

Governance and Interest Representation of Chinese Workers in an Age of “Harmony”

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“Whose interests does the new Labor Contract Law protect?”

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Three Changing Contexts

- Demographic Shifts Favor Labor
- Social Transformation of New Migrants
- Political Context of “Harmonious Society”



Migrant worker ridicules university student because they have the same wages despite the difference in education



Demographic Context of the Labor Rights Movement in China

Since 2004, increasing evidence of a “labor shortage” in coastal, labor-intensive manufacturing sites

- *Working population ratio now falling due to effects of the one-child policy*
- *Domestic stimulus and agricultural policy changes improving inland employment options*
- *Hukou-related institutional barriers to permanent migration*

Labor Scarcity and Wage Pressures

- In a national survey of firms in 2009, only 3% of non-state firms said they had too many workers. 40% said that they could not find enough workers.
- Real migrant wages continued to rise during the financial crisis, as reported by PBC and NBS
- In China Urban Labor Force Survey, migrant workers reported a 13% increase in monthly wages between September 2008 and February 2010 – despite the crisis



Social Transformation of the New Generation of Migrant Workers

- Second generation of migrant workers more aware, more demanding, and better educated.
- Different frame of reference and different expectations than their parents. Aspiring urban citizens.
- Higher exposure to mass media and communicative technologies.



Honda Workers were well organized and used tactics to hide identities of leading strikers



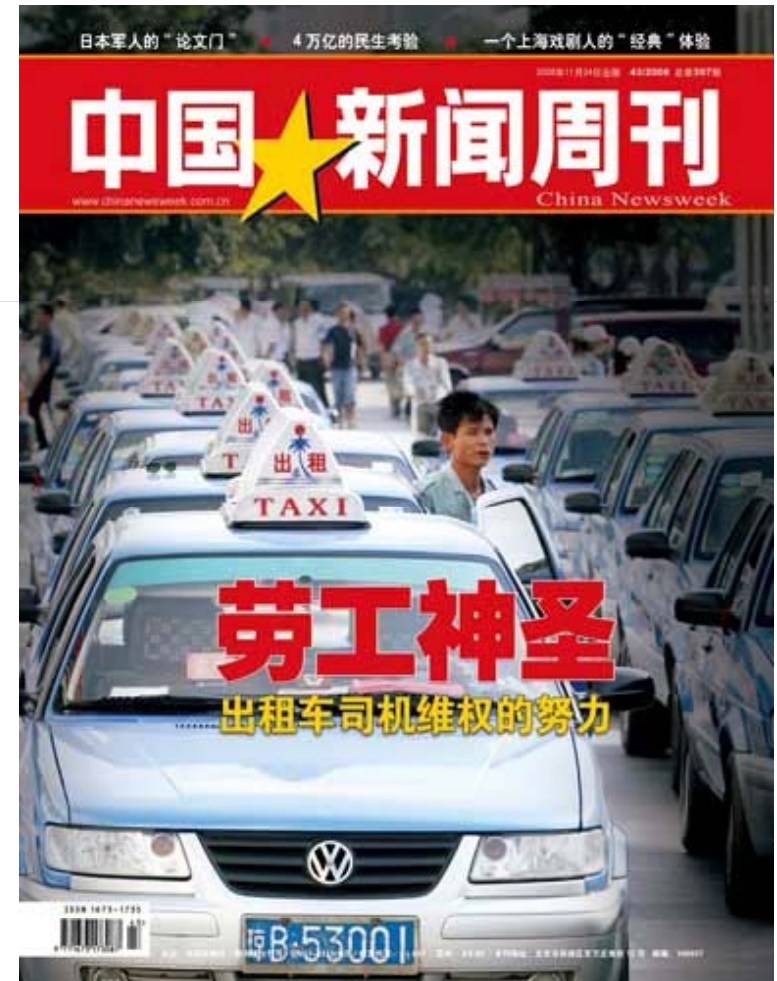


Key Issues and Characteristics of the 2010 Strikes

- Wage differentials between workers a key rallying point
- Workers stuck to peaceful strike measures, processes of **representation**
- Wages demands were key; but workers also demanded “**their own**” trade union
- Domestic media coverage facilitated cross-regional spread of strikes
- Negotiations handled by the CEO of the Chinese partner, with participation from a leading labor relations professor in Beijing. **Limited Trade Union Role.**

The Political Context: Protective Laws, Activist Media, but Divided Government

- Central government promulgates more protective laws
- Media coverage of labor issues has increased
- ACFTU-affiliated trade unions have been given more (but limited) powers



2007 “Year of Social Legislation”

The Labor Contract Law

The Labor Dispute Mediation and Arbitration Law

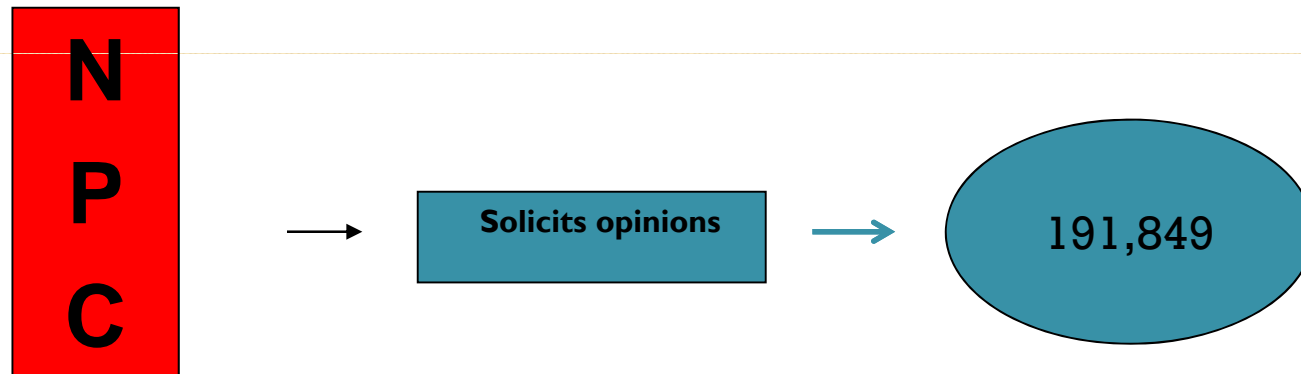
The Employment Promotion Law



Zhang Yin, one of China's richest women entrepreneurs offers criticisms of the LCL, and is roundly criticized in the Chinese media.

2006 National People's Congress Period of Public Commentary for the Labor Contract Law

191,849 opinions submitted in 30 days, far more than any other draft law thus far.



全国人大：“参与面很广、意见很有建设性、表现了大家对构建和谐劳动关系的关心”

China's National People's Congress (NPC): “the participation was very broad, the opinions were constructive, demonstrating everyone's concern for harmonious labor relations”

Minimum Wages by City

各地最低工资标准 (\$1=6.5RMB)

地区	2005	2006	2007	2008	2010
上海 Shanghai	690元 (\$106)	750元	840元	960元	1120元 (\$172)
北京 Beijing	580元	640元	730元	800元	960元
广州 Guangzhou	684元	780元	780元	860元	1100元
深圳 Shenzhen	690元	810元	850元	1000元	1100元
苏州 Suzhou	690元	750元	850元	850元	960元
杭州 Hangzhou	670元	750元	850元	960元	1100元

Media Plays Key Role in Legal Mobilization

- Media exposure positively associated with higher levels of confidence in labor law
- Radio and TV content most effective (most vivid?)
- Personal experience with the legal system reduces the media's ability to persuade, but not as much as expected



Migrant worker rejoices after Chongqing SWAT team intervenes in wage dispute with large construction employers – covered in local media reports

Employee Organization and Representation

- All-China Federation of Trade Unions (ACFTU) is the only legal labor organization in the country.
- By law, employees in any company with 25+ employees can form a union under the auspices of the ACFTU.
- Recently a renewed drive to organize employees of foreign and private firms (Walmart and Foxconn).



Honda workers tussle with district trade union cadres sent to the factory to handle the striking workers. Trade union later apologized.

Trade Union Rights (in theory and practice)

In Theory

- Democratically elected from workforce
- The right to sit in on any meeting that affects worker welfare
- The right to stop production if unsafe
- Right to engage in collective bargaining

In Practice

- Appointed by management, often in HR division
- Mostly passive or non-existent in private and foreign firms
- Acts as management rep. during disputes
- Collective contracts often mirror minimum local standards or government-dictated targets



Collective Bargaining and Contracts

- Labor laws and trade union law all empower trade union to bargain collectively; new regulations are building on 1990s legislation
 - However, collective bargain often determined in advance by local government (debate is now more open, however...)
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- Problem of employer representative and union representative – all are government entities!
 - Central Government states that collective wage bargaining system to be established by 2012
 - Local governments now developing specific guidelines – Wuxi City's Regulations on Collective Wage Bargaining are the most radical so far



Central and Local Governments Divided; Trade Union Beholden to Local Interests

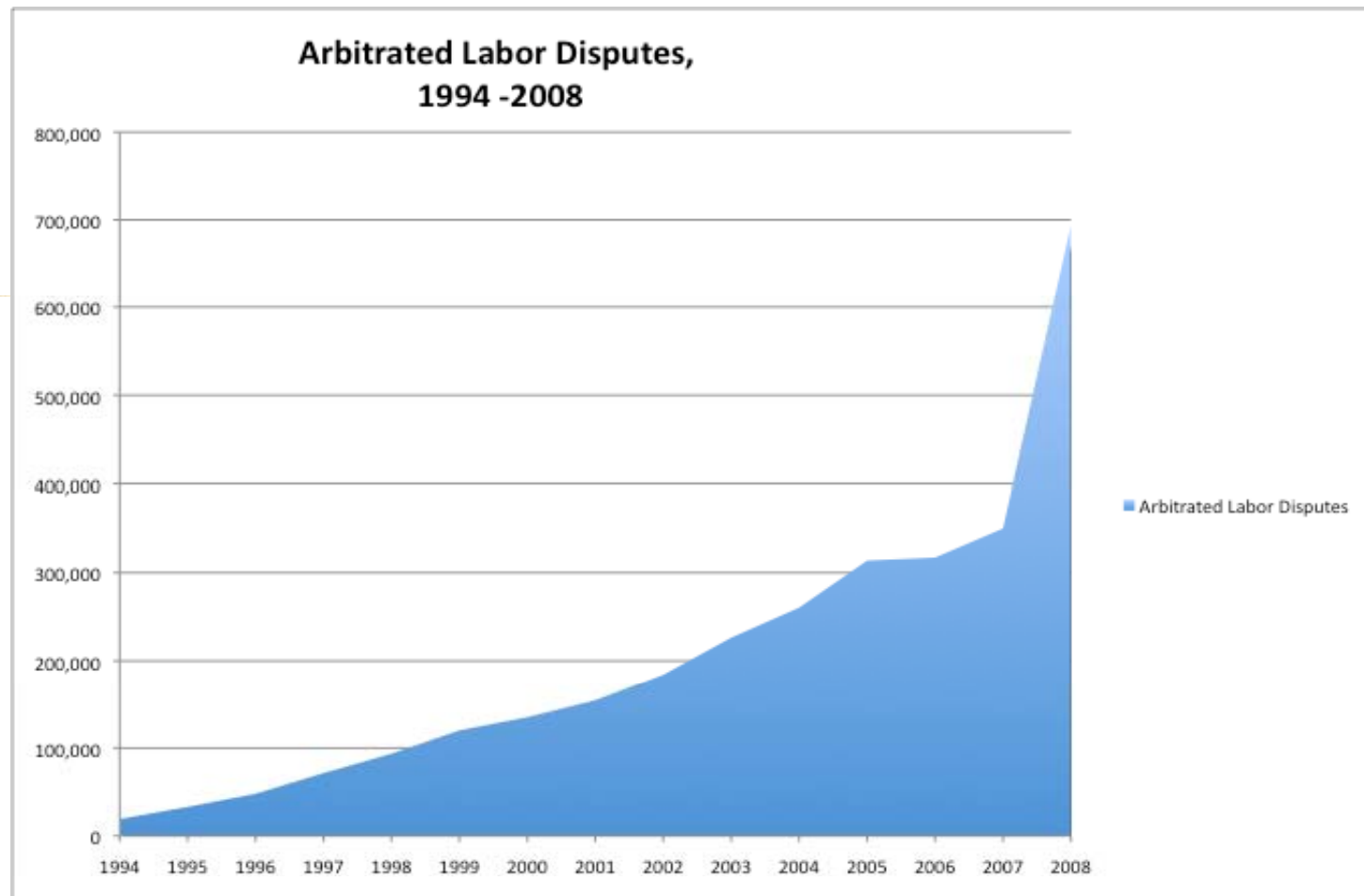
- ACFTU has gained increased power over the past few years but this power does not extend to the firm level.
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- ACFTU-directed unionization is part of the government's attempt to stave off labor unrest
 - Local trade union officials are appointed and financed by local party/state
 - Workers do not have confidence in the trade union to represent their interests

Harmonious Policies Engender More Social Conflict

- Since January 2008, labor disputes have doubled or tripled as workers make use of new labor laws
- Percentage of arbitrated suits going to litigation exceeds 50% in major cities.
- Collective labor disputes often accompanied by work actions.
- Labor NGOs actively promoting legal aid, education, and awareness. Use media to promote goals.



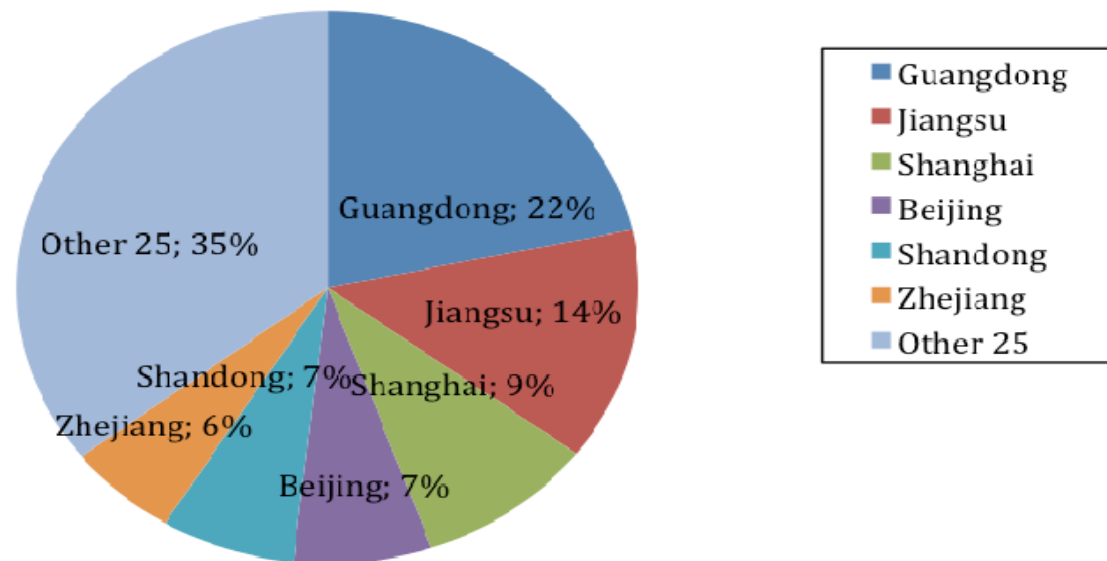
Labor Disputes Increase Dramatically in 2008



Disputes heavily concentrated in a few provinces and provincial level cities

Chart 2: Number of Disputes by Province, 2008

Labor Statistical Yearbook, 2009



From Individual Grievances to Collective Discontent

- Collectivization of Labor Disputes
- Group Consciousness Building
- Willing to Engage in Work Actions





Emergence of Labor Organizations

- 53 labor NGOs were founded by former migrant workers (75 total labor NGOs in 2011).
- Native Place Associations involved in local business, mafia affairs and wildcat strikes
- Labor activists:
 - citizen advocates (公民代理)
 - workplace organizers of strikes
 - university student groups



Labor Organizations in Beijing and Shenzhen

Government Response: Back to the Future?

- Increased support for ACFTU-led collective negotiations
- “Wei-wen” maneuvers for large-scale worker actions, including direct government intervention
- Cooptation and Repression of Labor NGOs



Conclusion

- Problem of representation is not solved.
- Changes to collective structures are still mostly cosmetic.
- Lack of clear representative for capital as well.
- Premium on **social stability** requires continued and direct government resolution of social conflict.



Thank you!

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