Labor unrest and role of unions

Workers of several factories in Guangdong province have been drawing global attention over the past couple of weeks. First, there were reports of workers jumping to their deaths in a factory of Foxconn, the world's largest electronics manufacturer. Around the same time, some 2,000 workers went on a two-week strike at a Honda component manufacturing factory, halting production in four Honda assembly plants. The two were unrelated incidents but the causes were similar - low pay, long working hours, absence of channels to redress their grievances, and trade union branches that exist only in name.

The methods chosen by the workers to protest against their plight were very different - Foxconn workers committed suicide out of desperation, but despite consequential international publicity their co-workers did not seize the opportunity to organize themselves in protest.

The Honda workers, on the other hand, were well organized, strategic and assertive, demanding sizeable wage increases, proposing a pay scale and a career ladder, electing their own representatives, re-electing office-bearers to their union branch and demonstrating solidarity and a determination to win.

The passivity of the Foxconn workers is not new. Migrant workers generally accept their fate, and protests only flare up when work begins to stretch their physical tolerance to the limit, or when their legal rights are violated and wages not paid.

In contrast, the Honda workers went on strike to demand higher wages and better working conditions, something that is unprecedented among Chinese migrant workers. Their employer apparently had not violated the law by paying them a wage below the legal minimum level. They were fighting proactively for their interests rather than for their minimal legal rights.

The All China Federation of Trade Unions (ACFTU) has realized that the Honda strike is a different form of labor protest, not least because it goes to the heart of a problem - what is the union's legitimate role. Its impact is potentially enormous.

At Foxconn, the union did not even come forward to make a statement. And at Honda, the union blatantly sided with the local government, which in turn was on the side of the employer. In both places, the workplace unions fitted the stereotypical image that migrant workers have of the official unions - that they are "useless".

There are a handful of city-level and workplace unions in State enterprises or large joint ventures that play an intermediary role between the management and workers. They have softened some of the harsher edges of management practices. They are even able to informally negotiate better wages for workers, which are then formalized by so-called "collective consultation agreements".

In contrast, in foreign enterprises in Guangdong's Pearl River Delta region, union representatives (where they exist, that is) are assigned by the local governments, whose paramount interest is to attract foreign investment. These governments, historically, are former production brigades or communes or townships, which now rent out land to
companies and appoint a few local union-ignorant people to run the trade union offices. Even some higher-level union officials dismiss them as "fake unions".

The ACFTU has a herculean task ahead if it wants to fulfill its assigned role of representing workers or, if it falls short of this mission, to at least be able to maintain social stability. To do away with the "fake unions", the local trade union offices should be put under the jurisdiction of the upper-level union instead of local governments. The ACFTU should allow workers to elect their representatives to their workplace union committees, too, as has happened in a very modest number of firms. Only then can the union branches demonstrably represent workers' interests rather than the employers' or governments'.

Foreign investors will not easily give up the low-wage, longer-than-normal-working-hours policy they have been practising in China. The ACFTU has had in place for many years a policy of urging workplace unions to sign collective contracts with the managements. But the unions in China do not have much experience in dealing with capital and management. This shortcoming was recognized by an editorial in the People's Daily on June 9.

Therefore, the ACFTU would do well to open up and exchange experiences with unions in other countries. Though this trend has already begun, the process has to be expedited if Chinese unions are to learn how to conduct collective bargaining effectively. To ensure success, the ACFTU will have to join hands with global unions as capital plays off countries against each other.

Fortunately, China's labor laws are favorable to workers. Moreover, the workers are willing to become members of the ACFTU - the Honda workers who went on strike now want to hold a new election to their union branch committee.

This demand should not be confused with workers seeking an alternative union, a point that is often misunderstood by foreign observers. The right to have a democratic re-election is within the purview of China's Trade Union Law. The ACFTU will win the trust of Chinese workers by supporting such elections, which would help place labor relations on a legitimate, constructive footing. A union committee recognized by workers as their own is a pre-condition to successful collective bargaining.

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