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What is This?
The Dynamics and Dilemma of Workplace Trade Union Reform in China: The Case of the Honda Workers’ Strike

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Abstract: Based on a case study of the Honda workers’ strike and its impact on workplace industrial relations, this article explores the potential of and barriers to workplace trade union reform in China. A rise in workers’ collective actions has put political pressure on the All China Federation of Trade Unions to promote effective trade unionism and create a vital foundation for exercising democratic union representation in the workplace. The main barrier to effective workplace unionism, however, is the lack of external support for workers’ unionization efforts. On the one hand, the lower-level local trade unions fail to comply with their legal responsibility because of their bureaucratic nature and structural integration into the patron–client relationship between the local state and the global capital. On the other hand, support for workers from civil society is handicapped by the party-state’s opposition to independent labour organizing. This dilemma has forced the higher trade union federation to intervene directly in workplace trade union reform and promote state-led wage bargaining.

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Introduction

Based on an intensive case study of the Chinese Honda workers’ strike in May 2010 and its further development in 2011, this article explores the potential of and barriers to workplace trade union reform in a new socio-economic and policy context. The authors suggest that a new generation of relatively well-educated Chinese migrant workers (see Pun and Lu, 2010) has developed a higher level of consciousness of associational rights through their participation in collective struggles. This has put political pressure on the All-China Federation of Trade Unions (ACFTU) to promote effective trade unionism and create a vital foundation for exercising democratic union representation in the workplace. The main barrier to effective workplace unionism, however, is the lack of external support for workers’ unionization efforts. On the one hand, the local trade unions at the town and district/county level are supposed to provide organizational support to workers under the Trade Union Law, but they fail to comply with their legal responsibility because of their bureaucratic nature and structural integration into the patron–client relationship between the local state and the global capital. On the other hand, support for workers from civil society is handicapped by the party-state’s opposition to independent labour organizing. This dilemma has forced the higher trade union federation to intervene directly in workplace trade union reform and promote state-led wage bargaining. Data for this article is based on interviews with 40 Honda workers, supplemented by information obtained from a systematic review of internet materials, media information, trade union documents, non-governmental organization (NGO) reports and interviews with labour organization personnel.

Chinese Trade Unionism in Transition

Much as in other state socialist countries, the ACFTU has a double institutional identity: as a state instrument under the leadership of the Chinese Communist Party (CCP) and as a labour organization nominally representing the interests of workers (Chen, 2003). However, it has experienced difficulties serving the latter function in the reform era. On the one hand, owing to the privatization of a large number of state-owned enterprises (SOEs), the share of SOE workers in urban employment has dropped significantly; this has led to a steep membership loss for the ACFTU (Chiu and Frenkel, 2000; Cooke, 2005; Lee, 2007). On the other hand, workers generally do not trust trade unions on the grounds that many trade union officials at the enterprise level are typically not elected, but appointed. Furthermore, the ACFTU officials and the CCP cadres closely overlap (Taylor and Li, 2007). On the other hand, workers generally do not trust trade unions on the grounds that many trade union officials at the enterprise level are typically not elected, but appointed. Furthermore, the ACFTU officials and the CCP cadres closely overlap (Taylor and Li, 2007). Workers believe that trade unions always side with the management and the government during labour disputes and thus cannot help them to solve their problems (see Taylor and Li, 2007).
For these reasons, since 1998 the ACFTU has started to actively establish union branches in the private sector, especially in foreign-invested enterprises (FIEs).

The unionization campaign has been further strengthened since 2006 after a rising number of strikes in South China, some of them demanding the establishment or reform of workplace trade unions (Chan CKC, 2010). Official statistics on strikes are absent in China, as workers or unions are not granted the right to strike. Nevertheless, it is clear that an increasing number of labour disputes and workers’ protests, which often bypass the official trade unions, have emerged in China in the past decade (Chan, 2011; Chan CKC, 2009; Chan and Pun 2009; Chen, 2010). The number of labour disputes handled by the labour dispute arbitration committees at all levels in China has jumped dramatically, from 120,191 cases in 1999 to 693,465 cases in 2008 (China Labour Statistical Yearbook, various years). In addition, the total number of mass incidents – an official term for popular protests – jumped from 10,000 in 1994 to 87,000 in 2005 (China Labour Bulletin (CLB), 2009).

In 2004, a government report found that labour laws were not well respected by FIEs in China. Following that, the ACFTU blacklisted some FIEs to try to encourage them to establish trade unions. In March 2006, President Hu Jintao commented on a report entitled A Situational Analysis of the Factors of Instability in FIEs in China’s Coastal Area, and Some Proposed Countermeasures. He issued an order to: ‘Do a better job of building Party organisations and trade unions in foreign-invested enterprises’ (CLB, 2006). Since then, the ACFTU has dramatically increased its efforts to unionize FIEs, paying particular attention to Fortune 500 companies (Chan, 2005). By the end of 2008, most of the Fortune 500 companies in China had agreed to set up trade unions (Christian Science Monitor, 2008). As a consequence, the number of the ACFTU’s enterprise affiliates has increased from 1,324,000 in 2006 to 1,845,000 in 2009 (ACFTU, 2007).

A top-down approach has been used in the unionization campaign in most instances. Usually, the local branch of the ACFTU, with assistance from the party committee at the same level, puts direct pressure on the factory management to set up a trade union. However, there is no sign that the ACFTU will take the initiative to mobilize its workplace members, confront management with collective negotiations backed by strikes or apply other forms of collective action, as their Western counterparts do. The unionization campaign by the ACFTU in Wal-Mart’s Fujian store was the only case mentioned as a bottom-up approach by Anita Chan (2006). On the contrary, studies suggest that the emerging pattern of independent worker activism and its pressure on the party-state, more than the legal and institutional framework, have significantly underpinned and determined the development of trade unionism (Chan CKC, 2010; Chen, 2010; Clarke and Pringle, 2009; Howell, 2008a). We should therefore explore the possibility of the self-mobilization of rank-and-file workers to put into practice the collective negotiations and democratic framework guaranteed by the law. In the next section, we analyse the new development of workplace trade union reform in FIEs by examining the Honda strike.
**Strikes and Trade Union Reform: The Honda Case**

The strike staged by workers at Honda Auto Parts Manufacturing Ltd. (CHAM) in Foshan in the Pearl River Delta from 17 May 2010 attracted both nationwide and international attention (including the *New York Times* (Martin, 2010), which wrongly interpreted it as a case of workers asking for an ‘independent trade union’). Honda has opened four branches in China since the 1990s (Hagiwara and Lin, 2010). CHAM is one such branch, producing transmissions. It is solely owned by Honda and was set up in 2007. Since its establishment, all workers in CHAM have been recruited from a small number of technical schools (*jixiao*) through an internship system. Normally, final-year students at the technical schools have to do a one-year internship in an industrial organization. After the students graduate, CHAM offers the interns formal employment status. At the time of the strike, workers told us that about 80% of CHAM’s workers were interns and only 20% were formal employees.

CHAM’s workers have relatively more bargaining power than workers in other low-skilled export-oriented industries. First, the production of transmissions is of the utmost importance to car-making, and car companies usually consider politically stable and strike-free countries to be the most suitable places for this purpose (Martin, 2010). Therefore, CHAM’s workers could not easily be replaced by newcomers, at least not quickly. Second, like many Japanese automotive companies, Honda in China has adopted the just-in-time and zero inventory systems, which means that they only keep a minimal amount of stock. CHAM’s workers’ strike definitely upset the supply of transmissions that is supposed to flow smoothly under normal circumstances. Third, CHAM mainly produces transmissions that are then sent to other branches for the making and assembly of cars. This means that the disruption of the supply of transmissions by CHAM had serious chain effects on car production in other Honda automotive factories in China. As a matter of fact, three other Honda factories were forced to halt production, leading to a daily loss of CNY 240m (*Jingji guanca bao*, 2010).

**The Development of the Strike**

The strike involved about 1800 workers and lasted for 17 days. It was initiated by workers from the transmission assembly division, but quickly spread to and was supported by workers from other departments. Workers listed 108 demands at the meeting convened by the management after the strike, but two of them in particular were retained consistently: (i) a wage increase of CNY 800 for all workers; and (ii) a democratic reform of trade unions (*minzhu gaixuan gonghui*), as the existing trade unions barely represent their interests. The enterprise at first was reluctant to hold any negotiations with workers. Instead, it resorted to intimidation, firing two activists (who in fact had already resigned before the strike), pushing student interns to sign a document undertaking that they would not lead, organize or participate in any strikes (*Takungpao*, 2010a) and mobilizing their teachers from the technical schools to persuade the workers to return to work. Despite the company’s threats,
however, the strike continued. The company did come up with two proposals concerning a wage increase, but the workers turned them down since they were still far below their wage demand of 800 yuan.

Workers told us that, throughout the strike, the enterprise trade union was not on their side, but instead backed the management. One worker noted that:

The chairman of the trade union tried to talk workers into resuming their work. And he maintained close communication with the CEO of the company during his first meeting with workers’ representatives on 24 May. He is deputy head of the Business Management Department [shiyè guānli bù].

In his own blog, a worker representative involved in the strike wrote that: ‘It is frustrating that many enterprise trade unions fail to represent workers; instead, they are on the side of companies. The enterprise’s interest, rather than that of the workers, is their principal concern.’

The failure of the workplace trade union to provide representation was further manifested by the physical confrontation between a crowd of people claiming to be ‘trade union members’ and strikers on 31 May. That morning, many workers resumed work after meeting with the Chief Executive Officer (CEO) of CHAM, the local government representative, the CEO of Guangqi Honda Automobile (who is also a member of the national People’s Congress) and the student interns’ teachers. However, about 40 workers refused to work and gathered together in the factory grounds. Workers told us that the company management and the riot police stationed outside the factory witnessed how the strikers were beaten up by about 200 people mobilized by both the town- and district-level trade union (Shishan town and Nanhai district), but they did nothing to intervene. A few of the strikers were hurt and sent to hospital.

Official sources did not declare where the 200 ‘trade unionists’ had come from, but one reliable source said that they were mobilized by the local government. They wore yellow caps and carried a ‘trade union membership card’ (‘gōnghuì huìyuán zhèng’), according to workers.

This incident served as a turning point, after which the company and trade unions came under even greater pressure and sought to resolve the dispute by means of a stronger initiative. The factory-wide strike continued and, on 1 June, hundreds of workers gathered near the factory gate. Zeng Qing Hong, the CEO of Guangqi Honda Automobile, went to talk to the strikers, asked them to elect their own representatives and promised to negotiate with them three days later. In the presence of Zeng, some strikers elected about 16 representatives. Later, at 5 p.m. the same day, Nanhai District Federation of Trade Unions (NDFTU) and Shishan Town Federation of Trade Unions (STFTU) issued a letter of apology to all CHAM’s workers, albeit hinting at the faults of workers who continued to insist on striking. It said:

Yesterday, the trade unions took part in the conciliation meeting between workers and management at CHAM. Since some workers refused to perform their duties, the factory’s production has been seriously affected. During our communication with about 40 workers, verbal conflicts arose due to misunderstandings; some workers were emotionally unstable and had a physical confrontation with trade union representatives.

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members… having learnt about this incident, some workers think the trade unions are biased in favour of the company… we would like to express our apologies about a number of things that workers find hard to accept… the trade unions coming out to exhort those workers (who refuse to work) are in fact protecting the rights of the majority of workers; this is what trade unions should do. (*Caixing net*, 2010)

Endeavouring to gain wider public support and calling for stronger solidarity among workers, workers’ representatives issued an open letter to all CHAM workers and the public on 3 June, reiterating their demands: (i) a wage increase of CNY800; (ii) a seniority premium; (iii) a better promotion system; and (iv) democratic reform of the enterprise trade union. This letter manifested the workers’ strong class consciousness. The open letter declares:

We urge the company to start serious negotiations with us and to accede to our reasonable requests. It earns over 1,000 million yuan every year and this is the fruit of our hard work… CHAM workers should remain united and be aware of the divisive tactics of the management… our struggle is not only for the sake of the 1,800 workers in CHAM; it is also for the wider interest of workers in our country.

We want to be an exemplary case of workers safeguarding their rights.

Although the Chinese migrant workers have not developed a mature ‘class consciousness’ compared with some workers in democratic capitalist societies, the Honda workers’ voices reflected in this statement do serve as significant evidence for the growing level of class consciousness (for elaboration, see Chan, 2012a). At the request of worker representatives, Zeng held a pre-negotiation meeting with them in the afternoon of 3 June. The same evening, the company initiated a democratic election in all departments and altogether 30 representatives were elected. The same day, with outside help, workers’ representatives were able to get in touch with a prominent labour law professor – Chang Kai – at Remin University, Beijing, who later agreed to be their advisor.

On 4 June, the newly elected workers’ representatives, representatives of the company, the labour bureau, the local government, the workers’ legal advisor, the chairman of the enterprise trade union and Zeng attended the negotiations. At the end, both parties reached an agreement to raise workers’ wages from CNY1544 to CNY2044 – a 32.4% increase – and intern students’ wages from about CNY900 to around CNY1500 (an increase of 70%). The company refused to discuss the workers’ demand to democratically reform the enterprise trade union, arguing that it should not intervene in matters concerning workers’ associations.

### The Uniqueness of the Honda Case

The coordination and persistence of the workers in this strike, the nature of their demands and the impact of the strike go well beyond previous instances of strike action (*Chan*, 2011; *Chan CKC*, 2010; *Lee*, 2007). This can be explained by two major factors. First, CHAM’s workers have a stronger sense of injustice and are better organized. In their early 20s and even with some teenagers, they belong to the ‘new generation of migrant workers’ (*xin sheng nong ming gong*) (see ACFTU, 2010a; Pun and Lu, 2010). Comparing them with their parents’
generation, they are less tolerant of unfairness and have made greater efforts to advance their rights. Although their wages were higher than the legal minimum wage, one thing they found extremely unfair was that the wage gap between the Japanese staff and student interns at the company was enormous. As one student intern complained to us: ‘The salary of the Japanese manager is as high as 50,000 yuan. It is 500 times bigger than ours!’ This triggered their strike to demand higher wages. Also, they are relatively well educated: almost all of them are graduates of technical school.\(^7\) This is in strong contrast to workers in other low-skilled industries who have usually completed only junior secondary school or have even lower qualifications. The fact that quite a lot of CHAM’s workers are former students of technical school means that they have a strong network; this definitely made it easier for them to mobilize each other to join the strike. Furthermore, familiarity with electronic communication technologies, such as mobile phone text messaging, instant messaging using the Internet and blogs, is an important attribute of these young and educated migrant workers (Qiu, 2009). QQ, a commonly used instant messaging system in China, is a key instrument of communication and mobilization among workers. They have set up a number of QQ groups in which workers discuss their strategies of struggle. Workers can access these groups even with their mobile phones; this not only makes it financially affordable, but can also speed up communication. This internet activism laid an important foundation for effective mobilization during the strike and coordination among workers.

The second factor contributing to the distinctiveness of the strike is the strong external support from local and international civil society. Recalling the negotiations on 4 June, one worker representative wrote in his blog that:

> Being able to get in touch with and have Professor Chang Kai as our advisor is very encouraging; I am very thankful for his help … without his assistance, we would have played a more passive role in the negotiations, since we have limited abilities.

Also, apart from the support from Professor Chang, over 70 local and overseas scholars signed a joint petition to support the workers’ demands. It said:

> Living on meagre wages and struggling to survive, workers are forced to strike so that they could live with dignity … let us unite and put pressure on the company. We should tell Honda to stop suppressing and dividing workers and to accede to the workers’ reasonable demands.

This petition was issued a day before the negotiations and to some extent represented pressure from civil society on the company and the local government. More importantly, it strengthened workers’ morale and confidence. One worker said: ‘it is hard to believe we have so much support from so many professors’.

Alongside these, the Chinese Workers Research Network (Zhongguo Gongren Yanjiu Wang; CWRN), a website launched by a few young mainland intellectuals and registered in Beijing that reports news on labour issues, covered the CHAM workers’ strike in detail. Furthermore, many Hong Kong labour NGOs and trade unions showed their support by protesting against Honda in Hong Kong. They kept updating the international community...
with news of the strike, and a global signature campaign to solicit international support was initiated by Globalization Monitor, a Hong Kong NGO focusing on the negative impacts of globalization on labour in China.

Shortly after the strike was over, the government started to strengthen its control over the media reports on strikes and the civil society actors who supported the Honda workers. For example, the CWRN faced retribution and was ordered to be closed down by the State Council Information Office of the People’s Republic of China for ‘having covered articles with bad intention without authorization’ (‘weijing xuke kandeng buliang daoxiang de wenzhang’) on 8 June 2010.8

In short, the uniqueness of the Honda strike when compared with many other cases lies in workers’ better organizing strategy and a higher level of interventions of civil society actors during the final stage of the strike. This kind of intervention by civil society actors in direct support of strikers is uncommon in China (see Chan, 2012b). As elaborated, different levels of state pressure were imposed on most of the civil society actors involved in the strike, including the closing down of the CWRN website and the detention of some labour activists supporting the strikers. Although it is not its strategy to totally clamp down on intellectual activism on labour rights issues, there is no sign that the Chinese authoritarian state tolerates independent social actors’ efforts to overtly radicalize workers during large-scale strikes, like the case of Honda. This, however, has not completely ruled out the possibility of hidden support lent to workers, which usually takes a more subtle and covert form when compared to that received by the Honda strikers.

Wage Negotiation and Trade Union Reform as Concessions?

The strike had forced the party-state to take the issue of workplace trade union reform more seriously than any time before. Shortly after the CHAM workers’ strike, Wangyang, the Chinese Communist Party secretary of the Guangdong province, emphasized that when handling collective labour grievances, workplace trade unions should position themselves as workers’ representatives and help safeguard workers’ rights according to legal regulations (Yangchengwanbao, 2010). Besides, the vice president of the Guangdong Provincial Federation of Trade Unions (GDFTU), Mr Kong Xiang Hong, confirmed that the democratization of Chinese trade unions would be sped up so that members could elect their own president in the near future. He also announced that a pilot scheme for the democratic election of workplace trade unions and the relevant training would be carried out in 10 factories, including the Honda factory in Foshan (Takungpao, 2010c).

Although CHAM workers’ pressure was immense enough to push forward some changes in the company, a once-and-for-all democratic trade union reform is still far-fetched given the relatively feeble power of labour vis-a-vis capital and the state at the moment. Trade union elections organized from the department level to the factory level took place in CHAM from September to November 2010 with the GDFTU’s active intervention. However, the GDFTU delegates ruled out the call of workers’ representatives to remove
the existing trade union president who was on the side of the management during the strike, as they thought he should be given ‘a chance to correct himself’ (‘gaizheng de jihui’). Moreover, by manipulating the candidateship and isolating active workers’ representatives who had close contact with civil society during the strike, most union committee members elected were from the managerial or supervisory level. While the union Chair remains unchanged, two Deputy Chairs were elected in February 2011. According to workers, one of them is a department head while the other is the deputy head. CHAM’s trade union election in the wake of the strike demonstrates that the party-state, along with the Japanese management, is still determined and inclined to manipulate workplace class organizations even though it is under some bottom-up pressure from workers. However, in exchange for their grip on working-class organizations, the state and capital have to pacify workers by wringing material concessions in the form of significant wage increases. From 25 February to 1 March 2011, almost a year after the strike, wage negotiations took place between the trade union and the management in CHAM. The plant union demanded a wage rise of RMB880 for production-line workers in 2011, a 46.1% increase according to the management. Rejecting the trade union’s demand, the management proposed a 27.7% increase of RMB531, saying that the union’s demand was too aggressive. In the end, both parties agreed to a pay rise of RMB611 (Southern Metropolitan Daily, 2011). Mr Kong Xianghong, who has been deeply involved in the Honda workplace issues in the capacity of the vice president of the GDFTU after the strike in 2010, played a key role in driving both parties to reach the final agreement.

As can be seen, CHAM workers’ increasingly sophisticated organizing strategy and growing class consciousness enabled them to negotiate a higher wage level. Without compromising its grip on workers’ freedom of association, the party-state in return had to concede to workers’ strong demands by pressuring global capital to raise its wage standard. In the next section, we will discuss the impact of the CHAM strike on industrial relations at the industry and national levels.

The Impact of the Honda Strike

Impact in the Automobile Industry

Against the background of economic revival, labour shortages, rising marketplace bargaining power and confidence of workers, the knock-on effect of the CHAM workers’ strike on the car industry and other industries was remarkable. According to a Guangzhou Federation of Trade Union official,9 strikes took place from 20 June to early July in four automobile spare factories in the Nansha district of Guangzhou city. One of them occurred in a Honda supplier factory. Workers wrote in a ‘letter to promote strike’ (‘ba gong changyi shu’): ‘Colleagues, watch around us, Foxconn, Honda in Foshan, Toyota in Tianjin, [we] believe that the result is good as long as we can unite till the last moment’. Their demands included a wage increase of CNY800 and democratic trade union reform, which highly resembled that of the CHAM workers in Foshan.
On 25 June, four days after the strike started, a written agreement was reached between representatives of the workers and the management. Workers’ monthly wages were to increase by CNY 550 (CNY 400 of basic wage and 150 of subsidy) and a bonus equivalent to four months’ salary was granted. Almost at the same time, workers from another Honda supplier factory in Zhongshan, a city next to Foshan, also staged a strike requesting similar wage increases and enterprise trade union reform. It was also reported that workers from a Hyundai supplier factory in Beijing launched a strike to demand higher wages. Added to this, workers from two Toyota factories in Tianjin, Atsumitec Co (a supplier to Honda) and Ormon (a supplier to Honda, Ford and BWM), followed the example of their counterparts and went on strike in June (Reuters, 2010). The linkage of these strike cases is confirmed by the fact that a leader of the Zhongshan Honda supplier strike had contacted worker representatives in the Foshan factory and tried to seek their advice.

**Impact on Wider Labour Relations**

After the wave of strikes around the country in May to June 2010 led by CHAM workers (Asian Weekly, 2010), the reform of trade unions on the basis of the existing legal framework and the establishment of a better collective consultation system in the workplace seemingly came to the top of the agenda for the ACFTU and the government. Commenting on the CHAM workers’ strike, the Xinhua agency, the official press agency, emphasized that it was a matter of great urgency to push forward collective wage consultation in enterprises in order to further safeguard workers’ legal rights and promote harmonious labour relations (Takungpao, 2010b). On 5 June, the ACFTU issued a document entitled *Further Strengthen the Building of Workplace Trade Unions and Give Them Full Play* (ACFTU, 2010b), which advocates the election of workplace trade union committees in accordance with the law and the role of workplace trade unions in ensuring effective implementation of the Labour Code, trade union law and the labour contract law in enterprises. It also emphasizes workers’ rights to information, participation, expression and monitoring in workplace trade unions. This was also the context in which Wangyang, the CCP Guangdong general secretary, and Kong Xiang Hong, the GDFTU deputy chair, made the speech that urged for workplace trade union democratization we mentioned earlier (Takungpao, 2010c; Yangchengwanbao, 2010). In August 2010, a source from the ACFTU suggested that the GDFTU experienced an unprecedented level of pressure due to the Honda strike and Foxconn suicides.

In this circumstance, the central and local governments have sought to introduce a legal framework for workplace collective consultation. The Guangdong provincial government debated the second draft of the Regulations on the Democratic Management of Enterprises in August 2010 after a suspension of almost two years, while the Shenzhen Collective Consultation Ordinance (amended draft) that had also been suspended since the world economic crisis was under public consultation at around the same period (Hong Kong
Alongside this, at least 13 provinces have issued documents in the name of the CCP branch committee or the local governments to promote collective wage consultation (China News Net, 2010). Although the introduction of a workplace collective consultation system has seemingly come to the top of the government’s agenda, in reality it is undetermined and its attempt to build up a collective interest-based legal framework has been halted by pressure from capital. It is reported that many overseas business chambers were strongly against the legislation on collective negotiation. In Hong Kong, over 40 business associations have published their petition in newspapers, while some of their representatives have paid official visits to the Guangdong government to reflect their concern (Singtao News, 2010). As a consequence, the Regulations on the Democratic Management of Enterprises and the Shenzhen Collective Consultation Ordinance have been put off (Wenweipao, 2010).

Conclusion

As has been elaborated, CHAM workers have consistently demanded the reformation and re-election of the enterprise trade union committees during and shortly after their strike. This reflects an advancement of their consciousness of associational rights. Driven by the workers’ pressure, direct elections were held at least at the departmental level and a number of strike leaders were elected as shop-floor union representatives. This is clearly the achievement of workers’ collective struggles that sought to enhance their associational rights within a highly constraining political environment. Although the CHAM workplace trade union remains under the leadership of the ACFTU and its president remains in position, the state and the ACFTU have made a partial compromise on the associational rights issue because of workers’ huge pressure.

Based on the analysis of this important case as well as its further development and wider impact, we conclude that the bottom-up pressure from workers and the external support for workplace trade unions are two important conditions for the promotion of effective trade union reform and collective bargaining in China’s workplaces. The first condition shapes the dynamics of the current trade union reform, as the ACFTU and the party-state feel increasing pressure imposed by the new generation of migrant workers who have rising consciousness and organizing skills. The second condition puts the ACFTU and the party-state in a dilemma when handling workplace trade union democratization, due to their opposition to civil society’s intervention in workplace organizing. These two points will be elaborated below.

First, the bottom-up pressure from workers’ strikes is an essential although not sufficient condition for effective workplace trade union and sustainable wage negotiation. In sharp contrast to the top-down mobilization strategy to reform the workplace trade union by having direct union elections in some pilot companies (Howell, 2008a), the pressure imposed on the enterprise and the lower-level trade union organization by CHAM’s workers was bottom-up in nature. Although the enterprise trade union and the trade unions at the town
and district level were on the side of management, workers at CHAM stood up to them and took the lead throughout the strike and during their negotiations with employers. Their demands for a wage increase and democratic trade union reform were clearly articulated. Although collective contracts are common, wage negotiation was very rare in China, especially in FIEs (Clarke et al., 2004). The wage negotiation in CHAM is a breakthrough in terms of its process and outcome. Neither the union election nor the wage bargaining undertaken in CHAM is fully democratic in the Western sense. Instead, both the election and bargaining are monitored by the higher-level trade union, the agency of the party-state. However, as the main concern for Chinese workers at this stage is wages and working conditions, and their political consciousness, if there is any, is still very weak, the state-led intervention will be enough to pacify workers as soon as their wage demands are satisfied.

In her study of trade union elections in China, Howell (2008a: 863) concluded that: ‘[a]ny significant move forward with direct elections is only likely to happen when there is a shift in the political context, either because of regime crisis or because of political liberalization’. Echoing Howell (2008a), we took the view that without more significant political change, it is hard to imagine the proliferation of independent and democratic trade unions in China. However, an extension of union elections and wage negotiation is also possible due to pressure from workers’ unrest even without a political crisis. In other words, while democratic and independent (from both management and the party-state) trade unionism is unlikely to occur without a significant political change, effective workplace trade unionism in terms of its capacity to negotiate better wages and working conditions with the support of the party-state is still possible.

Second, external support is another condition for effective workplace trade unionism in China, as A. Chan (2009) suggested. External support is especially important for Chinese migrant workers, given that most of them – and in fact also their parents – do not have the experience of collective association. However, the question of external support is also one that causes dilemmas and barriers for workplace trade union reform in China. Institutionally, external support should come from the local union centre, the only legitimate source of support under the current trade union regulations. Article 1 of the Trade Union Law declares it a duty of trade unions ‘to protect the exercise by workers of autonomous self-organisation and association in trade unions so that they may undertake collective action, including the designation of representatives of their own choosing to negotiate working conditions’. But in practical terms, the bureaucratization of local union centres and their traditional and institutional subordination to local government impede their possible leverage in implementing union policy from above and supporting efforts to exercise union power from below (Chen, 2010; Clarke and Pringle, 2009). From the CHAM case, we can see from STFTU’s apology that they did not recognize that it is in principle wrong to persuade strikers to go back to work; they apologized only due to political pressure. While the GDFTU can intervene in trade union elections in CHAM and other factories in the pilot scheme, it is impossible for the provincial trade union to organize trade union elections and participate.
in wage negotiation for hundreds of thousands of factories in the province. Opposition from overseas capital also impeded the leverage of the GDFTU and its subordinate branches to promote collective bargaining in workplaces, as the local government, and thus the local trade union centres, still have to bend towards global capital’s interests under a patron–client relationship.

In practical terms, civil society groups are also able to provide support to workers striving for real trade unions, especially in South China where labour NGOs are prevalent (Howell, 2008b). However, although the support from civil society to workers is not illegal, and in fact organizing strategies have been accumulated by NGOs in the past two decades and can be transferred to workers, the party-state is sceptical about the promotion of independent workplace organizing and shows its capacity to constrain such activism. Reform of trade unions in China will continue to be a process full of dynamics and dilemmas for the foreseeable future.

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**Notes**

1 In the top-down approach of union-building, usually it is the management who takes an initiative to establish a trade union requested by the higher-level trade union or local government.

2 However, after the trade unions were established, the ACFTU did not continue to mobilize workers in wage negotiations (CLB, 2008), which forced Gao Hai Tao, one of the Wal-Mart store trade union Chairs, to resign in protest.

3 Interview with workers on 30 May 2010.

4 Our translation. The apology letter issued by the trade unions was first published by the *Caixing Net* on 2 June 2010 with the title ‘An open letter from the Nanhai district trade unions and Sishan county trade unions to CHAM workers’ (*Caixing Net*, 2010). However, this was later removed from the website, probably due to government censorship.

5 This letter had been widely circulated during the strike by Internet media (e.g. *Caixin Net*) and a number of independent websites, including the Chinese Workers Research Network that will be elaborated later.

6 According to a report by ACFTU (2010a), to begin with, migrant workers started work in cities at an average age of 26.

7 Only the best junior secondary school or very good high school graduates can be admitted to study in a *jixiao* or technical school, but admission standards have declined due to the expansion of higher education in China since the mid-1990s.

8 Information from CWRN.

9 Interview on 12 August 2010.

10 Information from the Honda workers.

11 In Taiwan, South Korea and Indonesia, previously authoritarian regimes with a similar trade union structure to China, democratic workplace trade unionism also failed to proliferate until political democratization took place: 1987 in South Korea and Taiwan, and 1989 in Indonesia.
References


Caixing Net (2010) An open letter from the Nanhai district trade unions and Sishan county trade unions to CHAM workers, 2 June. Available at: http://policy.caing.com/2010-06-02/100149369.html (Note: This open letter was originally posted on the internet by Caixing Net. It has now been removed, but can still be found in other blogs which indicate the source as Caixing Net, e.g. http://bbs1.people.com.cn/postDetail.do?view=1&treeView=0&id=100136168&boardId=1).


Takungpao (2010a) 1 June, p. A14. ‘bentian bubagong chenuoshu neng jieque jifeng?’ (Can ‘not-to-strike’ agreement letter solve the Honda dispute?)

Takungpao (2010b) 2 June, p. A14 ‘guanmei ping bing bentian bi gongren chenuo “bubagong”. (The Chinese official media criticizes Honda for forcing workers undertaking not to strike.)

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