

# **State-labor relations and the emergence of grassroots workers' organizations in China**

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**In China, as in many countries, rights are enshrined by law in such a way that workers are expected to act as “firefighters” who self-enforce their rights by sounding the “fire alarm” at labor departments and courts to force senior officials to uphold labor standards. If workers sound the alarm by filing cases and the government consistently enforces worker protections, employers may anticipate the risk of a dispute and avoid the problem. But if enforcement is lax and punishment is mild, because local governments often prioritize attracting investment rather than enforcing laws and regulations, employers will likely ignore the letter and spirit of the law, and conflict will be prevalent. A persistent pattern is that although desperate workers sound the fire alarm, serious problems such as nonpayment of wages and abuse by management continue and remain unresolved. “At the heart of poor working conditions,” Eli Friedman and Ching Kwan Lee show, is the fundamental imbalance of power between workers and employers at the point of production.**

Under the Chinese Trade Union Law, Article 10 stipulates that all types of enterprises with 25 employees or more are supposed to have “basic-level trade union committees” on the shopfloor. However, independent union organizing is illegal. The enterprise union must be approved by the next higher level trade union. In this centralized organizational structure, the All-China Federation of Trade Unions (ACFTU) monopolizes the power of union representation by imposing its authority over any group of organized workers on the shopfloor.

The ACFTU operates under the command of the ruling Communist Party and it primarily serves the state’s interests to preserve industrial peace and social stability. From 2003, against the backdrop of enterprise restructuring and the loss of old members, the ACFTU has extended its membership to rural migrant workers, who have been increasingly recruited to both the state and private sectors. However, workers have cause to generally lack confidence in official trade unions. Surveys of enterprise union leaders consistently reveal that the majority are concurrently personnel department heads or senior managers who normally stand with management rather than with workers.

Chinese officials consistently fail to protect workers’ union rights from management retaliation. A typical example is the continued control by the Foxconn trade union. Since 2007, the company union has been led by a senior female manager appointed by Terry Gou, the corporate founder. In the aftermath of a spate of employee suicides in 2010, Foxconn attempted to improve communications with employees through the publication of free company newspapers, the sponsorship of social and entertainment activities, and above all the expansion of its union membership. However, Aurret van Heerden, the Fair Labor Association’s president and CEO (2003-13) and Apple’s commissioned auditor (2012-13), found that “the Foxconn union does hold elections but the candidates are often management-nominated”. In 2015, Foxconn supervisors were widely accused of manipulating the union elections by instructing workers to cast their votes for designated candidates. Out of fear of

retaliation, workers followed the instructions. Clearly, the new rounds of “elections” of union leadership at Foxconn have been done as a formality that would leave intact the structure of power of the union. Some workers learned about the very existence of their unions only when they received souvenirs, such as water bottles bearing the union logo, from union staff members.

In the face of growing labor conflicts, the ACFTU is slowly reforming itself to become more responsive to the workers. Trade union officials, along with judges and lawyers, have proactively mediated in negotiations with company executives and worker representatives in an attempt to reach a quick settlement onsite. For example, the imminent relocation of a Walmart store in Changde city of Hunan province prompted a one-off, union-led closure bargaining in June 2014, winning a severance payment for all the affected workers. In a few cases, provincial and municipal unions have intervened to facilitate re-elections of workplace union leaders during post-strike negotiations. However, the elected worker representatives and union committee members were invariably harassed or even dismissed by management thereafter.

### **Strikes and union organizing from below**

Much more rare is any recognition of self-organized workers’ unions. Remarkably, in 2006, after a strike against gross underpayment of minimum wages and non-provision of labor contracts at an Ole Wolff electronics factory, workers succeeded in setting up a union through elections to take matters into their own hands. They clearly demonstrated workers’ subjectivity and trade union consciousness. The birth of the elected workplace trade union marked a new page of grassroots labor struggle. In a broader context, the ACFTU accelerated its unionization drive by officially recognizing the Ole Wolff elected workplace trade union and reaching out to workers at major foreign invested firms.

Interestingly, the Yantian International Container Terminal trade union “developed a system of annual collective bargaining” after the 2007 strike in Shenzhen city in Guangdong. Disruptions can negatively affect the upstream and downstream linkages of the entire logistics and maritime and ground transportation chain. One critical factor in the longshore workers’ success is the militancy of crane operators—middle-aged male rural migrants with low turnover—who display a high degree of bargaining power at one of the world’s busiest ports in the capital intensive sector in South China. The elected workplace union leaders serve dockworkers’ interests to negotiate with management on a regular, rather than one-off, basis. Through their participation in the collective bargaining, dockworkers exercise their associational power while accepting the institutional supervision of the union federation across different levels.

Nevertheless, a representative enterprise level union is highly exceptional in the Chinese political economy. Both management and the government guard against organized labor while prioritizing profitability and stability. Workers’ participation in trade union decision-making processes remains severely restricted. Consequently, workers frequently bypass unions and seek assistance from non-state organizations when applying for labor arbitration or taking part in strikes.

### **The emergence of grassroots labor organizations**

Since the 1990s, with the deepening of transnational and transborder social links characteristic of neoliberal globalization, grassroots organizations in Hong Kong and on the Chinese mainland have emerged to cope with the growing needs of worker organizing. Hong Kong-based China Labour Bulletin, founded in 1994 by mainland Chinese activist and independent union organizer Han Dongfang (who was imprisoned for participating in the 1989 Democracy Movement), was among the first non-governmental organizations (NGOs) to promote and defend workers’ rights on the mainland. Other Hong Kong-registered labor rights NGOs (such as the Chinese Working Women

Network and Labour Action China), comprising workers, social workers, academics, movement lawyers, and other concerned individuals, have also played a pioneering role in building a nascent class-based Chinese force through local and global solidarity.

Labor NGOs, through their workers' centers or community networks, usually provide social and cultural services, legal consultation, leadership training, and gender rights awareness workshops to male and female workers in major industrial districts. Worker activists, some of them injured in workplace accidents or by occupational diseases, have joined these autonomous organizations as volunteers or staff members to emphasize safety and health protection by visiting workers' dormitories and hospitals. They have also disseminated legal knowledge and practical know-how to support workers to win work-related injury compensation and unpaid wages, thus gaining trust and confidence from workers and their families.

At the workplace level, some labor NGOs have experimented with partnerships with multinational corporations (such as Reebok and HP) to coordinate corporate social responsibility programs to improve supply chain labor, social, and environmental governance. Dialogue between workers and employers at supplier factories is encouraged under this voluntary private self-regulatory framework. On a few occasions, direct trade union elections have taken place in the presence of independent observers and assessors. But the expansion of such corporate-facilitated labor rights programs in the context of transnational production remains uncertain. Commercialization and marketization of the training projects aside, the outcomes of labor participation on the shopfloor will depend heavily on workers' agency and collective resistance, as well as the continuous monitoring and concerted actions of local and international labor organizations.

Beyond the corporate-led governance framework, there have been instances in which NGO activists have directly intervened in labor strikes and protests. Instead of leading or organizing contentious actions, however, they have mostly tried to prevent them from escalating by resolving the labor crises through legitimate, nonviolent means, such as offering constructive suggestions in collective negotiations with employers. Indeed, provincial government officials have facilitated collective bargaining by implementing new labor laws intended to maintain production and social stability in Guangdong, which had long been plagued by big and small labor incidents. However, in response to strong opposition from employers and business associations, the government weakened the major provisions in successive drafts of what became the Regulations on Enterprise Collective Contracts in Guangdong, which came into force on January 1, 2015. Article 18 stipulates that over 50 percent of the workforce must endorse the formal call for compulsory talks to take place, a formidable obstacle to worker actions.

In a meeting with the union leadership in Beijing, President Xi reiterated that "trade unions should adhere to the employee-centered working approach; focus on the most pressing, most immediate issues that concern the employees the most; and fulfill the obligation of safeguarding workers' rights and interests and sincerely serving workers and the people". Facing mounting pressure from above and below, the ACFTU has begun contracting with selected NGOs to deliver social and legal services to marginalized groups, such as women migrant workers, migrant children, youth and the elderly, in order to build a harmonious society. This is a penetrating and more subtle way to achieve "social management" at the community level. At the same time, movement-minded NGOs have been squeezed and driven underground.

Labor organizers coached workers to take individual actions, rather than collective protests, to make their urgent appeals. This strategy is a tactical innovation for rights activists to address the critical threats to organizational survival from repression and cooptation. In the rights defense process, labor organization leaders offered much needed support to individual workers at the backstage, framed the problems, and formulated media strategies to press for economic compensation for their

grievances. In successful cases, worker claimants have demonstrated their class consciousness by transforming themselves into core members to support fellow workers by sharing their own experience.

In massive conflicts, however, labor organizing can hardly be covered up. Conflicts over toxic poisoning, unpaid wages, and illegal firings, to name just a few examples, often involve a large number of workers. The collective nature of labor discontent requires effective online and offline mobilization, making worker leaders more difficult to hide from the authorities. Following the state assault on feminist groups in March 2015 and on human rights lawyers in July, labor activists from several NGOs based in Guangdong were arrested in December. Meng Han, who helped a group of shoe factory workers to recover unpaid social insurance before the factory's planned closure and relocation, was jailed for 21 months, while three other activists of the Panyu Migrant Workers Service Center had their sentences suspended. This heightened control of civil society shows the government's overriding concern is for economic growth and political stability, rather than realizing greater collective rights for its citizens.

### **Contentious state-labor relations in China**

Fundamentally, the "representation void" remains unfilled. Workers do not find government-controlled and management-dominated unions a reliable ally. When massive strikes do occur, either employers or government officials require workers to elect representatives, generally limited to five, to engage in talks. Once worker representatives are elected, the company moves to take control of the negotiations. This intervention typically marks the beginning of a fragmentation, cooptation, and crushing of worker power.

To prevent company retaliation, protesting workers have learned through bitter experience to protect each other in a collectivity that presents no visible leaders. In many other cases, however, worker leaders have been quickly identified. Yanhua Deng and Kevin O'Brien focus on "relational repression" as a strategy for controlling protest. By pressuring the families, relatives, friends, and significant others of target protesters, the authorities manipulate "social ties" and "feelings of affection" to defuse collective protest before escalation. This labor-intensive process of "stability maintenance" involves an irreducible amount of psychological pressure inflicted on those seeking justice.

Heavy-handed repression is an integral part of Chinese authoritarianism, precisely because the "soft" means of protest absorption and other forms of social containment do not always work. "Dishing out cash payments or other material benefits in exchange for compliance" can only go so far, especially when the principled protesters refuse to back down by taking the money. Where a resolution cannot be reached, stability-sensitive officials may detain a large number of "trouble making" citizens to deter further action.

Some veteran activists and organizers remain undeterred, boldly establishing their own organizations after they have been fired or released from prison, a practice that Feng Chen and Xuehui Yang call "exit with voice." These labor leaders have developed "indigenous" groups to advocate for workers' rights by adapting to the changing economic and political contexts. In 2016, for example, two former Walmart employees took the lead to mobilize against the corporate implementation of a flexible hour system and a significant wage cut through online strategizing. They moderated an internet-based forum under the banner of the Walmart Chinese Workers' Association, breathing new life into a self-organized network linking Walmart workers across multiple cities in China. While the momentum of the movement died down following a split over worker strategies, coupled with management attacks and government intimidation, the experience was not entirely negative. Walmart workers enthusiastically debated the timing and effectiveness of

strikes, among other key questions over fundraising and coordination, demonstrating their active participation, reflexivity, and capacity to devise their own tactics, strategies, and organizations.

A new wave of clampdowns on worker organizing soon followed. In July 2018, the state targeted a core group of workers who organized to form a trade union at the Jasic welding machinery factory in Shenzhen. The police detained 30 individuals, including workers, their families and friends, and one female university student, on July 27. On August 24, in yet another coordinated raid, 50 student activists—the backbone of the Jasic Worker Solidarity Group—were interrogated, harassed, and warned to immediately stop taking part in the “illegal activities” or face criminal charges. While the majority of the 80 protesters were later released, four workers were formally arrested.

During the fall and winter semesters of 2018, national security officials and their university cadres shut down Marxist study groups and related student associations in an effort to remove the institutional support for the Jasic workers and their allies. As Au Loong-Yu has succinctly observed, “though Xi Jinping continues to demand the people learn from Marxism-Leninism and Mao’s thought, the state continues to crack down on any independent and collective effort at seriously studying left classics—and to crack down even harder when these efforts carry an aspiration to sympathize with working people.”

It was estimated that, between January and May 2019, more than a dozen activists (from eight labor NGOs, social work organizations, community service centers, and a law firm) were detained or arrested, even though they do not appear to be linked to the Jasic labor struggle. To nip the emerging alliance between workers and activists in the bud, the Chinese government has clearly cast a wide net to contain and suppress various forms of social and worker organization. Under such conditions, worker self-organization has remained fragmented and limited even though it continues to be widespread.

[Citations and sources can be found in Jenny Chan’s chapter “Worker Organizing in China: Challenges and Opportunities”, in Robert Ovetz (editor), [Workers’ Inquiry and Global Class Struggle: Strategies, Tactics, Objectives](#), Pluto Press, 2021. Jenny acknowledges Federico Fuentes, Robert Ovetz and James Kelly for their support.]

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