determine where legal and political responsibility lay and arrange compensation for victims. But, as we noted above, very little was actually done to punish the guilty or compensate the victims.⁶⁸

In late October 2007, when telecommunications giant, Huawei, forced all of its employees with more than eight years of service to resign and rejoin the company on short-term contracts, the ACFTU expressed its “grave concern” and, on 9 November, officials from the Guangdong provincial federation met the company’s deputy CEO to discuss the issue. Huawei reportedly agreed to shelve the plan, and in December, the ACFTU published a document urging local unions to heighten their awareness of attempts by employers to evade provisions of the *Labour Contract Law*, and once uncovered, demand that corrective measures be taken. In cases where employers forced workers to resign or forfeit their employee status, or unlawfully cut costs through lay-offs, unions were told to report the matter to the municipal Party committee and government, give advice and help the labour authorities mount investigations.⁶⁹

In March 2008, China’s richest businesswoman, Zhang Yin, urged the Chinese People’s Political Consultative Conference to recommend axing the provisions of the *Labour Contract Law* relating to unlimited-term contracts. In response, the vice-chair of Guangdong Federation of Trade Unions, Kong Xianghong, said many enterprise managers misunderstood the *Labour Contract Law* and that he was willing to debate the issue with Zhang on national television.⁷⁰ In April 2008, the

68 “全总就山西「黑砖窑事件」召开新闻发布会” (The ACFTU holds press conference on Shanxi brick-kiln scandal), from 人民网 (*People.com.cn*) on 新华网 (*Xinhuanet.com*), 18 June 2007

69 Wang Jiaoping (王娇萍). “全总要求制止用人单位违法裁员「劝辞」职工行为” (The ACFTU: Resolutely act to stop illegal dismissals by employers using tactics of ‘persuasion’), 新华网 (*Xinhuanet.com*), 2 Dec. 2007

70 Chen Jie (陈捷), Zhou Sigen (周四根). “省总工会副主席孔祥鸿：愿邀张茵电视 PK.” (Guangdong Provincial Federation of Trade Unions Vice-Chair Kong Xianghong: ‘I would like to invite Zhang Yin to a TV head-to-head’), 南方都市报 (*Southern Metropolis Daily*), 11 March 2008.

Hong Kong-based pressure group, SACOM, cited Zhang's company, Nine Dragons Paper Industries, among others, for operating sweat shops, violating worker rights by demanding unpaid overtime work and issuing excessive fines, having frequent workplace accidents and shortages of protective clothing for workers.⁷¹ In response, the Guangdong provincial, and Dongguan municipal, union federations set up a taskforce headed by Kong to investigate the situation at Nine Dragons' main Dongguan plant. It concluded that although there were shortcomings and problems with the management, the company had a fairly good record in most respects, and was in no sense a sweatshop. It said SACOM's study was biased and its findings unjustified.⁷²

While the relatively more combative approach to protecting workers rights demonstrated by the ACFTU in the above-mentioned incidents is better than no response at all, in all cases, the union remained outside the factory gate, little more than a third party seeking to facilitate a solution after the fact. The lack of a strong union presence within the enterprise meant that managements were given virtually a free rein to exploit the workforce until the media exposed their wrongdoing. Moreover, it is clear from the four cases cited that the union was at all times subservient to local government, Party and judicial organisations and had no real power to directly confront managements as a representative of labour.

Integration of the ACFTU into the Party apparatus

As CLB noted in its previous research report, *Protecting Workers' Rights or Serving the Party: The way forward for China's trade unions*, the ACFTU has become increasingly subservient to the Party and government over the last two decades, to the point where it seems incapable of doing anything without the prior approval of its political masters.

71 "Nine Dragons Paper - Sweatshop Paper" SACOM website

72 Ma Hanqing (马汉青), Zhou Sigen (周四根). "广东总工会公布调查结果：玖龙纸业不是血汗工厂"(Guangdong trade union federation announces findings: Nine Dragons Paper Industries is not a sweatshop), 中国新闻网(*Chinanews.com*), from 新华网(*Xinhuanet.com*), 26 May 2008

During the two-year period of this report, the union's already tenuous autonomy was further eroded by the adoption of its so-called "five-faceted and unified" (五位一体) approach to protecting workers' rights. The five facets were, in order of importance: "leadership of the party, support of the government, cooperation of society, operation by the unions and participation by the workers." This five-faceted approach led to government departments and organisations gradually taking over what should be core union functions, and has given the union a perfect excuse to abdicate its responsibilities for rights protection to Party and government agencies. As a result, the latter are increasingly managing activities that should be handled by the union. In 2007, provincial and municipal governments produced a number of rulings and decrees on collective consultations, an activity consistently trumpeted by the ACFTU as one of its key weapons in protecting workers' rights. On 19 June 2007, the general offices of the Liaoning provincial Party committee and government released a *Notice on the Work of Further Advancing Collective Consultations between Labour and Management at Enterprises*, which called for:

Strengthening organisational leadership of collective consultation work in the enterprise, led by the Party committee and organised by government, with union cooperation, multilateral coordination and worker participation.

The directive urged Party committees and government organisations to draft working plans and assume overall responsibility for the development of collective consultation systems. The ACFTU's official newspaper, the *Workers' Daily*, remarked that such an approach would give greater authority and impetus to the collective consultation process. The most important aspect of the *Notice* was its specification that labour and management should collectively consult "under government leadership."⁷³

73 Gu Wei (顾威). "辽宁「两边」通知明确：政府主导企业工资集体协商" (Liaoning 'Party and government' notice makes it clear: The government leads enterprise collective wage negotiations), *工人日报 (Workers' Daily)* 6 July 2007.

In early 2008, ACFTU Vice Chair, Zhang Mingqi, said unions and enterprises should be equal entities in a working mechanism for collective consultation, led by local governments. Again, he called for the establishment of a practical model of collective consultation in which the government would play the dominant role.⁷⁴

Promotion of collective contracts

The ACFTU began to promote the collective consultation system at the beginning of the 1990s,⁷⁵ and in its annually published statistics, it has always painted a rosy picture. For example, by the end of 2007, it claimed that a total of 975,000 comprehensive collective contracts had been signed, covering 1.7 million enterprises and 128 million workers. The figures for regional collective contracts were 103,000 signings, covering 744,000 businesses and 31.6 million workers. It said 55,000 industry-specific collective agreements had been signed, covering 212,000 enterprises and 13.2 million workers.⁷⁶ However, in recent years the ACFTU has also acknowledged that the single-minded pursuit of numerical growth in collective contract signings has compromised the quality of collective negotiations and of the resultant contract provisions. Shortcomings included over-reliance on clauses and terms lifted verbatim from laws and regulations, a lack of specific quantitative standards, difficulties in implementing the agreements and insufficient binding force.⁷⁷

74 “张鸣起同志在深入学习贯彻党的十七大精神加强工会协调劳动关系工作座谈会上的讲话” (Comrade Zhang Mingqi’s informal speech on studying and applying the spirit of the 17th National Congress of the CPC, and strengthening union coordination of labour relations work), 5 January 2008, 全总网站 (ACFTU website).

75 See CLB’s report, *Breaking the Impasse: Promoting Worker Involvement in the Collective Bargaining and Contracts Process*, for more details.

76 ACFTU research office: “2007年工会组织和工会工发展状况统计公报” (2007 statistical report on union organizations and their work development), 22 May 2008, 中国工运 (Chinese labour movement), 2008, No. 6, 51-55.

77 Wang Yu (王瑜). “我国集体合同建制率和覆盖面不断扩大并寻求新突破,” (Rate of spread of collective contracts and coverage expands, and seeks new breakthroughs), 中国新闻网 (Workers’ Daily) on 新华网 (ACFTU website), 24 April 2007.

Undeterred, the union pushed on with its quota-based approach and, on 5 June 2008, issued its *Opinion Regarding Activities for Developing Collective Consultation Agreements*, which proposed that in cases where enterprise unions have difficulties bringing management to the negotiating table, higher-level unions should step in and act in their place. At the same time, the ACFTU's *Opinion Regarding the Establishment of Instruction Teams for Collective Consultation* proposed the establishment of teams:

...led, recruited and managed by union organisations, to be responsible for guiding, assisting and getting involved in grassroots unions' worker representation in collective consultations with enterprise representative organisations, in signing collective contracts or salary-related and other single-issue collective agreements.

The ACFTU's moves to "guide" collective consultations and substitute higher-level officials and so-called "consultation experts" in place of enterprise union officials could in theory have resulted in a better deal for the workers. However, the workers themselves were rarely consulted in these negotiations; officials simply decided what was in their best interests and what the best possible deal was. Once again, the workers were excluded from the process. The much publicised collective contract at Walmart in 2008 was a classic example of higher level union officials deciding what is best for the workers without consulting them.

On 24 June 2008, ACFTU Vice-Chair Xu Deming and his Walmart counterpart from the United States signed a framework agreement on collective contracts for Walmart China. On 14 July, the first of these collective contracts was signed at the Walmart store in Shenyang, and just two months later, the ACFTU announced that all 108 Walmart stores in China had signed collective contracts. These contracts provided parameters for wage increases during 2008 and 2009, and stipulated that minimum wage levels at the company must be higher than the minimum for the local area and exclude overtime and night work

pay. They also laid down wage payment timings and methods.⁷⁸ The contracts were compiled by the ACFTU and Walmart headquarters, and were “based on texts drafted by both sides after multiple rounds of consultation, with reference to Chinese labour legislation.”⁷⁹ The contracts were subsequently distributed to each Walmart store, for formal signing by store management and union representatives.

Not only were employees and grassroots union representatives not consulted in this process, they were actively excluded from it. When Gao Haitao, union chair at the Nanchang store in Jiangxi, raised objections to, and urged revision of, certain clauses in the contract, the management responded by saying that the terms had been negotiated by Walmart and the ACFTU, and all Walmart stores across China had signed up to it, so there was no need to change anything. On 8 September, the unrevised contract for the Walmart store in Nanchang was signed by a union leader from another store. The following day, Gao resigned in disgust.⁸⁰

Moreover, union federations that had earlier promoted some degree of worker participation in collective consultations, put the brakes on the process in the wake of the global economic crisis. On 6 December 2007, the Guangdong provincial federation in conjunction with the Guangdong labour and social security department and the provincial business federation had issued an *Opinion on Implementing the Labour Contract Law and the Work of Fully Promoting Collective Wage Consultation*, which said:

78 Sun Yuting (孙宇挺). “沃尔玛中国店全部签集体合同 建工资集体协商制” (All Walmart stores in China to sign collective contracts and create a system for collective wage consultation), *中国新闻网* (Chinanews.com), from *新华网* (Xinhuanet.com), 20 Sept. 2008.

79 Pan Yue (潘跃). “沃尔玛中国工会集体合同签订获突破，19家分店已签合同” (Breakthrough achieved in unions’ collective contract drive targeting Walmart; 19 stores have now signed such contracts), *人民日报* (People’s Daily), from *总工会网站* (ACFTU website), 31 July 2008

80 Union chair resigns over the imposition of collective contracts at Walmart. CLB 23 September 2009

Across-the-board promotion of collective wage consultation in enterprises is urgently needed for the creation of a harmonious society.

However, in late 2008, in response to central government demands that the union help enterprises through the economic crisis, the provincial federation indefinitely suspended collective wage consultations in enterprises facing economic hardship.⁸¹

Additional ACFTU measures to protect workers' rights

In addition to promoting collective contracts, the ACFTU sought to protect and defend workers rights and interests by providing legal aid to workers, and by expanding its network of help centres for workers suffering financial hardship.

The ACFTU's August 2008 *Measures for Legal Aid under the Trade Union Law* urged unions to establish a legal support system to provide free services to workers, union staff and union organisations at the county level or above. Assistance was limited, however, to cases in which the personal, democratic and property rights of workers were affected; cases in which union workers suffered violations of their lawful rights during conduct of duty; cases of violation of the lawful rights of union organisations; and other cases in which the ACFTU considered legal aid to be justified. The forms of legal aid permissible under the *Measures* included "provision of legal advice, drafting of legal documents, taking part in consultation and mediation proceedings, and representation in arbitration and legal proceedings." According to ACFTU statistics, by the end of 2007, China's unions had established 6,178 legal assistance centres, which altogether handled 46,000 cases in 2007 and provided advice and proxy signatory services in 75,000 cases.⁸²

81 Wu Zhe (吴哲). "广东省总工会：困难企业可暂停工资集体协商" (Guangdong provincial union federation: Companies in difficulty may temporarily suspend collective wage consultation), *南方日报 (Southern Daily Net)*.

82 ACFTU research office: "2007年工会组织和工会工作发展状况统计公报"(2007 statistical report on union organizations and their work development), 22 May 2008, *中国工运 (Chinese labour movement)*, 2008, No. 6, 51-55.

Since 2002, the ACFTU has also required local unions to establish help centres for workers facing hardship, providing help in retraining and reemployment, livelihood assistance, legal aid and other services. 83 As of February 2008, according to official statistics, the number of households facing economic difficulties across China stood at 4.8 million, and the number of workers facing hardship 7.25 million.⁸⁴ At the end of 2007, unions at the county level and above had established 2,975 help centres of this kind, including 13 at the provincial level.⁸⁵ After the visit in December 2007 of Party General Secretary Hu Jintao to one of these provincial-level centres, a “poverty alleviation supermarket” (扶贫超市) run by the Liaoning union federation, the ACFTU issued a circular in January 2008 calling on unions across the country to consolidate their legal aid, mutual medical insurance and other directly union-run services to their help centres, thereby creating a one-stop service centre. It also urged extension of the help centre system to cover rural migrant workers, and the establishment of multiple support services such as “poverty alleviation supermarkets,” and “loving heart” (爱心) hospitals, pharmacies and schools.⁸⁶

These measures have without doubt brought a level of material and psychological comfort to many workers struggling to get by. The provision of legal aid in particular has allowed many workers to reclaim wages in arrears,

83 According to ACFTU Executive Office’s “建立困难职工档案制度暂行办法” (Interim measures on the establishment of a classification system for workers facing difficulties) issued on 23 Oct. 2006, “workers facing difficulties” refers to those with a household per capita income lower than the minimum subsistence level of residents of local townships; those who, although enjoying a slightly higher household income than the local minimum, have difficulty making ends meet due to redundancy, serious illness, educational costs, or unforeseen misfortune affecting their households; and workers whose households have been affected by disasters or major unusual accidents

84 ACFTU Vice-Chair Sun Chunlan (孙春兰). “把农民工纳入工会帮扶范围” (Bring migrant workers into the scope of union assistance), from 人民网 (People.com.cn), on, 新华网 (Xinhuanet.com), 1 April 2008

85 ACFTU research office: “2007年工会组织和工会工作发展状况统计公报”(2007 statistical report on union organizations and their work development), 22 May 2008, 中国工运 (Chinese labour movement), 2008, No. 6, 51-55.

86 Liu Yangyang (刘羊旻). “全总：2009年全国区县一级全部建立困难职工帮扶中心” (ACFTU requires district and county level unions nationwide to set up help centres in 2009 for workers facing hardship), Chinajilin.com, 新华网 (Xinhuanet.com), 3 January 2008

overtime and compensation payments. However, this charitable approach to rights protection is far removed from the frontline of labour relations - the factory floor. It only addresses the after-effects of employer abuses and can do little to prevent them from occurring in the first place.

Commentary: Pressing issues facing the ACFTU

The All-China Federation of Trade Unions is a paradox. It is the world's largest trade union, it has almost doubled its membership over the last five years, it enjoys unprecedented Party and government patronage, and yet, for the vast majority of China's workers, it is an irrelevance.

The ACFTU cannot claim to be a credible trade union just because it has the backing of Chinese Communist Party and government. It needs the support and trust of the workers it is supposed to represent. But for this to happen, there are a number of key issues that both the government and the ACFTU need to address.

Nominal trade unions. The ACFTU claims to have established more than 1.7 million grassroots unions in enterprises across China, but, in the vast majority of cases, they are unions in name only. In establishing these enterprise unions, the ACFTU rarely organised, or even consulted, the workers concerned, rather it went directly to the managements and demanded that they set up a union. As a result, these union branches are now largely controlled by or are subservient to managements, to the extent that they have been known to represent the management in labour arbitration and litigation proceedings. Many workers do not even know if their enterprise has a trade union or if they are members. Most enterprise unions do not have full-time officials or fixed offices, and many union officials can not even say who their committee members are.⁸⁷ In a number of instances, enterprise

87 Xu Xiaojun (许晓), Li Ke (李柯). “职工眼中的企业工会 - 企业工会现状调查” (Enterprise unions in the eyes of the workers - a survey into the state of enterprise unions), 中国劳动关系学院学报 (Journal of China Institute of Industrial Relations), April 2006, Vol. 20, No. 2, 48-52; Han Heng (韩恒). “关注工会系统的自主利益 - 对基层企业工会的调查与思考” (Concerning autonomous interests of the union system: A survey into and thoughts on grassroots enterprise unions), 二十一世纪 (21st century) online version, 2005, No. 40.

union bosses turn out to be concurrently wearing a management hat as well, thus rendering farcical any notion of differences between the roles of trade unions and managements.

The ACFTU sought to address this problem by recruiting more “professional” leaders for enterprise unions, providing additional protection for those leaders, and promoting direct elections under the leadership and guidance of higher level unions. In addition, it adopted a policy of “higher level substitution” (上代下) in which higher level union officials replaced enterprise officials in a bid to ensure collective labour contracts were properly concluded. However, this “solution” only created more problems.

During the two years covered by this report, county, district and township-level unions gradually assumed more and more of the responsibilities of grassroots unions.⁸⁸ And, after taking on this additional workload, the local unions naturally ended up with severe shortages of personnel and depleted financial resources. Moreover, local level unions, being far removed from the enterprise, could not cope with the numerous issues that inevitably developed on the factory floor on an almost daily basis. The ACFTU’s policy of substitution not only diluted its own resources, it failed to resolve the basic issue affecting enterprise unions - the lack of effective and democratically elected union representation on the factory floor.

Dependence on local government. Strapped for cash and lacking in any real authority, local unions increasingly turned to local govern-

88 For example, in 2004, the Kunshan (Jiangsu Province) union federation developed its “Method for assumption of certain ‘protection duties’ by higher-level unions in place of grassroots unions.” It provided that higher-level unions could take over protection duties in the event of an enterprise management stopping the grassroots union calling a meeting of worker representatives; refusing to sign collective contracts without good reason; preventing grassroots unions participating in investigations and settlements following workplace accidents; illegally scrapping or merging union organisations and their working entities; illegally replacing union cadres; and leaving union dues unpaid for an unreasonably long time. See Wang Wei (王伟). “昆山：上级工会代行基层工会部分职责” (Kunshan: Unions at higher levels to take over some grassroots union duties), *工人日报* (*Workers’ Daily*), 1 Feb. 2008

ments for help. And, as a result, these local-level unions became even more dependent on local government financial resources and political authority in order to get anything done. They are now an integral component in the Party's system of social governance - just another tool of the Party to ensure social stability and political order. Indeed local unions have, at the behest of their political masters, taken on many roles that are properly the task of government agencies. The union helps laid-off workers find new jobs, organises the "export" of rural migrant labourers, and provides vocational training, job introduction services and financial relief to urban households in need. It also organises workplace safety, energy-saving and anti-pollution projects, issues reports to the government on the status of workers' protests, and urges vigilance against foreign elements "infiltrating and undermining" the labour movement in China. Nowadays, the ACFTU goes to bat for the Party's propaganda and organisation departments, the Ministry of Human Resources and Social Security, the Environmental Protection Ministry, the State Administration of Work Safety, the Ministry of Civil Affairs, the Public Security Bureau and many other Party and government departments. As for the protection of workers' rights inside the factory; the ACFTU can now do little more than issue public statements of "concern" and "shock" at gross violations of workers' rights once they have been exposed by the media.

Subservience to the Party. Trade unions are, at their most fundamental level, organisations set up by workers to uphold and fight for the collective political, social and economic rights of labour. However, as CLB showed in its report *Protecting Workers' Rights or Serving the Party: The way forward for China's trade unions*, the ACFTU's increasing subservience to the Party and government has prevented it from fulfilling this basic mission.

The extent to which the ACFTU has deferred to the Party and government has ebbed and flowed over the last two decades but the general direction has been clear. During the reformist era of Zhao Ziyang in the late 1980s, trade unions were defined as "independent social entities, which should not, in terms of organizational affiliation, be equivalent

to working departments of the Party.”⁸⁹ Twenty years later, however, at the 15th National Trade Union Congress in October 2008, unions were being instructed to “dedicate themselves to helping consolidate the Party’s basis of rule, to realise its ruling mission and uphold the cause of the Party.” Protecting workers’ rights had slipped so far down the ACFTU’s list of priorities that only 15 of the 287 Chinese characters in the mission statement approved at the 15th Congress referred to what should have been the union’s core function; namely “more effectively representing and upholding workers’ specific interests.”⁹⁰

The ACFTU is now so closely integrated with the Party that it is incapable of formulating a genuine trade union mission statement; it can only bend itself to the changing needs of the Party and constantly come up with new tasks and missions as developments require.⁹¹ The key phrase of the current mission statement is: “The trade unions of China hold aloft the great banner of socialism with Chinese characteristics.” This slogan gives the ACFTU unlimited scope for theorising and allows it to conjure up an endless supply of “Chinese” or “socialist” characteristics that “fundamentally distinguish Chinese unions from

89 Report to the 11th National Trade Union Congress in 1988.

90 The full text reads: “the working class is the leading class of China, the representative of the advanced production forces and production relations, the driving force in the reform and opening up process and in the construction of modern socialism, and is the powerful and concentrated social force for maintaining social stability. The trade unions of China hold aloft the great banner of socialism with Chinese characteristics, and are guided by the important philosophies of Marxist-Leninism, Maoism and Deng Xiaoping thought, as well as the “Three Represents” (the CCP leading economic and cultural progress, and working for the public good). They adhere to a scientific development perspective, and vigorously implement the basic line of the Party centred on economic construction, while maintaining the four cardinal principles, upholding the basic path of reform and opening up, promoting realisation of the Party’s fundamental guiding policy of wholehearted reliance on the working class, fully implementing the social function of the unions, and defending the overall interests of the entire population. At the same time, they more effectively represent and uphold workers’ specific interests, unite and mobilise workers across the country in a spirit of self-reliance, and spare no effort to build China into a prosperous, democratic, civilised and harmonious socialist modernised state.”

91 This process of integration into the Party apparatus has been mirrored in other “mass organisations” such as the Youth League and Women’s Federation, and increasingly the judiciary as well. See Lam, Wo-lap (2009), “The Politicisation of China’s Law-Enforcement and Judicial Apparatus.” *China Perspectives*, 2nd edition, pp.42-51.

those of Western capitalist states.”⁹² This obsession with the Chinese and Socialist characteristics of the union will only cause further confusion as to the core role and purpose of the union, and hamper its ability to serve and protect workers’ interests.

92 See: Wang Zhaoguo (王兆国). “高举中国特色社会主义伟大旗帜，团结动员亿万职工为套取全面建设小康社会新胜利而奋斗 - 在中国工会第十五次全国代表大会上的报告”(Hold high the great banner of socialism with Chinese characteristics, and unite and mobilise the hundreds of millions of workers to achieve the new victory of a basically affluent society), Report of the 15th National Congress of Trade Unions of China, 17 Oct., 2008.

Conclusion

In 2007-08, China's workers' movement played out against a background of social and economic upheaval and a dramatically changed legislative environment. Workers had to cope with galloping inflation in 2007 and mass layoffs in 2008. By the end of the year, an estimated 20 million migrant workers had lost their jobs, while those who retained their positions often had to accept significantly reduced wages as the global economic crisis took its toll on China's export-oriented manufacturers. Although incomes rose overall during this period, so did the gap between the rich and the poor. Economic hardship, social disparity and rampant corruption among local Party and government officials led to outpourings of anger and resentment across the country. Unofficial figures put the number of mass protests in 2008 at 127,000, almost 50 percent higher than the last officially released figure of 87,000 in 2005.

The number of labour disputes too jumped dramatically over this two-year period, partly because of the socio-economic factors outlined above but also because of a raft of new labour legislation that gave workers greater legal rights protection and made them more aware of those rights. The number of such cases accepted by arbitration committees and the courts both doubled in 2008, with workers more determined than ever to stand up for their rights. The *Labour Contract Law*, together with several other national and local labour laws implemented in this period, represented concessions by the government to worker discontent and therefore marked a victory for the struggles of the labour movement over the previous decade. The strikes and protests staged by workers on an almost daily basis across the country forced the government, committed as it was to maintaining social order and harmony, to create a comprehensive legislative framework that could help mitigate labour conflicts and better protect the legal rights of individual workers.

What the government did not do, however, was to create a system that could deal with collective disputes within the enterprise. This failure,

together with the inability of enterprise-level unions to represent workers' interests, meant that workers had no option but to stage yet more strikes and protests in the hope that the local governments would intercede on their behalf. And in many cases, despite its avowed stance against worker protests, the government did just that. Indeed, direct government intervention and mediation in labour disputes was one of the defining characteristics of the workers' movement during 2007-08, exemplified by the taxi drivers' strikes that swept the country at the end of 2008. The taxi strikes also highlighted another relatively new development in this period, namely strike actions that inspired industry-wide or regional movements, as in the cases of the teachers' strikes in late 2008 and the Shenzhen dockworkers' strikes in the spring of 2007. A further key development during this period was the broadening of workers' demands from predominantly legal, rights-based issues to more collective, interest-based ones such as higher wages and better working conditions, often coupled with protests against companies' proposed changes to pay-scales and workers' employment status. One of the major causes of worker discontent over the two-year period, for example, was attempts by managements to circumvent the *Labour Contract Law* by forcing employees to relinquish their long-term contracts and accept being rehired as short-term or temporary labour.

Meanwhile, the All-China Federation of Trade Unions continued its rapid expansion, growing to more than 212 million members by the end of 2008. For the ACFTU, the highlights of 2007-08 were its high-profile campaigns to unionise the Fortune 500 companies and to conclude collective labour contracts at all of China's Walmart stores. The ACFTU also sought to "professionalise" enterprise union officials by recruiting "better qualified" candidates from outside the enterprise to replace them, and to protect these new officials from management reprisals. The workers themselves gained little from these initiatives, and instead, in some respects workers' rights have suffered because of the ACFTU's top-down management style, which discourages grassroots worker activism. The fate of Gao Haitao is a case in point: The one enterprise union chair who dared to stand up to the management at Walmart was forced to resign after senior ACFTU officials

went over his head and signed a collective labour contract at Walmart's Nanchang store without his support or approval.

The emergent workers' movement in China is complex and multi-faceted, but it has two key components: the workers and the trade union. However, as this report has shown, over the last two years there has been little common ground between China's workers and the ACFTU, in terms either of their respective goals or of the methods used to attain them.

The goals of the ACFTU are primarily political: maintaining social stability and political order, whereas the workers focus on fighting for their economic interests and defending their legal rights. The workers do not have a political agenda; indeed, their actions only ever become political when the authorities try to suppress them, for example by arresting and detaining labour activists or refusing workers' demands to set up their own union branches. The ACFTU is the sole legally mandated trade union in China and has a vast organisational structure in place across the entire country and at all levels of government. The workers have no formal organisation and their actions to date have been spontaneous and mostly short-lived. The strikes, protests and demonstrations that have occurred in recent years do, however, reflect problems and injustices encountered by workers across China and have the potential to turn the country's workforce into a more unified public voice. The ACFTU has so far failed to tap this potential, it has not been able to represent workers' interests at the enterprise level and it remains deeply wary of spontaneous workers' protests, fearing that if these protests are allowed to expand and become more organised, they could eventually pose a threat to its own existence. The workers, too, are highly suspicious and mistrustful of the official trade union, all too often seeing enterprise union officials as henchmen of the bosses, and local-level unions as remote, quasi-governmental bodies with no real power or authority.

The development of any workers' movement needs both the organizing resources and abilities of the trade union, and also the solid

grassroots support of the workers. Both these elements are indispensable. If the workers' movement is to flourish in China, to the point where workers can finally shake off the mantle of the "weak and exploited," and engage in the kind of healthy and equal tripartite relationship with management and government required for the smooth running of a market-oriented economy, it is essential that the formal organizing power of the ACFTU somehow be integrated with the strength and support of the workers themselves. The two sides will have to find a way of coming together, establishing common ground and eliminating the mistrust that has thus far kept them apart.

The first step in this process should be for the trade union to stand four-square with the workers in their disputes with managements, rather than equivocating as it does at present by seeking to mediate neutrally between the two parties in a bid to restore workplace order and production. Strikes and protests are increasingly a part of everyday life in China's factories, and given the current gross imbalance of power between labour and management, they will continue to be so for the foreseeable future. And herein lies the opportunity for the ACFTU to get involved as a genuine advocate of workers' rights and interests. The ACFTU could establish rapid response teams of expert negotiators and organisers who would encourage and assist striking workers to set up democratically elected grassroots union committees, or resolutely eliminate enterprise unions that are under employer control and replace them with democratically elected ones. These teams could then guide and assist the newly established union in the process of electing representatives to engage in collective bargaining with the employer, in a bid to resolve the workplace conflict or dispute. Such direct and timely intervention in strikes or similar situations by the ACFTU would facilitate the emergence of grassroots unions that are part of the ACFTU and yet enjoy the support and confidence of the workforce. This in turn would contribute to the establishment of a sustainable collective bargaining system that would help obviate the need for further strikes and protests.

None of this will be an easy task for the ACFTU to accomplish. It will

have to overcome its longstanding aversion to strike action, along with its deep-seated fear of any kind of worker activism. Encouragingly, however, there were signs in 2008 that some union officials were adopting a more pragmatic attitude towards strikes. In April 2008, for example, the vice-chairman of the Shenzhen Federation of Trade Unions remarked that strikes were nowadays “as natural as arguments between a husband and wife.”⁹³ In a speech reported by the *Southern Metropolis Daily*, Wang Tongxin called for a more relaxed approach to strikes, which he said were the inevitable result of market economics and something society would have to learn to accept. “Right now,” he said, “people take strikes too seriously.” The Shenzhen union federation, at that time, actively promoted collective bargaining as a means of dispute resolution, but the federation’s more proactive stance on this issue was put on hold in the wake of the global economic crisis. The Party and government demanded that economic and social stability be made the nation’s first priority, and the ACFTU duly fell into line.

For the foreseeable future, it is unlikely that the official union will unilaterally support strikes or similar action by workers; it will need approval from the Party and government before doing so. And for this to happen, the authorities need to understand and accept that today’s conflicts between labour and management are no more than the normal outcome of divergent interests within a market-oriented economy. At a fundamental level, workers simply want decent pay for decent work and they want their legal rights to be protected and enforced. Official recognition of this basic point would also allow the Party and government to understand that the role created for the ACFTU during the long-gone era of the planned economy - that of a neutral mediator between labour and management - is now obsolete. In short, the official union urgently needs to define for itself a new role, one based on the real needs and demands of workers in a market economy.

Thus, instead of concocting a trade union “with Chinese characteristics” that performs multiple quasi-governmental tasks but ultimately

93 Shenzhen trade union sees strikes as a natural phenomenon , CLB 15 April 2008.

fails to protect or represent its own members, the ACFTU should get back to basics and ask: what is the fundamental aim and purpose of a trade union? Equally important, the government should acknowledge that its proper role in the market economy is to act as a neutral arbitrator between labour and management: to stand above the fray and provide the requisite channels and procedures for labour dispute resolution. Continuing to politicize the work of the ACFTU, by asking it to play this role instead, virtually guarantees that the oft-invoked vision of a Harmonious Society will remain but a distant dream.

Appendix: 100 workers' protests, 2007-2008

Case No	Time	Place	Number of workers involved	Reasons for protest	Form of protest	Outcome	Source
1	4 January	Italian-Invested DeCoro furniture factory, Shenzhen	Over 70	Management proposes layoffs or wage cuts on pretext of plant relocation	Windows at plant entrance smashed, clashes with security staff	Police intervention and investigation, outcome unclear	Radio Free Asia
2	31 January	Huangxing Light Industry Products, Shenzhen, Guangdong	Over 200	Claims for monetary compensation and payment of social security contributions after plant shutdown	Roadblock, representatives go to city government with petition	Police intercept representatives, outcome unclear	Southern Metropolis Daily, Epoch Times
3	7-8 April	Yantian International Container Terminals, Shenzhen, Guangdong	Over 300	Demands for increased pay, better bonus rates, higher housing allowances, payment of overtime, and permission to form an independent union	Strike	After government and local union intervention, management agrees to wage increase and unionisation	Guangdong Logistics News Network
4	16 April (timing of end of action unclear)	Huayuan Textile Plant, Fuyang, Anhui	Several thousand	Demands for investigation into suspected embezzlement of SOE assets and corruption by management, as well as for higher wage rates	Strike, rail blockade	After dispersal by police, government intervention, management agrees to increase wages by 10 percent	Ming Pao, Radio Free Asia
5	16-20 April	Lueyang Steel, Shaanxi	Over 2,000	Angry at a drop in wages after restructuring, workers demand higher pay rates and an investigation into corruption during restructuring	Strike, roadblock	After dispersal by police, management agrees pay a 60 yuan monthly allowance and hand over housing fund	China Labour Bulletin
6	25 April	Lengshuijiang Artificial Fertilizer Co., Hunan	Over 300	Angry at deception in bankruptcy proceedings, workers demand payment of wages and monetary compensation owing since before the bankruptcy	Petition made to provincial Party committee	Intercepted by police, outcome unclear	Aboluo News Service
7	1 May	Chivan Terminals, Shenzhen, Guangdong	Over 200	Angry at excessive hours, lack of overtime payment, low wages and over-harsh disciplinary measures, workers demand higher pay and more rest time	Strike	Management and worker representatives negotiate	Pearl River Delta Logistics Network
8	30 May-1 June	Baoshun Metal and Plastic Products (Shenzhen) Co. Guangdong	Over 2,000	Expecting closure and layoffs, workers demand early payment of monetary compensation	Strike	Police issue warning, government officials intervene, outcome unclear	Radio Free Asia, Wen Wei Po
9	1 June	Juwang Shoes, Dongguan, Guangdong	Several hundred	Protests against long working hours, low wages, management docking of wages and abuse of workers	Strike, roadblock, election of representatives to go to labour bureau with statement of demands	After dispersal by police and intervention by government officials, management forces worker representatives to resign	Radio Free Asia, Citizen's Rights and Livelihood Watch
10	5 June	Casa Furniture, Dongguan, Guangdong	Over 80	Demands for higher pay rates, overtime back-pay and better food	Strike, representatives go	Labour bureau rejects petition, worker representatives sacked	Radio Free Asia

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11	5-7 June	Three sub-plants of Chongqing Qingling Automobile. Chongqing	540 retired workers	Dissatisfaction at management's (worker) housing reform policy	to labour bureau with petition	Management sends in security to disperse workers, outcome unclear	Radio Free Asia
12	6 June	Kaiyuan Handbag Co. Dongguan, Guangdong	Over 40 workers	Demands for improved working conditions, shorter working hours	Strike, representatives go to labour bureau with petition	Dispersed by police, outcome unclear	Radio Free Asia
13	14 June	Yongxing Toy Factory, Dongguan, Guangdong	Over 2,000	Demand for payment of wages in arrears following bankruptcy of company and disappearance of boss	Strike, roadblock	Clashes with police, government officials intervene, outcome unclear	Wen Wei Po, Radio Free Asia
14	29 June-20 July	Shuangma Cement, Sichuan	Over 2,000	Dissatisfaction at low level of monetary compensation in final severance package after restructuring	Strike	Police urge a return to work, outcome unclear	Radio Free Asia
15	26 July	Heishan County Highway Management and Maintenance Co., Liaoning	Over 200	Dispute over wage arrears	Strike, petition to county government	Police issue warning, outcome unclear	Epoch Times
16	25-26 July	Yintai Textile, Changsha, Hunan	Over 1,000	Demands for investigation into alleged siphoning off by top management of worker job placement allowances during restructuring, and into disappearance of state assets totalling hundreds of millions of yuan	Strike and sit-in at plant entrance	After dispersal by police, government officials and workers talk; outcome unclear	Aboluo News Service, Radio Free Asia
17	18 July, timing of end of action unclear	Jinzhou Public Transport Company, Liaoning	Several thousand	Dissatisfaction at restructuring process and wage levels, demands for higher pay	Strike	Unclear	Radio Free Asia
18	26 July	Xinyu Textile Plant, Jiangxi	Over 7,000	Dissatisfaction at restructuring process and wage levels, demands for higher pay	Strike, street demonstration	Dispersed by police, outcome unclear	Epoch Times
19	1-2 August	Jiangxi Chemical Fibre & Chemical Engineering and Jiangwei Gaoke, Jiangxi	Several hundred	Higher pay levels sought	Strike, roadblock	After dispersal by police, management agrees to increase wages	Radio Free Asia
20	8-15 August. Unclear if strike continued after clash with security personnel	Tanjiaoshan Coal Mine, Xiangtian, Hunan	Over 800	Dissatisfaction at monetary compensation levels in final severance packages after restructuring	Strike followed by clashes with temporary security staff hired by management on 15 August	Unclear	Radio Free Asia
21	19 August, timing of end of action unclear	Feihuang electronics factory, Shenzhen, Guangdong	Over 10,000	Protests over pay cuts and increased workloads	Strike, roadblock	Dispersed by police, outcome unclear	Aboluo News Service, SACOM
22	23 August, timing of end	Yumei Power, Chengdu, Sichuan	Several thousand	Dissatisfaction at monetary compensation levels in final severance packages after restructuring	Strike, company offices surrounded	Unclear	Radio Free Asia

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23	6 September, timing of action unclear	Jiangyong County Silver, Lead and Zinc Mine, Hunan	Over 200	Protests at alleged corruption by the mine operator, and demands for general meeting of shareholders	Strike, petition to provincial government	Intercepted by police, outcome unclear	Radio Free Asia						
24	14-16 September	Luoyang White Horse Group, Henan	Nearly 10,000	Protests at alleged corruption by top management and monetary compensation levels in final severance packages after restructuring	Strike, roadblock	After dispersal by police and intervention by city government officials, company agrees to raise benefit levels	Epoch Times						
25	September	Jianshe Motorcycle Plant, Xiejawan, Chongqing	Over 1,000 retirees	Dissatisfaction at monetary compensation levels in final severance packages after restructuring	Demonstration at plant entrance	Warning by police, outcome unclear	Radio Free Asia						
26	22-27 September	Lingfluxin Steel, Anhui	Over 1,000	After restructuring, workers demand that management honour housing-fund commitments made two years earlier	Petition to local government, street demonstration	Dispersed by company officials, outcome unclear	Aboluo News Service						
27	26 September	Nicera Electronics, Kunshan, Jiangsu	Over 1,000	Workers seek investigation into toxic leakages at workplace; management withholds test report from workers	Strike	Intervention by government officials, management hands over report	Phoenix Weekly						
28	30 October	Huayang Printing, Shenzhen, Guangdong	Large number	Protest over payday postponements	Strike, roadblock	After warning by police and government intervention, management promises to pay wages on time	Southern Metropolis Daily, Ocean News						
29	31 October-5 November	Jiumian Industrial, (SOE) Shaanxi	Over 3,000	Dissatisfaction at management proposal for new pay grades for different posts	Strike	Intervention by government officials, company suspends pay measure	Sacred Fire of Liberty						
30	2 November	China Metallurgy Investment Project Department Beijing	Over 100	Protests at wage arrears	Roadblock	Warning by police, management officials go to scene to negotiate	The Beijing News						
31	2 November	Richeng Toy supplier, Guangzhou, Guangdong	Over 500	Workers seek overtime pay after sub-plant closure	Roadblock	After dispersal by police and intervention by government officials, management proposes settlement plan	Southern Daily						
32	9 November	Nicewell Ceramics, Guangzhou, Guangdong	Several hundred	Protest over wage arrears after company closes and boss absconds	Roadblock	Police issue warning, government promises to pay missing wages and arrange new employment	Southern Metropolis Daily						
33	10 November	Factory 12, Chengdu Plastics, Sichuan	Dozens	Dissatisfaction at planned merger with private enterprise	Block main entrance to factory	Unclear	Radio Free Asia						
34	23-26 November	Shixi Electronics, Tangxia Township, Dongguan, Guangdong	Over 700	Dissatisfaction over layoffs due to a plant relocation, and at low level of monetary compensation after employment contract dissolution	Strike, roadblock	Dispersal by police and intervention by government officials; outcome unclear	Radio Free Asia						
35	27 November	Agao Electronics Plant, Houjie Township, Dongguan, Guangdong	Several thousand	Dissatisfaction at increased deductions from meal allowances; higher wages demanded	Strike, roadblock	After dispersal by police and intervention by government officials, management announces	Radio Free Asia, China Economic Times						

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36	4-5 December	Youmei Underwear Co, Haitou, Hainan	Nearly 1,000	Panic caused by dissolution of employment contracts	Strike	it will no longer make deductions. Management announces there will be no major layoffs	Radio Free Asia, People's Net
37	11-14 December	Yuansheng Light Industrial, Shenzhen, Guangdong	Nearly 2,000	Dissatisfaction at certain terms of the new employment contract; workers are required to sign	Strike, demonstration at entrance of industrial zone, representatives go to labour bureau with list of demands	After police intercept representatives and government officials intervene, management talks directly with workers, outcome unclear	Epoch Times
38	13 December	Mayong plant of Nine Dragons Paper Industries, Dongguan, Guangdong	Over 600	Dissatisfaction at workers' demotion to temporary staff status	Strike, roadblock	Police issue warning, labour department unwilling to intervene, strikers forced to resign	Radio Free Asia, Legal Times
39	14 December	Hengguang Electronics, Guangzhou, Guangdong	Several hundred	Dissatisfaction at certain terms of new employment contract; workers are required to sign	Strike, roadblock	Police issue warning and government officials intervene; outcome unclear	News Hunter Net
40	19 December	Chengguan Lint Factory, Dali County, Shaanxi	Over 60	Dissatisfaction at lack of transparency in plant restructuring process	Petition to county government	Dispersed by police, outcome unclear	Epoch Times, Shaanxi TV net forum
41	19-20 December	Hailiang Storage Products, Shenzhen, Guangdong	Nearly 1,000	Dissatisfaction at changes to working hours	Strike, roadblock	After police warning and government intervention, company announces suspension of measures	Radio Free Asia, Southern Metropolis Daily
42	24-25 December	Zhangjiakou Cigarette Factory, Hebei (SOE)	Several thousand	Dissatisfaction at management's failure to meet wage increase pledge, and at compulsory deductions	Strike	Management makes concessions	Abolu News Service
43	27 December	Stainless steel product plant at Foshan's Nantai Zone, Guangdong	200	Dissatisfaction at management demands that workers resign and sign new employment contracts	Unclear	After intervention by government officials, management announces that workers do not have to resign and sign new contracts	Southern Metropolis Daily
44	28 December	Thermos flask plant, Wuhan Hubei	Over 100	Protest against compulsory demolition of worker housing for relocation	Roadblock	Dispersed by police, outcome unclear	Radio Free Asia
45	31 December	Yuansheng Light Industrial, Shenzhen, Guangdong	Over 170	Dismissed employees demand overtime pay and monetary compensation	Blockade of company entrance	Unclear	Radio Free Asia
46	2-3 January	Walmart Distribution Centre, Shenzhen, Guangdong	55	Demands for payment of overtime	Sit-in at company	Company responds, and launches investigation	China Economic Net
47	3 January	Baoji Arts & Crafts Factory, Shenzhen Guangdong	Over 200	Demands for payment of wages in arrears after plant closure	Demonstration in front of company plant entrance	Dispersal by police and intervention by government officials; outcome unclear	Radio Free Asia
48	Early January	Baida Industrial, Shenzhen Guangdong	Nearly 1,000	After layoffs following plant relocation, protests over unpaid monetary compensation for dissolution of	Petition outside government	Unclear	Radio Free Asia

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49	4-8 January	Shun Fai Industrial Shenzhen Guangdong	Over 800	employment contracts Demands for higher wage levels, and unpaid wages	building Strike, petition to district government	Government officials intervene, negotiations between labour and management initiated	Radio Free Asia
50	9-11 January	Quanta Shoes, Guangzhou Guangdong	Over 4,000	Demands for payment of overtime	Strike, roadblock	After police warning and government intervention, negotiations take place between labour and management	Radio Free Asia, Sina.com, Southern Metropolis Daily
51	10 January	Fusen Wood Industry Chengdu, Sichuan	Over 200	Dissatisfaction at certain terms in new employment contracts workers are required to sign	Sit-in in central square	Unclear	Radio Free Asia
52	12-14 January and 15 April	Shiyuan city Public Transport Co, Hubei	Over 900	Protests at docking of wages	Strike	Government intervention leads to retraction of vehicle operating licences	Radio Free Asia, Guangdong News
53	14 January	Mayflower Hotel, Jiangmen, Guangdong	Over 50	Demands for payment of wages in arrears	Petition to labour bureau	Dispersed by police, outcome unclear	Radio Free Asia
54	14 January	Maersk Container Industry, Dongguan, Guangdong	Several hundreds	Dissatisfaction at day-to-day management of company, protests against beatings by security personnel	Damage to office building	Police investigation and mediation by government officials	Radio Free Asia, Jinyang Network & Information
55	20-21 January	Taiyang Maosen Metal Products, Dongguan Guangdong	Several hundred	Protest over adoption of new method of pay calculation and docking of wages	Strike, roadblock	After dispersal by police and government intervention, management promises to review pay proposal	Radio Free Asia
56	20 January	Jifu Metallic Products, Dongguan, Guangdong	Nearly 1,000	Protest over adoption of new method of pay calculation and docking of wages	Strike, roadblock	After police warnings and intervention by government officials, agreement reached by management and workers	Radio Free Asia
57	21 January	Gangjianhua Kai Electrical Products, Zhongshan, Guangdong	Unclear	Dissatisfaction at certain terms in new employment contracts workers are required to sign	Strike, roadblock	Police issue warning and government intervenes, outcome unclear	Southern Metropolis Daily
58	24-25 January	Xi'an station freight yard, Shaanxi	Unclear	Dissatisfaction at low wages and demanding nature of work	Strike	Unclear	Radio Free Asia
59	25 January	Jinmengda Textile, Yunmeng county, Hubei	Over 1,000	Demands that management pay social insurance and housing fund contributions, and monetary compensation in final severance packages, all outstanding since restructuring	Demonstration	After police warning and government intervention, management pays arrears	Radio Free Asia,
60	13 February	Lichang Shoe Industries, Panyu, Guangzhou, Guangdong	250	Manager absconds after company closes down, leaving wages and social insurance contributions unpaid	Bridge blocked	After police warning, government pays missing wages	Guangzhou Daily, South Daily
61	18 February (timing of end of action unclear)	No.1 Textile Plant, Santai County Cotton and Linen Group, Sichuan	2,800	Demands for payment of monetary compensation under final severance packages from restructuring	Strike	After government intervention, workers persuaded to return to jobs	Radio Free Asia
62	26 February	Several textile plants in Heze city, Shandong	Over 300 retired	Demands for payment of home-heating costs and increased retirement benefits	Petition outside city government	Organisers detained by police before event, outcome unclear	Citizen's Rights and Livelihood

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77	8-9 October	works, Jiaozuo, Henan Jianglong Textile Printing & Dyeing, Zhejiang	Over 4,000	Manager absconds after factory closes down, leaving wages in arrears	Demonstrations at plant entrance	unclear	Government officials intervene, providing guarantees and raising funding for wage payment Dispersed by police, outcome unclear	Qianjiang Evening News, Global Textiles, Com New Express
78	16 October	Plant in Yuangang, Nancun, Panyu district, Guangzhou, Guangdong	About 50	Manager absconds after plant goes bankrupt, leaving wages in arrears	Bridge blocked			
79	27 October	Chunyu Textiles, Wujiang, Jiangsu	Over 1,000	Management absconds after factory shuts down, leaving wages in arrears	Roadblock		Government intervention, leading to missing wage payment	Aboluo News Service
80	28 October	Peace Mark (Holdings) Limited, Bao'an district, Shenzhen, Guangdong	Over 700	Protests at government stalling over dispute arbitration, and demands that the receiver company, after winding-up, pays wages and monetary compensation in arrears	Demonstration		Dispersed by police, government promises early settlement	Epoch Times
81	1 November	Wenjiang Guanghua Bus Company, Chengdu, Sichuan	Several dozen	Demands for higher wage rates	Strike		Company promises to increase benefits	China Labour Bulletin
82	4 November	CaiFu Square building site, Jilin city, Jilin	Several hundred	Demands for payment of wages in arrears	Roadblock		Government officials intervene, outcome unclear	Radio Free Asia
83	8-10 November	Machinery Plant, Jiangyan, Jiangsu	Over 40	Demands for payment of wages in arrears	Roadblock		Government officials intervene, outcome unclear	Radio Free Asia
84	11 November	Arts and crafts manufacturer in Guangzhou, Guangdong	Over 40	Demands for payment of wages in arrears	Roadblock		Police issue warning, government officials intervene; outcome unclear	Yangcheng Evening News
85	12 November	Meifuta Paper Products, Shenzhen, Guangdong	Over 100	After company shuts down, workers demand payment of monetary compensation for dissolution of employment contracts	Roadblock		Police break up protest, government officials promise that after bankruptcy and auctioning off of company, monetary compensation for workers will be paid	ACFTU News Centre
86	13 November	Space Industry Ministry Factory 3405, Guiyang, Guizhou	Over 1,000	Dissatisfaction at bonus allocation, and demands for replacement of plant manager	Strike		Unclear	Radio Free Asia
87	14 November	Five factories in Wuhan, Hubei	Nearly 100 retired workers	Demands for higher pension payments and medical treatment guarantees	Petition to city government		Petitioners dispersed by police, outcome unclear	Citizen's Rights and Livelihood Watch, Radio Free Asia
88	20 November	Huizhuyuan Ceramics, Foshan, Guangdong	Over 300 workers	Management absconds after closure of plant, leaving wages in arrears	Roadblock		Dispersed by police, outcome unclear	Foshan Ceramics Net
89	25 November	Kaida Toys, Dongguan, Guangdong	Over 500	Protests over sudden layoffs, and demand for payment of monetary compensation after dissolution of employment contracts	Demonstration outside factory entrance, breakage of office facilities		After police issue warning and government intervenes, management promises to pay monetary compensation to workers	Sing Tao Daily, Southern Metropolis Daily

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90	25 November	Shengquan shoe plant, Guangzhou, Guangdong	Over 80	Management absconds after closure of factory, leaving wages in arrears	Roadblock	After police issue warning and government officials intervene, workers receive part of missing pay	Southern Metropolis Daily
91	3 December	Shaoguan Smelter, Guangdong	Several hundred	Dissatisfaction at assignment of recruitment contracting to outside employment agency	Roadblock	After police issue warning and government officials intervene, management scraps outsourcing policy	Guangzhou Daily
92	2 December	Unit of Shenzhen Wurina Trade of Mengniu Dairy, Dongguan, Guangdong	Nearly 20	Dissatisfaction at sudden layoffs	Petition to city labour bureau	Unclear	Radio Free Asia
93	3 December	Prince Group, Zhuzhou, Hunan	Nearly 1,000	Demands for payment of wages in arrears	Petition outside entrance to city government building, roadblock	Clashes with police and government intervention; outcome unclear	Radio Free Asia
94	8 December	Textile factory in Zigong, Sichuan	Several hundred	After shutdown, workers demand reemployment and/or subsistence allowances	Roadblock	Dispersal by police and government intervention; outcome unclear	Radio Free Asia
95	9-10 December	Huanxin Electronic Components Factory, under Yixin Industry, Shanghai	Over 1,000	After bankruptcy, workers demand payment of wages in arrears and a subsidy for working in a high-temperature environment	Sit-in outside plant, roadblock	Police issue warnings; outcome unclear	Radio Free Asia
96	17 December	Building site at Tianzhu park, Sanya, Hainan	Over 40	Demands for payment of wages in arrears	Roadblock	After police issue warning and government officials intervene, project contractors promise to make partial wage payments	China News Hainan
97	18-19 December	Runhong shoe factory, Dongguan, Guangdong	Over 200	Manager absconds after the plant shuts down, leaving wages in arrears	Petition presented outside government building	After intervention by police, village Party committee promises to arrange payment of 60 percent of missing wages	Citizen's Rights and Livelihood Watch, Radio Free Asia
98	19 December	Jianrong Suitcase Factory, Wentang Industrial Zone, Dongguan, Guangdong	Over 300	Manager absconds after plant closes down, leaving wages in arrears	Street demonstrations, petition in front of the government building	Police seal off plant, outcome unclear	Epoch Times
99	23 December	Xiangcheng Shoe Plant, Dongguan, Guangdong	Several hundred	Plant shuts down, workers demand payment of wages in arrears	Roadblock	Police issue warning and government intervenes, arranging for management to pay wages in arrears	Radio Free Asia
100	29 December	Pengshui County Grain Bureau, Chongqing	Over 200	Demands for more openness and fairness, and better workers' rights protection, during restructuring	Petition to the county government	Petitioners meet government officials; outcome unclear	Radio Free Asia

Major news sources used in the above 100 cases

Chinese Name	English Name (or approximation if none exists)
自由亚洲电台	Radio Free Asia
南方都市报	Southern Metropolis Daily
南方报亚网	Southern Daily
广东物流信息网	Guangdong Logistics News Network
阿波罗新闻网	Aboluo News Service
泛珠三角物流网	Pearl River Delta Logistics Network
民生观察网	Citizen's Rights and Livelihood Watch
中新海南网	China News Hainan
大洋网	Ocean News
金羊网	Jinyang Network & Information
新浪网	Sina.com.
陕西网论坛	Shaanxi TV Net Forum
新闻猎狩网	News Hunter Net
人民网	People's Net
人民网(全总新闻中心)	ACFTU News Centre on People's Net
全球纺织网	GlobalTextiles.Com
佛山陶瓷网	Foshan Ceramics Net
自由圣火网	Sacred Fire of Liberty
大纪元网	Epoch Times
香港明报	Ming Pao
香港文汇报	Wen Wei Po
星岛日报	Sing Tao Daily
羊城晚报	Yangcheng Evening News
新快报讯	New Express
钱江晚报	Qianjiang Evening News
生活新报	Life News
信息时报	Information Times
广州日报	Guangzhou Daily
中国经济时报	China Economic Times
新京报	The Beijing News
南风窗	Southern Window
凤凰周刊	Phoenix Weekly
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CLB's Research Reports

China Labour Bulletin is committed to promoting workers' rights, as well as raising international awareness and understanding of labour issues in China. To this end, we have produced an extensive series of Chinese and English language research reports that provide an in-depth analysis of some of the key labour rights issues in China today, and offer a series of recommendations designed to resolve the most pressing problems.

English Language Reports

Going it Alone: The Workers' Movement in China (2007-2008)

CLB looks at how the workers' movement in China developed in 2007 and 2008, how the government responded to it, and why the official trade union was unable or unwilling to play a positive role in it.

Published July 2009

Protecting Workers' Rights or Serving the Party: The way forward for China's trade unions

The ACFTU has a mandate to protect the rights and interests of China's workers. However, as this report shows; the organization has become increasingly passive and subservient to its political masters over the last two decades, to the point where it is now unable to satisfy even the most basic demands of migrant workers - decent pay for decent work.

Published March 2009

No Way Out: Worker Activism in China's State-Owned Enterprise Reforms

A joint-report with Canada's Rights and Democracy that reveals how the lives of millions of workers were thrown into turmoil during the wholesale, shock therapy-style privatisation of China's state owned enterprises in the late 1990s and early 2000s.

Published September 2008

Bone and Blood: The Price of Coal in China

A report on the coal mining industry in China, which focuses on the industry's appalling safety record, the collusion between mine owners and local government officials, as well as the government's system of post-disaster management, which is systematically eroding the rights of the bereaved.

Published March 2008

Speaking Out: The Workers' Movement in China (2005-2006)

Following on from CLB's initial workers' movement report, this survey provides a comprehensive overview and analysis of the major events and developments in labour relations from 2005 to 2006. It discusses government labour policies, the response of China's workers to those policies and the role of the ACFTU.

Published December 2007

Breaking the Impasse: Promoting Worker Involvement in the Collective Bargaining and Contracts Process

An introduction to China's collective contract system that details the legal framework and practical implementation of the system so far, and advocates the use of collective bargaining as a means of promoting and protecting workers' rights, as well as improving relations between labour and management.

Published November 2007

Small Hands: A Survey Report on Child Labour in China and the Failings of the Rural School System in China

Child labour is a widespread, systemic and increasingly serious problem in China. This report explores both the demand for child labour in China and the supply of child labour stemming from serious failings in the rural school system.

Published September 2007

Falling Through the Floor: Migrant Women Workers' Quest for Decent Work in Dongguan, China

Migrant women workers in Dongguan and other key cities of the Pearl River Delta have consistently been denied their fair share of the rewards of China's rapid economic growth over the past decade. In this survey, Chinese women workers tell us in their own words about their arduous experiences of trying to earn a decent living in China's boomtowns.

Published September 2006

Deadly Dust: The Silicosis Epidemic among Guangdong Jewellery Workers

The main focus of this report is on the labour rights litigation work undertaken by CLB during 2004-05 to assist jewellery workers who had contracted chronic silicosis to win fair and appropriate compensation from their employers.

Published December 2005

The Liaoyang Workers' Struggle: Portrait of a Movement

A report on the landmark protests that occurred during the privatisation of state-owned enterprises in the north-eastern city of Liaoyang in 2002, and the subsequent trial and imprisonment of workers' leaders Xiao Yunliang and Yao Fuxin.

Published July 2003

Short English Reports

Public Interest Litigation in China: A New Force for Social Justice

One of the first English language overviews of the newly emerging field of public interest litigation (PIL) in China, the study examines the social, economic and legal background to PIL's development, shows its relevance to labour rights in China, introduces a range of illustra-

tive cases, and discusses the current obstacles to PIL and its prospects for the future.

Published October 2007

Help or Hindrance to Workers: China's Institutions of Public Redress

A report on the numerous problems in China's labyrinthine and often bewildering labour arbitration and court system that confront workers seeking redress for violations of their rights, particularly work-related illness and injury, and suggests ways in which these issues can be resolved

Published April 2008

Chinese Language Reports

中国工人运动观察报告(2007-2008)

The Workers Movement in China, 2007-2008

March 2009

谁来维权 为谁维权 — 论全总维权的政治化及中国工会运动的出路

Who is the protector, and who the protected: A discussion of the politicisation of the ACFTU's rights protection activities, and the way forward for China's trade unions.

December 2008

终结“法外运行”的雇佣关系—论《劳动合同法》对工会角色的定位

Operating Outside the Law: The Labour Contract Law and the role the Trade Unions

August 2008

从“状告无门”到“欲加之罪” — 对工人集体行动演变过程的分析
No Legal Recourse: Why collective labour protests lead to conflict with the law.

March 2008

公力救济在劳工维权过程中的异化：对三起工伤（职业病）
索赔案的分析

Help or Hindrance: An analysis of public protection procedures in three occupational injury cases.

December 2007

集体合同制度是调整劳资关系的必然选择

Breaking the Impasse: Promoting Worker Involvement in the Collective Bargaining and Contracts Process.

September 2007

中国工人运动观察报告(2005-2006)

Speaking Out: The Workers Movement in China, 2005-2006

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“以人为本”？：煤矿矿难遗属谈话的启示

Putting People First: A Critique of China's Compensation System for Bereaved Coalminers' Families

November 2006

关于中国童工现象的实地考察报告

Small Hands: Survey Report on Child Labour in China

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有效的工人组织：保障矿工生命的必由之路—中国煤矿安全
治理研究报告

Bloody Coal: An Appraisal of China's Coalmine Safety Management System

March 2006

致命的粉尘：中国广东地区珠宝加工业矽肺病个案分析报告

Deadly Dust: The Silicosis Epidemic in the Guangdong Jewellery Processing Industry

December 2005

中国工人运动观察报告(2000-2004)

Standing Up: The Workers Movement in China, 2000-2004

September 2005

挣扎在去留之间：中国广东省东莞女工状况的调查笔录整理报告

Falling Through the Floor: Migrant Women Workers' Quest for Decent Work in Dongguan, China

June 2005

官商较量与劳权缺位：中国职业安全卫生报告

Occupational Health and Safety in China - Labour Rights Lose Out to Government and Business.

April 2005

利益的冲突与法律的失败：中国劳工权益分析报告

Conflicts of Interest and the Ineffectiveness of China's Labour Laws

November 2004

GOING IT ALONE The Workers' Movement in China (2007-2008)

China's workers are taking to the streets in ever increasing numbers. Angered by management abuses, and emboldened by the passage of new labour legislation, they are staging strikes, roadblocks and protests to demand the payment of wages in arrears, better working conditions and even the right to set up their own trade union branches.

In this report, China Labour Bulletin looks at the development of the workers' movement between 2007 and 2008, how the government responded to it, and why the official trade union was unable or unwilling to play a positive role in it. The report analyses 100 collective labour protests and identifies three major trends:

- Workers took matters into their own hands. By-passing the largely ineffectual official trade union, they used public protest as a means of forcing local governments to intercede on their behalf. And, in many cases, workers were successful.
- Strikes ignited other protests in the same region, industry or company subsidiaries. The wave of taxi strikes that swept the county at the end of 2008 exemplified both the spread of industry-wide protests and the willingness of local governments to negotiate with the workers.
- Workers' demands became broader and more sophisticated. Previously, disputes were mostly related to clear-cut violations of labour rights, such as the non-payment of wages, overtime and benefits, but in the last two years interest-based disputes came to the fore, with workers seeking higher wages and better working conditions, and protesting proposed changes in their employment status and pay scales.

During this period, membership of the All-China Federation of Trade Unions rose to more than 210 million, and yet, the vast majority of workers distrusted the management-controlled enterprise unions and felt alienated from the remote and bureaucratic local-level unions.

If the ACFTU continues on its current path, CLB argues, it will become just another government department, largely irrelevant to the fundamental needs of the workers it is supposed to represent. However, if it can summon the political will to stand side-by-side with the workers in their disputes, there is still hope for the future.

Front cover photograph. Police surround striking workers at Aigao Electronics in Dongguan, 28 November 2007, one of the 100 worker protests examined in this report. AFP Photo.

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