

Unions in China:

A View from a Canadian Unionist

Cathy Walker

The standard of living in China has improved since 1978 with Deng Xiaoping's policy of opening up China, and has improved dramatically since his 1992 visit to the economic experiments in the south (places like Shenzhen near Hong Kong). The standard of living of the rich has dramatically improved but it has also significantly improved for ordinary people such as workers *with jobs*, shopkeepers and even peasants, though the latter still do back-breaking work in the countryside. For laid-off workers, however, and peasants who are displaced from their land, things have economically deteriorated.

State-owned enterprises (SOEs) are continuing to contract, with closures and privatization ongoing. As a result, the former urban worker 'iron rice bowl' guarantees of jobs for life, health care, subsidized housing and food and free education, are going by the wayside. In the SOEs, unions in the past played the role of social convenor, counsellor, production booster, health and wellness promoter and recreation committee. Today, their role is often similar.

Today, foreign owned enterprises, joint ventures and domestic enterprises are flourishing, but are often provide precarious employment that flouts the law. About 70% of the Chinese economy is now in the private sector, more than some European countries. Foreign companies are making enormous profits and under-cutting the standards of living, hard-won by their employees in the home country. Unions are usually not organized in these workplaces. Former National Union of Mineworkers' Director of Research, Dave Feickert, asks, "Who is present in China to affirm a model of society, which is not neoliberal but which develops a social market concept and a social model with a global dimension? China will be the biggest economy in the world quite soon. What model will it have: neoliberal or social market?" Shouldn't the union movement in China play a role in challenging the neoliberal agenda?

The Chinese government's removal of agricultural taxes and higher prices for agricultural products has helped to make life a bit easier for peasants, which helps them to remain in the countryside. Knowing about unsafe working conditions, forced overtime, low wages and often unpaid wages in the cities have convinced many migrant workers from the countryside to stay home. Labour shortages on the eastern coast have increased workers' power to bargain for better wages and working conditions, making it easier to organize workers into unions and easier to secure collective agreements.

According to the Chinese Ministry of Labour and Social Services, in the first half of 2004 alone the Ministry handled 6,400 collective labour disputes, which involved 184,000 persons, "considerably more than in the past".

In this context, what is the role of unions in China? Has it changed as a result of the consequences of reforms and opening up? Should it change more? I think the answer to both the latter questions is 'yes'.

ACFTU and Labour Law

The official trade union, the All-China Federation of Trade Unions (ACFTU), is the only legally recognized trade union in China. Independent trade unions are not legal in China nor do they function in even clandestine ways. While the ACFTU appears from the outside to be a monolith, in practice it functions very differently in different workplaces and is composed of trade unionists with a wide variety of opinions about how trade unions should function in China.

Laws protecting union rights in China are better than in many other countries. With 25 worker signatures in a workplace, the employer must recognize the union. Once recognized, the employer must pay 2% of payroll to the union and the workers must pay 0.5%. The new *Labour Contract Law*, which will come into effect January 1, 2008, will help to ensure unions have the right to negotiate collective agreements.

Contact with Canadian Unions

Over the past half dozen years, more and more trade union delegations from China are visiting Canada and other countries. Unions such as the CAW, CUPE, Power Workers, OPSEU, HEU, the BGEU and others have put on sessions for them on a wide range of issues, from the nuts and bolts of collective bargaining and occupational health and safety, to the broader questions of globalization and the corporate agenda. Responses have varied but the Chinese trade unionists have generally listened carefully and taken careful notes. After one hard-hitting presentation by Herman Rosenfeld at the CAW office in Toronto condemning globalization, I thought the high-ranking trade unionist from China was literally going to kiss Herman. It's obvious that some people in China are not keen about going down the capitalist road. Eng-

lish translations of letters and essays by former ACFTU officials critical of admitting capitalists to the Communist Party, published in *Monthly Review*, reflect the same point of view.

Wal-Mart Organizing, 2006-07

The first official delegation of the Vancouver & District Labour Council to visit China took place in August 2006. The Wal-Mart stores were being organized throughout China as the delegation was visiting in August 2006. The Beijing Municipal Federation of Trade Unions (BMFTU) told us that the contact they had had with Canadian unions, especially the descriptions of how to go about organizing unorganized workers, had been invaluable to them as they tried to organize the Wal-Mart stores.

The ACFTU organized the notoriously anti-union Wal-Mart stores in China using a variety of tactics, including meeting with workers in the middle of night in clandestine meetings. This grassroots union organizing is new to the ACFTU but it is being greeted with enthusiasm by some of the ACFTU organizers. In her analysis of Wal-Mart organizing, Anita Chan quotes the ACFTU homepage: “Setting up these unions encountered many ups and downs. It did not come about easily... It is a major breakthrough in creating something new that will definitely open up a new stage!” Will such efforts continue at other foreign-owned enterprises? Will the ACFTU be able to negotiate an effective collective agreement with Wal-Mart? Will the Communist Party branches set up now in the Wal-Mart stores impede the ACFTU in defending workers’ interests? Does the CCP still fear the possibility of a de-stabilizing Polish-style Solidarnosc trade union developing in China?

The BMFTU returned the visit a year later. We were told they still have no first collective agreement. What should progressives in Canada make of all this?

Unions in Chinese Auto Plants

I had a chance to visit four automotive assembly plants during 2004 and 2006, to investigate production and working conditions and the structure and role of the unions at the plants. Each plant was about the same size, with several thousand workers assembling cars that were designed in other countries but produced vehicles for the domestic Chinese market. As a result, the plants were required to be joint ventures with approximately half the ownership in Chinese hands (Honda has recently opened a plant producing for the export market and for this reason is not compelled to have a joint venture).

The Shanghai GM plant was similar in many ways to the GM Oshawa car plant and made the same product. The Shanghai GM, Tianjin Toyota and Hyundai in Beijing were very modern plants with a young, city-bred workforce. The Beijing Jeep plant was the first joint venture in China (beginning in 1983) with an out-



“It’s true, we are leaders, but at Citroen the revolution never stops.”

moded production system. The plant was about to be closed and re-opened in the suburbs of Beijing.

In each plant, Tianjin Toyota, Shanghai GM, Beijing Jeep, and Hyundai in Beijing, the ACFTU was the union that represented the workers. Yet in each plant, the union was structured and functioned quite differently. I’ll describe the different procedures of selection of the union leadership to demonstrate this.

General Motors Shanghai plant (2004)

The visit to the GM Shanghai plant was arranged through the company and I spent the day with the GM health and safety director for China. I met with the trade union representatives at the end of the plant tour and also at dinner. The translation was provided by the GM health and safety director. Three people are responsible for conducting trade union elections, which are held by secret ballot vote. The 5,000 workers elect 200 trade union representatives. These 200 union representatives in turn select the full-time trade union leadership (the equivalent of twelve and a half people since the chairman is also the chairman of the Communist Party organisation), who in turn select the chairman. The trade union was led by older representatives chosen by the workers. →

They had worked in a variety of workplaces (eg. tractor plant, power plant, etc) prior to working at SGM.

Trade union elections were held last year and are held every five years. During this five-year period the company cannot fire any of the union representatives. Lost time for the union representatives, both full and part-time, are paid by the company as required by law. The salary of the union chairman is almost the same as the president of the company and the salary of the vice-chairman is at the company director level.

We had a lengthy discussion about the problems of return to work and permanent disability. The union has made a real breakthrough in this regard and the union chair was quite proud of this. Sickness benefits are normally paid through the trade union, but due to ten workers in the plant being off on long term or permanent disability with such conditions as cancer, the trade union chair got an additional 20 Million RMB (about 1.9 million Euro) to provide for the workers off on disability. This money goes both for medical treatment and for sick pay which varies according to the number of workers' dependants.

Wages and benefits are relatively high, with wages for an average worker 2,200-2,500 RMB per month, and with profit sharing it can be double that (workers took home 25 months' salary last year). These bonuses are paid quarterly. Overtime can be required up to one hour per day. Sometimes there is Saturday work but the workers always at least get Sundays off. As well, there are housing subsidies.

The company encourages workers to buy cars and provides a special benefit and fuel subsidy if they do. Workers on the line can afford to buy a small car and the company gives them a discount (six months' salary if they are a first timer). So far, more than 500 people have purchased cars but most of them are management. Workers still mostly take the bus.

Beijing Jeep (2004)

I toured the Beijing Jeep plant and met with the leadership of the union as a result of arrangements made by the China Workers' Center for International Exchange (basically part of the All-China Federation of Trade Unions), the officers of which accompanied me.

There are presently 3,259 union members of whom 603 are women. Many of the workers are older but there have been new hires. Recently, 90 college graduates and 278 other workers have been hired. Before new hires begin, they receive training on

safety. The trade union was established in 1984 and it is run through a system of congresses, the first of which was held in 1985. There have been six congresses, to date. The congress selects the trade union working committee consisting of 11 people and one chairman. There are ten full-time trade union representatives and about 25 part-time trade union representatives. There are eight specialised working groups, among them there are four major ones: salary and welfare; labour production; labour protection; and women.

They have a signed collective agreement that includes six terms including safety protection, labour conditions, protection of women and health examinations. All workers get a copy of the collective contract as part of their employees' manual.

When building in a new area, the trade union takes part in the decision-making process. Every Wednesday afternoon there is a two-hour meeting to discuss building the new plant where the trade union takes part. Also, in the collective contract, there is a provision to ensure investment is made in improving working conditions, which is 1.5 Million RMB.

Tianjin Toyota (2004)

My tour of the Toyota Tianjin plant was conducted by one of the four full-time trade union representatives at the plant. This



young woman was fluent in English and I asked her how she had got the job. She told me three of the four full-time representatives had been newly hired for the position by Toyota (the other was chosen by the FAW, the Chinese partner). When she was interviewed for employment by Toyota, she was offered the job of being a trade union representative. I asked her what the role of the union representatives was. She explained that they were basically go-betweens between the workers and the management. There was a meeting once a month with the workers and this was an opportunity for them to raise issues and for the union leadership to attempt to deal with them. They see their roles as co-ordinators. If workers were still dissatisfied, they would give the workers additional explanations as to why something couldn't be done. An example she gave was the problem of salaries. The workers wanted salary increases but the administration wanted to give only modest increases. The role of the full-time union representatives was to explain the needs of the market and the pressures the company was under. They told the workers if they got too much that they might be fired and that there are lots of other people waiting for work. She was quite candid that threatening the plant might close wasn't really true, but they were supposed to communicate that to the workers.

There were also ten part-time union representatives, elected by the workers by a system of secret ballot (writing the names on a piece of paper) on a departmental basis. I asked her what would happen if the company didn't like the workers' choices for the part-time union representatives. She told me that was too bad for the company; as they were the real union representatives. She meets with these part-time representatives every day and said that they also raised suggestions or ideas with her, not just problems or dissatisfaction.

Hyundai in Beijing (2006)

In 2006, I visited the Hyundai plant in Beijing with the Vancouver & District Labour Council delegation. The Co-chair of the ACFTU union at the Beijing Hyundai plant gave a brief introduction to the trade union. He explained that there is international misperception about the union movement in China. In fact, the history of the union movement in China is almost as old as the Chinese Communist Party. There were famous strikes in Chinese history such as the February 7th strike (*the General Rail Strike began in Zhengzhou on February 7th, 1923 and was violently repressed three days later with much bloodshed*) and the Anyuan Miners Strike (*In January 1922 Mao Zedong sent a representative of the Hunan Communist Party to the coal mines at Anyuan in eastern Jiangxi Province to begin organizing. Within nine months Anyuan miners had become one of the most successful unions in all China.*) which were led by Chinese workers prior to the establishment of the People's Republic of China in 1949. These strikes were for workers' rights and benefits.

The Co-chair said the principles of the trade union in China are not very different from unions elsewhere: to protect and defend the union's legal rights. With China's opening up and reforms, there are fewer and fewer SOEs and more and more

private companies. The union's role in defending workers' rights becomes more and more important.

He explained that the union at Hyundai has a shared concept, to develop harmonious relationships and help workers defend their rights. He said there are three principles of the Beijing Hyundai union:

- 1) The trade union here develops the majority of workers' interests. Because the composition of the trade union members consists of blue-collar workers and white-collar workers, right up to the CEO of the company, the membership composition is diverse and it represents differing parties' interests. Thus the trade union work is not directed by individual workers' demands. The main issue is whether it represents the majority of workers' interests or not?
- 2) We maintain our basic task is to defend workers' fundamental rights. This includes safety and health as two fundamental rights. The trade union keeps close watch on this issue and will talk to management if it sees a violation.
- 3) Workers' long term interests cannot be separated from the companies' long term development. If labour relations become tense, it could bankrupt the company and workers' interests would not be represented. Therefore the Beijing trade union and the company are not in favour of strikes. Strikes are a fierce problem solving method. Negotiations, discussions, arbitrations and lawsuits, as well as the intervention of the Communist Party, are better methods of solving problems.

We Need to Continue to Talk with the Chinese Unions

Today there are a variety of union structures in Chinese workplaces, including the auto plants. This is probably true for all industry in China today as it continues to change so rapidly. The trade union delegates who have visited us in Canada and the people we met with in China have had a variety of perspectives on their role in China. Some have emphasised their need for stability, moderation and co-operation with employers. Some have stressed the need for understanding how unions function in a market economy as China moves more and more toward a market economy. All have been interested in what we do and most recognise the need for the union movement in China to change with the times. A number have emphasised the need for examples from the Western trade unions to give them the opportunity to argue for change in China. We need to continue to talk to them both in Canada when they visit and by visiting China in return. **R**

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