Grievances, Strategies, and Demands of the Contemporary Chinese Labour Movement

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There is a clear correlation between the gradual state-led deregulation of the Chinese economy from the late 1970s onwards and the specific grievances faced by Chinese workers today. This essay will first look at China's uneven transition from the centrally planned economy of Mao's China, based on work-units (danwei) and state-provided welfare, to an export-led economy with the establishment of Export Processing Zones (EPZs), privatisation of state-owned enterprises (SOEs), and informalisation of labour. The economic development has been non-linear—a situation where the Chinese state favours the interest of capital but is forced to respond to the working class if public order is threatened.

The second part of this article will address the grievances suffered by contemporary Chinese workers. It will be argued that the Chinese household registration system (hukou) benefits capital and contributes to the hyperexploitation of rural migrant workers. The strange marriage of the hukou system, which restricts migration, and the growing export industry's demand for free labour has created a situation where rural migrant workers, who have lost the employment security and welfare provided under Mao's socialist economy, are particularly vulnerable to exploitation.

The final part of this article will look at strategies pursued by the contemporary Chinese labour movement. It will be argued that the most effective strategy is the use of unofficial (wildcat) strikes that are coupled with the creation of a network consisting of workers, parts of the media, and non-governmental organisations (NGOs), which then work with labour issues in order to effectively voice grievances and demands. Despite Chinese law restricting the right to strike, the freedom of association, and collective bargaining (Pun and Chan, 2013: 182), the Chinese labour movement has, since 2003, been able to use labour shortages as leverage against capital in order to demand pay raises and better working conditions (Pringle, 2013: 197).

In order to understand the grievances of contemporary Chinese workers, it is necessary to have some understanding of the socialist state-led industrialisation under Mao's China, and how this system has been gradually replaced with neoliberal policies from the late 1970s onwards. Under Mao, an extensive network of SOEs were built through rapid industrialisation (Hung, 2013: 205). A danwei (work-unit) was a place of urban employment provided by the state, which delivered low wages but promised basic social security such as housing, medical care, and education (Pringle, 2013: 201). Since the 1950s, rural collectivisation and state investment in rural education and health meant that people from rural areas were promised social security while greatly contributing to China's economic growth (Hung, 2013: 205). The hukou household registration system, limiting rural-urban migration, created a clear division between rural and urban industries and social groups. However, employment and social security was promised by the state. Mao's state-led development model boosted China's gross domestic product significantly until the mid-1970s, when economic growth came to a halt (ibid.).

After Deng Xiaoping came to power in 1978, he transferred power to local governments and started a long and uneven process of privatising SOEs and opening China up to foreign investment in order to get the national economy up and running again (Hung, 2013: 205). China's development strategy shifted from one of state-led industrialisation and self-sufficiency to one of export-led industrialisation. As early as 1980, Export Processing Zones were

established in Shenzhen, Zhuhai, Xiamen and Shantou, reaching a total of 14 major coastal cities open to foreign investment by 1984 (Majid, 2015: 8). This is a consequence of decentralised power, where local governments were given a greater mandate to govern their own economy and provide incentives such as tax cuts to attract investment. In 1986, individual labour contracts were introduced, giving SOEs the right to hire and fire employees – a right which marked a sharp step away from the socialist danwei system. Initially, however, employers were reluctant to use this right, prioritising stability over profit (Pringle, 2013: 193). This attitude changed as labour relations gradually shifted from collectivized to individualised relations. Between 1998 and 2001, more than 25.5 million workers were made redundant as a result of privatisation (ibid.: 193-4).

This process of precarisation did not proceed without resistance from the workers, and labour protests have shaped the development of Chinese capitalism because the state, while having to satisfy investors, also has to maintain social stability. The dual-track system introduced after the mid 1980s, which involved fixed planning prices and floating market prices for scarce, key commodities, enabled state officials and corporate managers to buy commodities at a cheap price and sell them at unaffordable prices. This resulted in such a high rate of corruption, inflation and class polarisation that, combined with the elimination of labour welfare packages, a national crisis broke out, resulting in a large protest in Tiananmen Square in 1989 (Hung, 2013: 206). What followed was an even harsher crackdown on workers' rights, with the state pursuing an even stricter neoliberal agenda in order to satisfy international investors, particularly from the United States. This was done in the name of 'human rights through economic freedom,' which was an attempt to reclaim moral legitimacy after the Tiananmen bloodshed (ibid.: 207). The large reserve army of labour created through mass redundancy gave capital substantial power over labour. This example makes it clear how the Chinese state since the 1970s predominantly operates in the interest of capital, not workers. However, since 2003 the high level of employment in China's exporting zones has increased workers' leverage against capital, forcing the state to give concessions in response to protest. A key example of this is the 2008 Labour Contract Law aimed at preventing informalisation, a law that passed despite the United States' warning of capital flight (Pringle, 2013: 198). The situation for Chinese workers today fits within this history of class struggle.

The grievances of the contemporary labour movement cannot easily be generalized, and a key cause of this uneven experience is the Chinese household registration system (hukou). The hukou system is a remnant of the socialist economy, in which rural and urban residents have different citizen rights based on different economic roles. Individuals who are registered in rural areas are unable to access public services in the cities, ranging from bus passes to enrollment in public schools, and desirable jobs (Chan and Buckingham, 2008: 582-583). The system restricts rural-to-urban migration, but this restriction has been loosened following China's integration into the global economy with the expansion of its export sector, and the establishment of EPZs in coastal areas (Pun and Chan, 2013: 180). It might seem strange that an economy based on free labour is preserving a system based on immobility. Yet, maintaining this system today promotes order by creating friction against mass migration and also enables capital to exploit vulnerable rural migrant workers. Rural residents retain land-use rights in their villages, but it is not enough to make a living, and many rural migrants have grown up in cities and do not know how to farm (ibid.: 181). The social security provided by the socialist state is now gone, which is evident in the case of China Mobile. Before the 1990s, provincial governments were responsible for the provision of telecommunication services, which provided employment to workers in the provinces. The creation of China Mobile made huge fortunes for international bankers and meant that the responsibly shifted from local workers to international stockholders thereby pushing many into unemployment (Hung, 2013: 208). Local governments receive no funding to provide benefits to rural residents (Pun and Chan, 2013: 181), so they are therefore often forced to migrate in order to make a living.

Rural migrant workers are vulnerable to hyperexploitation in Export Processing Zones, where conditions are often deplorable due to weak labour legislation and lack of enforcement. Since 2010, Foxconn, one of Apple's main suppliers, has received particular attention in the media for its poor working conditions. Pun and Chan has described the 'dormitory labour regime' as central to capital accumulation in China's urban zones, where Foxconn's facilities become a 'total system of daily management' (2013: 179, 185). It is cheaper for the company to provide housing and food of minimal standard than to provide a decent wage. Low pay, long hours, repetitious tasks, crowded dormitories and lack of overtime pay are all examples of grievances suffered by workers employed by Foxconn (Litzinger, 2013: 172-3). The merging of home and work, combined with random dormitory reassignments, leads to a condition of profound alienation where workers often are unable to see their families, as well as being prevented from forming

lasting connections with others at the facility (Pun and Chan, 2013: 185).

The grievances suffered by the contemporary Chinese labour movement are also gendered. Magnani and Zhu's study of rural-urban migrants in China found that male migrants earn 30.2 percent higher wages on average than female migrants (2012: 791). Furthermore, women employed in dangerous environments have voiced a concern with the effect chemicals may have on reproductive health (Pun and Chan, 2013: 186). Liu has found that women have been disproportionately affected by the economic restructuring, not only because they comprise the majority of laid-off workers despite forming a minority of the population, but also because assumptions about their labour capacities create an added barrier to employment (2007: 125). Furthermore, migrant women who cannot find work or are made redundant, may be forced into prostitution to make a living (French, 2006). Industries in Export Processing Zones have for a while relied on a seemingly bottomless supply of rural migrant workers, and based on a principle of 'profit before people', they may employ and discard workers at their will, without providing any form of security or considering the social consequences of their actions (Pun and Chan, 2013: 182). If the state does not intervene, these conditions are likely to continue unhindered if not successfully challenged.

The strategies pursued by the contemporary Chinese labour movement in response to these grievances, are varied and limited. Structural factors shape the choice of strategy include legal frameworks restricting workers' rights to the freedom of association, collective bargaining, and the right to strike (Pun and Chan, 2013: 182). Moreover, the fact that China's only legal trade union, the All-China Federation of Trade Unions (ACFTU), is seen by many workers as unrepresentative of their interests further hinders the effectiveness of the Chinese labour movement's response to labour violations (ibid.: 187). Workers, therefore, have few legal channels through which to voice their grievances and demands.

The main, and perhaps most effective, strategy pursued by the Chinese labour movement is the use of unofficial (wildcat) strikes organised independently of the ACFTU (Barnes and Lin, 2015). In 2010, college interns successfully staged a seventeen-day strike at the Honda car parts plant in Foshan. The picket lines were peaceful, in contrast to some of the earlier, more riotous strikes. The strike was significant in the way that it used a network of labour activists, including a top labour academic, as well as having elected representatives to bargain with management on clear demands, instead of simply staging a spontaneous riot against unvoiced grievances (Pringle, 2013: 197-8). By effectively shutting down production, the company was forced to meet their demands, and the workers won a 24 percent pay raise (ibid.: 198). Furthermore, as a response to this strike and over 100 secondary strikes, local governments were forced to increase the monthly minimum wage by up to 40 percent (ibid.; Barnes and Lin, 2015). While corporations like Foxconn may be able to temporarily shift production to another plant during a strike, this practice is unsustainable over time (Pun and Chan, 2013: 185). This example illustrates how workers have been able to strategically use the labour shortages since 2003 (Pringle, 2013: 197) as a leverage against capital.

Central to the strategy of the contemporary Chinese labour movement is the building of a network that consists of the workers, parts of the media, and NGOs in order to demand compensation for occupational injury, spread awareness of labour rights among workers, and demand better representation (Pringle, 2013: 198-9). While shutting down production remains the most effective strategy in isolation, the action is most effective if it is well organised, and it needs to be publicised through the media in order to have a widespread effect. The Chinese state has allowed the coverage of labour protests by the media in the past (Litzinger, 2013: 172), which puts pressure on capital and highlights how the state's favouring of industry over workers is ultimately restrained by a desire to prevent large-scale unrest by pushing back on capital where necessary. Chinese workers have also in some cases turned to social media themselves, broadcasting their grievances and protests to the world (Pun and Chan, 2013: 188). The strategies pursued by the contemporary Chinese labour movement are highly complex, involving a range of actors, and rely on the possibilities for strategic action in each individual case. Shutting down production may be effective, but it may not always be possible if workers are constantly shuffled around and therefore unable to form networks, or if the rate of redundancy is very high. The possibility of pursuing this kind of strategy has to be viewed on a case-by-case basis.

The grievances of the contemporary Chinese labour movement are caused by a collusion between state and capital following China's capitalist transformation. China's transformation is a peculiar case of uneven and combined

development where the traditional hukou system has been preserved, leading to the hyperexploitation of rural migrant workers in Export Processing Zones because the economy has been privatised and state-sponsored guarantees of employment and social welfare have been removed. The main grievances voiced by the workers in the factories in the Export Processing Zones are low pay, health hazards, and excessive overtime. Workers are also vulnerable to redundancy, as the state rarely enforces labour legislation unless public order is under threat. Furthermore, in this new economy, women are more vulnerable to exploitation than men. The demands voiced by the contemporary Chinese labour movement are linked to its grievances, which also includes a struggle to improve representation. The strategies pursued to voice their demands consist of building social networks and staging strategic unofficial strikes. Networks are created between workers on the factory floor despite legal and practical restrictions, which are then extended to parts of the media, NGOs and other labour activists that can put further pressure on corporations and national and local governments. Unofficial strikes, such as the Honda strike of 2010, have been effective, and in this case employers were forced to increase wages by 24 percent.

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