On the Road to Global Labour History

A Festschrift for Marcel van der Linden

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Assessing Working-Class Power in Postsocialist China

Jenny Chan*

Introduction

In this twenty-first-century ‘golden era’ that some have compared favourably to China’s rise to a leader in the world economy from the sixteenth to the mid-nineteenth century,¹ social disparity and urban-rural inequality deepens as China transitions from its position as one of the world’s most egalitarian societies (during the period of state socialism from the 1950s through the 1970s) to one with income inequality on a scale approximating that of the United States.² With a shift in manufacturing from the developed countries of North America, Europe, and East Asia to the emerging economies, China has become not only the workshop of the world, but also the epicentre of labour unrest. Yet even as the size and complexity of China’s working class grows, and social protest proliferates, the language of class has largely disappeared from mainstream Chinese discourse.³ This labour ethnography of post-socialist China shares the intellectual vision and collective endeavour of leftist scholars. An analysis of Chinese labour politics will enrich the development of Global Labour History, which seeks to advance an interdisciplinary and transcontinental approach to explain the transformation of labour relations, the processes of working-class formation and the emergence of workers’ movements in a comparative context.⁴

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¹ Li 2008; Arrighi 2009; Hung 2009.
² Lee and Selden 2008; Davis and Wang 2009.
³ For a few exceptions to depoliticising China, see Wang 2003; Anagnost 2008; Pun and Chan 2008; Lin 2013; Goodman 2014.
⁴ Van der Linden 2008.
Contemporary Chinese labour conditions are heavily shaped by the state within the global production system. Since the late 1970s under the Open Door Policy, the re-emergence of labour markets has transformed the economy in step with Chinese and international investment, and later the privatisation of numerous socialist state enterprises. Employment in China’s manufacturing sector (relative to agriculture and the service industry) reached an unprecedented 15 percent of the economically active population in the mid-1990s. The percentage would have been even higher if the other 8 to 14 percent of those employed in uncategorised industries were added. The increase in industrial workers was mainly drawn from the hundreds of millions of rural migrants who, in the wake of de-collectivisation, were absorbed into booming township and village enterprises and export-oriented privately-owned factories, along with state and collective enterprises. By 2014, the total number of employed people across mainland China reached 773 million, making some 25 percent of the 3.1 billion working population worldwide. The fundamental labour rights of many, however, remain largely unprotected.

This chapter discusses the lives and collective struggles of Chinese industrial workers against the intensification of contradictions among labour, capital and the state. By contrast, scholars under dual pressure from the state and academic institutions have shunned ‘class analysis’ and defined away labour issues as those of ‘mobility, migration, and stratification’. In the following sections, I review the radical historical changes in Chinese society, particularly the diversification of ownership and the introduction of capitalist modes of labour control in the context of transnational production. This is followed by an inside look into workers’ living and working experiences through workers’ literature (such as songs and poems) and scholarly research. At times of crisis, workers with higher consciousness have taken various forms of resistance to defend their rights and interests. Despite successive legal reforms, including the recent trade-union reforms, the state-labour relationship remains contentious.

5 Gallagher 2005; Andreas 2012; So 2013; Chan 2015.
6 Evans and Staveteig 2009, p. 78.
7 Huang 2008.
10 Lee and Shen 2009, p. 110.
I conclude with an assessment of the potential growth of workers’ power under China’s authoritarian regime in the global economy.

**The Great Transformation of the People’s Republic of China**

China’s ‘economic miracle’ is built on a strong foundation of socialist development. Between 1952 (when the First Five-Year Plan was launched) and 1978, national industrial output increased at an average rate of 11.5 percent annually.¹¹ This ‘big push’ development strategy focused on heavy industry, such as iron and steel, agricultural machinery and the extraction of natural resources. From the late 1970s, the government promoted labour-intensive industrialisation to enhance national competitiveness through international trade. With accelerated urbanisation and export-oriented processing and manufacturing, small and medium-sized Taiwan and Hong Kong enterprises brought in capital to the tune of 107 billion US dollars between 1982 and 1994, more than 70 percent of the realised foreign direct investment during this period.¹² Poverty-alleviation officials facilitated labour migration from villages to prosperous urbanising areas on the southern coast. The goal of inland governments was to obtain remittances and assure the development of marketable skills in young rural migrants.¹³ As the state-guided market reforms deepened in the 1990s and thereafter, the intricate links between capital and the state have grown stronger, unmaking and reshaping the old patterns of Chinese labour relations.

A patriotic song, ‘A Spring Story’ (1994), celebrates the great economic and social transformation of China during the 1980s and 1990s:

**A Spring Story**¹⁴

1979, it was Spring  
There was an old man who drew a circle on the southern coast of China  
As if in a fable, city after city rose up

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¹¹ Naughton 2007, p. 56.  
¹³ Solinger 1999; Murphy 2009.  
¹⁴ Written in Chinese by Jiang Kairu and Ye Xuquan, with music composed by Wang Yougui (translated by Jenny Chan). Dong Wenhua, a member of the Song and Dance Troupe of the General Political Department of the Chinese People’s Liberation Army, performs ‘A Spring Story’ in Mandarin. The online music video is available at: https://www.youtube.com/watch?v=EO2QmT4xIk8.
Mountains of gold gathered miraculously
Spring thunder roused all within and beyond the Great Wall
Spring sunshine warmed the borders of the Yangtze River
Oh China, China
You’ve made new strides that shake the mountains and rivers
You’ve made new strides that shake the mountains and rivers
Advancing to a fresh new Spring

1992, it was again Spring
There was an old man who wrote a poem on the southern coast of China
Spring tides rolled between heaven and earth
Sails were raised all along the path of our long journey
Spring winds blew across our motherland
Spring rains sprinkled our hometown
Oh China, China
You’ve painted a new hundred-year long scroll
You’ve painted a new hundred-year long scroll
And brought forth a new Spring of fantastic colours

‘A Spring Story’ praises Deng Xiaoping (1904–97), successor to Hua Guofeng (1921–2008) and Mao Zedong (1893–1976), who is referred to as ‘an old man’ in the lyrics. Deng prioritised the Four Modernizations of industry, agriculture, national defence and science and technology to facilitate China’s opening to the world. The two verses recall the two Springs of 1979 and 1992. The first verse praises the Dengist policies and the economic boom following the decisions made at the 3rd Plenary Session of the Eleventh Central Committee of the Communist Party in December 1978.15 ‘Drawing a circle’ alludes to the establishment of the Special Economic Zones in Shenzhen, Zhuhai, Shantou, Xiamen, Hainan Island and other coastal cities which were first opened up in a bid to integrate China into the global economy. ‘Thunder, sunshine, tides, winds, and rains’ depict the change as cataclysmic, with the economic reforms transforming villages like Shenzhen into world-class cities, amidst the light, breeze, warmth and water of spring. In the retrenchment following the 1989 Tiananmen Square crackdown, Deng launched the Southern Tour to speed up infrastructural construction and investment projects in Guangdong in Spring 1992. This is the main theme of the second verse. ‘Writing a poem’ alludes to

a springtime brought about by the series of investment policies introduced by the government. The song testifies that Chinese people anticipated good fortune, vitality and prosperity in the next century.

Following China’s accession to the World Trade Organisation in 2001, the country’s further liberalisation and economic growth spurred dreams of success from all walks of life. When the decades-old Multi-Fiber Arrangement was phased out on 1 January 2005, more than 2,000 textile and clothing categories were freed from export ceilings. In the first quarter of 2005, Chinese apparel and textile imports into the United States rose by more than 60 percent in comparison to 2004.\footnote{International trade statistics of the Commerce Department of the United States, quoted in Evelyn Iritani, 20 April 2005, ‘As Textile Curbs Fall, Many Feel Hardship’, Los Angeles Times, available at: http://articles.latimes.com/2005/apr/20/business/fi-textiles20.} While China’s economy was hit hard during the 2008 global financial crisis, as exports had comprised one-third of gross domestic product in value, it recovered quickly in the latter half of 2009 following the rollout of a four trillion yuan fiscal stimulus plan over 27 months – jointly funded by the government and state and non-state enterprises – which was ‘equal to three times the size of the United States’ effort’.\footnote{Wong 2011, pp. 2–3.}

In a span of three decades (1978–2008), the Chinese industrial economy had undergone a rapid and fundamental transformation from one exclusively based on heavy industry, with guaranteed lifetime employment and generous welfare provided to urban state sector workers, to one that mainly relies on foreign and private investment and the massive use of rural migrant labourers in light export-oriented industries, as well as drastically restructured state-owned enterprises.\footnote{Blecher 2010; Friedman and Lee 2010; Friedman and Kuruvilla 2015.} In rapidly industrialising regions, urban residents and rural migrants compete for jobs, dragging down wages and social standards. The partly proletarianised Chinese migrant workers, in particular, have been subject to social discrimination and economic disadvantage associated with their inferior citizenship status.\footnote{The Chinese rural migrant workers are entitled to agricultural land at their registered birth villages, hence the incomplete or unfinished proletarianisation.} Worse yet, the most vulnerable internal migrants could no longer hold on to their ‘welfare land’ for rural subsistence, which is exacerbated by the marketisation and commercialisation of social services such as children’s education and medical care. In fact, some have long abandoned their small plots of farmland, while others have their land illegally taken by property developers or entrepreneurial local states in the
course of ‘development’.\textsuperscript{20} As a result, their dependence on wage employment has become the primary, if not the only, means to sustain their everyday living.

From a Marxist perspective, wage-workers are ‘doubly free’ individuals, who are ‘free’ to find jobs in the market by selling their labour power, and ‘freed’ from capital ownership.\textsuperscript{21} When \textit{Time} magazine nominated workers in China as the runner-up in the 2009 Person of the Year, the editor commented that they have brightened the future of humanity by ‘leading the world to economic recovery’.\textsuperscript{22} What is certain is that the new generation of Chinese workers, those who were born after 1980 in the market economy, will continue to strive to achieve basic labour and human rights in the face of heightened inequality structured by corporations and the post-socialist state.

\textbf{The Lives and Deaths of Chinese Workers}

With the influx of foreign direct investment and the relaxation of state restrictions on rural-to-urban migration since the 1980s, successive cohorts of internal migrant workers have been drawn into the labour market. Young rural migrants, in their late teens and 20s, comprise the majority of the new industrial workforce. In their own words, we can hear the aspirations for personal freedom and success. As a woman worker commented: ‘If I had to live the life that my mother has lived, I would choose suicide’.\textsuperscript{23} Growing corn and wheat on tiny parcels of land and keeping a few pigs and chickens may not leave her hungry, but getting ahead and moving upward is nearly impossible if one seeks to eke out a living on the small family plot. If many among the first generation of rural migrants\textsuperscript{24} returned to their villages to marry, settle in, and raise children, the times have changed. The second generation has its eyes firmly on the cities.\textsuperscript{25}

‘Birds, don’t be silly, no one cares whether you’re tired from flying, people only care how high you fly’, mused a 19-year-old migrant working girl.\textsuperscript{26} Coming from a village in central China, she hoped to secure a better life for her mother.
and herself in Shanghai. Before around 2005, Chinese manufacturing wages had remained consistently low during the previous decades.27 Thereafter, in the face of a tightened labour market, due in part to a slower growth of births and to a higher level of job mobility among the well-educated young people, employers have been increasingly compelled to raise wages to attract job seekers.28 At the same time, state efforts to boost incomes between 2008 and 2012 led to a 12.6 percent average annual increase in the statutory minimum wage.29 Urban consumption, along with (the myth of) success of upward mobility, has attracted dreamers from underdeveloped regions to fast-growing cities.

Official statistics show that in 2014 the average wage of a rural migrant worker in China was 2,864 yuan/month (including overtime premiums), a 9.8 percent increase from the previous year.30 Notwithstanding the modest wage increase, the income gap between working people and the wealthy has greatly widened. The data for 2013 indicate that China’s Gini is 0.47 (internationally, a Gini coefficient of 0.4 or above is considered high)31 – a level comparable to that of Nigeria, and slightly higher than that of the United States (0.45), where income inequality has risen steadily over decades.32 More recently, the Hurun Research Institute shows that as of 2015 China ranked number two on the billionaires’ list with 430 billionaires, just behind the United States (with as many as 537 billionaires). The combined net worth of the Chinese billionaires is 1.2 trillion US dollars.33 When the richest are consuming luxuries more than ever before, wage-earners are trying to make ends meet.

27 Hung 2008.
28 Eggleston et al. 2013; Davis 2014.
31 The Gini coefficient, the most widely used indicator of income inequality, ranges between 0 and 1, where 0 corresponds with perfect equality (where everyone has the same income) and 1 corresponds with perfect inequality (where one person has all the income and everyone else has zero income). It is widely believed that China’s official Gini results underestimate income inequality. Nevertheless, official results convincingly document the broad trend of growing inequality over several decades.
Inflation and urban living costs have gone up. Workers’ earnings have been quickly eaten up by the landlords and shop owners, pushing them to do more overtime work or cut back on everyday expenses. When the government fails to provide affordable housing and other resources to meet the growing needs of its people, many workers are left on their own to address their ‘personal’ problems. Employers utilise the ‘dormitory labour system’ to maximise control of the labour force by bringing together the production site and the workers’ living quarters within the company compound, or immediately adjacent to it. This socio-spatial design of ‘living at work’ is also geared to lowering production costs. Maintaining dormitories in which a dozen workers share a room costs the factory boss far less than the wages necessary for workers to find their own individual or family housing.

In booming private markets, rent, utilities and property management fees vary widely, ranging from 400 to 500 yuan for a room of 10 square metres, doubling or tripling the standard factory dorm rate. Behind the façade of economic prosperity, 24-year-old worker Xu Lizhi (1990–2014) took his own life on 30 September 2014. A native of rural Guangdong, his multiple attempts to find employment that would allow him to escape from the assembly line, such as a position as a librarian or journalist, ended in failure. He left this poem:

Rented Room

A space of ten square meters
Cramped and damp, no sunlight all year
Here I eat, sleep, shit, and think
Cough, get headaches, grow old, get sick but still fail to die
Under the dull yellow light again I stare blankly, chuckling like an idiot
I pace back and forth, singing softly, reading, writing poems
Every time I open the window or the wicker gate
I seem like a dead man
Slowly pushing open the lid of a coffin

Life has become depressing: inexpensive rental rooms have no windows. Some have a narrow window set very high, near the ceiling, which overlooks nothing.

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34 Pun and Chan 2013.
but at least is a link to the outside world, the noise of the road, sunlight and wind. Some complexes are infested with rats and cockroaches.

The lyrics of a Chinese song, ‘Shenzhen, Shenzhen’, struck a chord with many amongst the working poor:

Shenzhen, Shenzhen
The years pass one after the other
And I change one job for another
The amount I earn never amounts to much
But I have accumulated fistfuls of grievances.
Shenzhen, oh Shenzhen,
Are you still the Shenzhen of my heart?
Or are you just a stop along the way?
When I leave you, where will I go?36

Shenzhen, on the northern border of Hong Kong, is a typical young-migrant city. In 2013, with just three million urban residents, that is, official residents of the city, it had nearly 13 million internal migrants who comprised the core of the labour force.37 Their number included not only rural migrants but also urban workers from other cities, who similarly tried their luck in global Fortune 500 firms.

Taiwanese-owned Foxconn Technology Group is China’s largest private employer and the world’s biggest electronics manufacturer. The more than one million Chinese workers employed by Foxconn assemble smartphones, personal computers, digital music players, e-book readers, digital cameras, game consoles, TVs, and many more devices that are increasingly connected and integrated into our homes and offices. An ever shorter production cycle and finishing time placed intense pressures on the frontline workers, who before the spate of suicides in spring 2010 were at the local minimum wage. A group of sociologists showed their empathy in a public statement dated 18 May 2010:

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From the moment they [the new generation of rural migrant workers] step beyond the doors of their houses, they never think of going back to farming like their parents ... The moment they see there is little possibility of building a home in the city through hard work, the very meaning of their work collapses. The path ahead is blocked and the road to retreat is closed. Trapped in this situation, the workers face a serious identity crisis and this magnifies psychological and emotional problems. Digging into this deeper level of societal and structural conditions, we come closer to understanding the ‘no way back’ mentality of these Foxconn employees.38

In 2010, 18 rural migrant workers attempted suicide at Foxconn’s facilities across China, resulting in 14 deaths, while four survived with crippling injuries. They ranged in age from 17 to 25 – the prime of youth. Local and international media dubbed the tragic events the ‘suicide express’.39

Suicide may be understood as one extreme form of labour protest chosen by some to expose a repressive production regime in which workers are deprived of dignified work and lives. Former Foxconn worker Yan Jun wrote this poem in memory of her fellow workers who had committed suicide:

For My Departed Brothers and Sisters

I’m like you

I was just like you:
A teenager leaving home
Eager to make my own way in the world

I was just like you:
My mind struggling in the rush of the assembly line
My body tied to the machine
Each day yearning to sleep
And yet desperately fighting for overtime

In the dormitory, I was just like you:
Everyone a stranger

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Lining up, drawing water, brushing teeth
Rushing off to our different factories
Sometimes I think I’ll go home
But if I go home, what then?

I was just like you:
Constantly yelled at
My self-respect trampled mercilessly
Does life mean turning my youth and sweat into raw material?
Leaving my dreams empty, to collapse with a bang?

I was just like you:
Work hard, follow instructions and keep quiet

I was just like you:
My eyes, lonely and exhausted
My heart, agitated and desperate

I was just like you:
Entrapped in rules
In pain that makes me wish for an end to this life

Here’s the only difference:
In the end I escaped the factory
And you died young in an alien land
In your determined bright red blood
Once more I see the image of myself
Pressed and squeezed so tightly I cannot move.

Suicide is an intensely personal, and social, struggle. In suicide protests, workers have exposed the high-pressure conditions under which many work for low wages and for extremely long hours. They unveiled the reality of the inhumane treatment behind the mainstream discourse of corporate ethics and social harmony, drawing attention from image-conscious global companies and stability-obsessed government officials. In November 1970 in South Korea, 22-year-old textile worker Chun Tae-il immolated himself as a means to call on the gov-

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40 Written by Yan Jun, a former female Foxconn worker, and translated by Greg Fay and Jeff Hermanson. Yan Jun’s poem in original Chinese is available at: https://www.douban.com/note/92040164/.
ernment to protect workers’ rights. His desperate act inspired the labour and
democratic movements that followed and helped transform South Korean
society, galvanising ‘collective action by mobilizing the “hearts and minds” of
the target audience’. Did the Chinese workers at Foxconn, not unlike their
Korean peers, engage in micro-mobilisation by leaping to their deaths to
awaken the people?

Workers’ Consciousness and Collective Actions

Behind the ‘Made in China’ label is a vast network of global brands, com-
ponent suppliers and final assemblers. The fragmentation of labour and the
diversification of ownership in the hands of Chinese and international capital
have profoundly challenged both workers and trade unions. Under the state-
guided policies of marketisation and globalisation, some 60 million workers
and staff lost their jobs during the corporate restructuring and privatisation
waves between the mid-1990s and the early 2000s. Surviving state-owned
enterprises have now generally offered fixed-term employment contracts, end-
ing a lifetime ‘iron rice bowl’ tenure that had recently been prevalent. Other
employing units, however, failed to provide labour contracts, minimum stat-
uty wages or welfare benefits as they were oriented to maximise profits and
cut costs in intensified market competition.

Industrial workers in China, as in other countries, take one or more types
of collective action to amplify their demands. In the summer of 1985, it was
reported that a strike by 2,500 workers, most of them rural women migrants,
broke out at the Sanyo electronics factory in the Shenzhen Special Economic
Zone. The strike might be ‘partly explained by the tensions characteristic of the
Chinese-Japanese relationship’ and ‘indicative of labour unrest elsewhere in
the zone’. Whether the nationalistic or anti-Japanese motive was an underly-
ing factor, workers highlighted that ‘Sanyo pushed them too hard, demanding
better quality and more efficiency’. Apparently, class conflict was intense, culminating in the outbreak of collective resistance. While labour strikes and protests had not received much attention from Chinese labour scholars and political scientists until the 1990s, investigations on the causes of the discontent, mobilisation processes, and the outcomes of workers’ actions have been increasing since. Government officials are increasingly concerned about mediating and diverting labour disputes from the street to administrative and judicial institutions.

Official statistics show that in 1996 48,121 labour disputes were accepted for arbitration, the total spiralling to 120,191 in 1999, involving more than 470,000 labourers as numbers soared in the context of massive layoffs of state-sector workers. The upward trend continued from 2000, reflecting widespread incidences of rights violations over wages and welfare-benefit compensations as the non-state and state sector expanded. Labour cases further skyrocketed to 693,465, involving more than 1.2 million labourers nationwide in the economic crisis of 2008. With caseloads soaring, the government ‘has struggled to maintain its labour system through more direct management of labour disputes’. The speedy settlement of high-profile worker protests through direct government mediation is undertaken to quickly restore ‘social harmony’. In the ‘activist state’, local officials make extensive use of discretionary power to intervene in collective labour disputes.

Much of workers’ resistance to date was short-lived and localised, being confined to a single workplace, without forming broader alliances across geographical regions. In two well-documented strikes in South China, namely, the 2010 Honda strikes and 2014 Yue Yuen strikes, government officials actively...

47 Andors 1988, p. 35.
48 Tanner 2004; Lee 2007, and 2010; Pun, Chan and Chan 2010; Pringle 2013; Elfstrom and Kuruvilla 2014; Friedman 2014; Becker 2014; Zipp and Blecher 2015.
49 Gallagher 2006; Gallagher and Dong 2011.
51 Gallagher 2014, p. 87.
52 In May and early June 2010, 1,800 Honda employees participated in an on-off factory-wide strike. For detailed accounts, see Butollo and ten Brink 2012, Chan and Hui 2012, and Lyddon et al 2015.
53 Taiwanese-owned Yue Yuen Industrial (Holdings) Ltd., whose sports shoes are sold to Nike, Adidas, Timberland, and other global brands, is the world’s largest footwear supplier. When worker-management negotiations broke down, a factory-wide strike involving more than 40,000 workers and staff closed the plant during 14–25 April 2014, compelling government officials to mediate the disputes onsite. See Chen 2015 for an ethnographic study.
engaged in collective bargaining with strikers on the one hand, and managers on the other. The primary goals were to end the strikes and to consolidate the state’s legitimacy for the authoritarian regime. The 1,800 workers and student interns at Honda (Nanhai) parts assembly plant demanded a 800 yuan per month pay rise by taking direct action. The Honda worker leaders also insisted on reforming their trade union. Government mediators attended meetings and led discussions of dispute settlements at the factory site. At Yue Yuen (Dongguan) footwear factory, over 40,000 workers called for full payment of pensions and housing provident funds that the company had denied them. Under the Chinese labour law, employers are legally required to provide five types of social insurance: old-age pensions, medical insurance, work-injury insurance, unemployment benefits and maternity insurance, but the vast majority of those workers classified as rural migrants lack rudimentary access to such benefits. When the workers of Honda and Yue Yuen stood up to fight for their rights, they gained the support of non-governmental labour rights groups and won partial victories.

In response, corporate management has prioritised and strengthened labour controls with an emphasis on profit, organisational flexibility and production efficiency at the expense of the workers’ well-being. Some assembly-line operators understand that they stand at a strategic production base within tight delivery schedules for iPhones, which are precisely timed to be released during holiday seasons and for new product launch dates. This awareness potentially enhances their workplace bargaining power and empowers workers to schedule strikes at times of crises for maximum impact and leverage.54 Frances Piven has succinctly examined the nature of ‘interdependent power’, highlighting the fact that employers are dependent on workers’ consent to labour – perhaps more dependent than ever before in our closely connected economy. She writes:

Distinctive features of contemporary capitalist economies make them exceptionally vulnerable to the withdrawal of cooperation; in other words, to the strike power in its many forms. These features include extended chains of production, reliance on the Internet to mesh elaborate schedules of transportation and production, and just-in-time production doing away with the inventories that once shielded corporations from the impact of the production strike.55

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When discontent is clearly articulated and shared in these ‘emergent sentiments of collective identity’, workers unite to undertake joint actions to secure their rights and interests. Significantly, workers acquire organising and communication skills in and through successive struggles.57

Local officials, including trade-union cadres, have skilfully developed a wide array of ‘protest absorption’ techniques to resolve labour disputes at the scene, with the aim of maintaining sociopolitical stability, such as redefining workers’ ‘realistic expectations’, and thereby lowering their claims to lawful compensation. At the same time, government representatives exert pressure on the management to grant some economic concessions to the most adversely affected workers, and simultaneously manipulate workers’ familial and social relations to silence the resistance.58 Lawyers and judges also arrive at the site of protest to prevent labour conflict from escalating, or take actions to dismantle the collective lawsuit from within the judicial system.59 Worker solidarity frequently dissipated when leaders were intimidated, arrested, and bought off, or when state-brokered settlements yielded limited gains for the workers. The immediate result is that, in many cases, workers’ individual grievances are partially addressed and collective actions broken up.60 Fundamentally, the power between labour and capital remains highly imbalanced, engendering hidden as well as open defiance and deepening the crisis of production and social reproduction.

**Chinese Trade-Union Reforms and Labour Unrest**

In the face of increasing worker lawsuits and strikes since the mid-1990s, the Chinese government was compelled to rebuild its centralised trade-union organisation, and to expand legal reforms to ensure minimally acceptable social and labour standards as a means to alleviate the growing tensions between legitimacy and profitability.61 What are the prospects for Chinese workers to strengthen their associational power in the fight for dignity and decent work?

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56 Mann 1973, p. 50.
57 Herbert Marcuse stressed the emancipatory potential of a resistance that is ‘diffused, concentrated in small groups and around local activities, small groups which are highly flexible and autonomous’. See Kellner 2004, p. 126.
58 Chen 2013; Su and He 2010; Deng and O’Brien 2013; Lee and Zhang 2013.
59 Chen and Xu 2012.
60 Chen 2012.
Chinese law ostensibly gives workers basic rights, including the right to elect union representatives, the right to vote union representatives out of office if they do not represent them and protection against discrimination for participating in union activities. The only officially recognised Chinese trade-union organisation, the All-China Federation of Trade Unions, whose strength had been centred in state-owned enterprises, lost at least 17 million members between 1997 and 2000 alone through privatisation and layoffs. 62 The state-run union bureaucracy then targeted large foreign-invested companies to unionise. By January 2012, the Chinese trade-union federation had a total membership of 258 million 63 (the numbers surpass the International Trade Union Confederation’s global membership of 168 million workers in 155 countries and territories excluding China), of whom 36 percent (94 million) were rural migrant workers, the fastest growing segment of the union since the early 2000s. 64 This stands in sharp contrast to the United States, the United Kingdom, Australia, and many other countries, where private-sector labour unions have shrunk to a small percentage of the industrial and service workforce as a result of corporate restructuring and the export of jobs. In practice, financial and organisational dependence on management severely undermines the capacity of China’s grassroots unions to represent workers. 65

Without effective representation at the workplace level, many workers have condemned and bypassed the management-controlled union to fight for their rights and interests. Tim Pringle, in assessing the future of Chinese union reforms in light of growing labour challenges, stresses the need not only for ‘more accountable enterprise-level union chairpersons and committees’ but ‘more supportive, interactive and, at times, directive relationships between the higher trade unions and their enterprise-level subordinates’. 66 To maintain a stable market economy, the state continues to search for mechanisms to resolve labour conflicts (such as offering guidance and support for direct elections at enterprise-level trade unions), 67 while simultaneously embracing development policies that subject society to the deep structural problems of global capitalism.

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65 Chen 2009.
66 Pringle 2011, p. 162.
Changing State-Labour Relationships in China

The pro-capital nature of the Chinese state is central to our understanding of the recurrent worker tragedies and class conflicts all over the country. At the turn of the millennium, Beijing leaders attempted to rebalance the economy through the ‘Go West’ development campaign, which has extended to 12 interior provinces and autonomous regions comprising 71 percent of China’s total land area.\textsuperscript{68} Intel, HP, Motorola, Samsung, Acer, Foxconn and other corporations have moved their research and production operations inland in sync with this government policy, creating the possibility that China’s skewed development, which overwhelmingly favoured the coastal areas in the most recent four decades, could be reversed. A substantial number of workers are being recruited from within the interior provinces, in some cases close to their hometowns. While the east and south coasts were still the primary destination for rural migrant workers, the regional disparity narrowed. In 2014, 107 million migrants worked in the eastern region, 94 million in the central region and 73 million in the western region.\textsuperscript{69}

Under decentralisation, regional competition to secure and hold foreign investment across the coastal provinces and between the interior regions is very intense. Corporate access to cheap land, labour and numerous privileges is made possible with the full backing of the states at all levels. Provincial and lower-level governments have systemically channelled financial and administrative resources to facilitate business expansion and factory relocation. In Chengdu, the provincial city of Sichuan in southwestern China, for example, ‘it was impossible not to come across evidence of the state’s hand in the fostering of high-tech industry’.\textsuperscript{70} Astonishingly, local officials have systemically recruited teenage student interns from vocational schools to labour-hungry companies in the name of business-school partnership during the peak production months. The unfree and underpaid ‘student workers’ have become an integral part of the Chinese working classes.\textsuperscript{71} Indeed, ‘several forms of commodified labour’ often co-exist,\textsuperscript{72} serving the interests of capitalists, to

\textsuperscript{68} Lai 2002; Goodman 2004.
\textsuperscript{70} Ross 2006, p. 218.
\textsuperscript{71} Chan, Pun and Selden 2015a.
\textsuperscript{72} Van der Linden 2004a, p. 144.
which we may further add the entrepreneurial states, in their fight for economic and political capital.

The informalisation or casualisation of labour in China and other countries has become an unmistakable trend. Recent empirical studies show that firms were increasingly pressured to cut costs and to cope with fluctuations in production orders by hiring temporary workers, including student interns (also termed student apprentices or trainees) and agency labourers (also known as dispatched workers, who sign contracts directly with privately-run or government-operated agencies but provide services to client companies). These temporary labourers’ per capita cost averages only one-fourth to one-third of that of the regular workers. Unequal treatment of the temporary and regular workers performing identical production tasks created a two-tiered employment system. This system has engendered worker conflicts and social divisions because it is ‘problematic not just from the perspective of the informal workers, but also from [that of] the regular workers, who will find it increasingly difficult to make collective demands on their employers.’ The hostility, anger and distrust from within the Chinese working class have become inevitable, and this in turn imposes huge social and political pressures on both the employers and the government.

Conclusion

As capital moves across the globe, ‘global supply bases’ have emerged in rapidly developing economies, where production activities and market transactions are taking place at competitively low prices, high speed, and in huge volumes. China, by purchasing power parity, surpassed the United States to become the world’s largest economy in 2014. The very gains that Chinese workers have achieved in raising big wages over the last decade, however, had already resulted in a situation in which multinational corporations transfer factories from China to areas with lower wages such as Vietnam, Bangladesh, Cambodia, Indonesia, India and other countries. However, the ‘race to the bottom’ has

73 Standing 2011, and 2014a; Lee and Kofman 2012; Burawoy 2015.
74 Zhang 2015.
76 Friedman and Lee 2010, p. 513.
77 Sturgeon, Humphrey and Gereffi 2011; Henderson and Nadvi 2011.
rarely proceeded without labour, social and/or environmental challenges at sites of new investment.\textsuperscript{79} As the backbone of the nation's industrial development, young workers have higher expectations than their parents. ‘Realise the great Chinese dream, build a harmonious society’, reads a government banner.\textsuperscript{80} To realise individual and national dreams, workers will have to advance the fight for justice.

Marcel van der Linden highlights that a wide range of labour responses and actions is integral to the struggle against hegemonic power (see also Karl Heinz Roth's chapter in this volume). The continued resistance by Chinese workers may inspire and catalyse new forms of consciousness and organisation, opening possibilities for socio-political and economic alternatives. Demographic changes have slowed the growth of the working-age population at a time of general aging, and all indicators suggest that there will be a reduction in the labour supply in coming decades,\textsuperscript{81} potentially increasing the marketplace bargaining power of workers. At present, however, workers face numerous obstacles to building their movements. The state-labour relationships are contentious, requiring ever more legislative efforts and direct involvement in labour management by government officials.

While its extraordinary growth rates have begun to slow, China's trade and investment still have a significant local, regional and global impact. As economic activities are expanding outside of China's coastal cities, a substantial workforce is now being recruited within the inland regions, and many migrant workers are being sent back from urban centres to their home provinces, in some cases close to their hometowns, where they may draw on local social networks for support – not only for daily life but perhaps also in renewed struggles for fairness and justice with profit-maximising corporations, the official trade-union establishment, and a powerful state apparatus. With a greater sense of

\textsuperscript{79} Silver 2003; Smith, Sonnenfeld and Pellow 2006; Webster, Lambert and Bezuidenhout 2008; Liu 2015.

\textsuperscript{80} The author's translation from Chinese.

\textsuperscript{81} Two sets of demographic data are particularly relevant. (1) Gu and Cai 2011: Chinese fertility is presently 1.6 children per woman, down from more than 6 children in the 1950s and 2.5 in the 1980s. The number of labourers aged 20–24 is projected to decline from 125 million people in 2010 to approximately 80 million in 2020. (2) China's 2010 Population Census: It showed that the age group 0–14 comprised 16.6 percent of total population, down 6.3 percent compared with the 2000 census data. See National Bureau of Statistics of the People's Republic of China, 28 April 2011, 'Press Release on Major Figures of the 2010 National Population Census', available at: http://www.stats.gov.cn/english/NewsEvents/201104/t20110428_26448.html.
entitlement associated with belonging to a place, and perhaps greater social resources to bring to the fight for their interests (regarding wages, reduced work time for family and a balanced life, benefits, working conditions, job tenure and security, public health, environmental quality, housing, education and the full range of citizenship rights in the places where they live and work), the result may be enhanced working-class power in factories and local communities.

In conclusion, acquiescence and labour insurgency are both observed at the point of global production. Young Chinese workers, who have no fewer desires and expectations regarding cosmopolitan consumption than their Western counterparts, may render themselves vulnerable to co-optation by a capital-state alliance diversifying its economy to generate and meet rising consumer demands. Will the current period of protest in localised sites of resistance across China develop further through alliances across class lines and across the urban-rural divide into a more broadly based social movement, against the backdrop of rapid industrialisation and capital relocation? To a significant extent, the answer will hinge not only on the evolving consciousness and praxis of the new generation of Chinese workers in the age of global capitalism, but also on the ways in which the state prioritises worker interests relative to those of capital in its authoritarian rule.