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## Collective Awakening and Action of Chinese Workers: The 2010 Auto Workers' Strike and its Effects

On May 17, 2010, a strike erupted at the Honda parts plant in Nanhai, a city located in the Chinese center of the manufacturing industry in Guangdong province. More than 1,800 workers participated, and the strike disrupted all of Honda's spare parts production facilities in China and led to the paralyzing of Honda's car production in China. On May 28, the strike wave spread to a Hyundai car factory and on May 29 to US-American Chrysler's joint venture Jeep factory, both in Beijing. On June 18, Toyota's second car plant in Tianjin had to close, due to a strike. In July, the Chinese media were universally asked to restrict their coverage of the strikes, but the strikes in the auto industry still did not stop. Prior to July 22, at least two of Honda's joint venture factories saw strikes. The organizers and most important participants of these strikes were migrant workers (*nongmingong*, peasant workers). During the strike wave they showed very strong collective consciousness and capacity for collective action.

Beginning in 2001, when China joined the World Trade Organization (WTO), the yearly statistics of the Political Strategy Office of the Chinese State Council and the central Labor Department show that migrant workers, entering cities from the countryside, constitute an important part of the Chinese working class.<sup>1</sup> Migrant workers already make up more than two thirds of the second-

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<sup>1</sup> Research Office of State Council of China, *Zhongguo Nongmingong Diaoyan Baogao* (Research Report on Migrant Workers in China), Beijing: China Shiyuan Publishing House, 2006.

ary sector, and in the tertiary sector their percentage is even larger. By 2009, their total number in China had already reached 280 million. Traditionally, people assume that migrant workers lack collective consciousness and militancy. Migrant workers come from China's rural regions with the lowest income levels and living standards. The net income per year is only about 1,500 to 2,500 RMB, while in the manufacturing industry that is one worker's monthly wage. Therefore, since the reform and opening of China in 1978, migrant workers, who have always "eaten bitterness and hardship", were well poised to take on the role of the exploited.<sup>2</sup> Although resistance occurred, struggles of these migrant workers were usually unorganized and sporadic. There have not yet been any interregional strike waves occurring in the same industry.

The auto industry is one of the most profitable industries in China, and one of those with the best working conditions. Sales from the domestic automobile market in China have already surpassed those of the USA, and China has become an important market for all of the world's big auto producers.<sup>3</sup> The domestic car market enjoys protected prices. Sales prices for the same car models are far higher than in the USA or South Korea. The auto companies have enjoyed huge and growing profit margins.<sup>4</sup> Because of the advanced technology typically used in the production process of the auto industry, most autoworkers are skilled, enjoy good education and training, and working conditions and benefits are better than in other industries. Working conditions and wages of all auto companies that were hit by strikes during this strike wave were in accord with legal standards and even above average for the affected

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<sup>2</sup> D. Solinger, *Contesting Citizenship in Urban China*, Berkeley: University of California Press, 1999; Q. Li, *Nongmingong Yu Zhongguo Shehui Fenceng* (Migrant Workers and Social Stratification in China), Beijing: Social Sciences Publishing House (China), 2004.

<sup>3</sup> Tug-of-car: Detroit's and China's carmakers both want a piece of the action, in: *The Economist*, 22 October 2009.

<sup>4</sup> 2011 China Automobile Industry Development Report, Beijing: China Automobile Industry Journal Publishing House (China), 2011.

areas. A large part of the workers who participated in these strikes were migrant workers, many of them young, and many having a good education and technical training. By contrast, hardly any larger and longer strikes occurred in the traditional heartland of the auto industry – in provinces such as Hubei and Jilin. The main reason for this is that most of the autoworkers in these regions are local residents. Although the job income of local workers, including wages and benefits, is almost the same as that of migrant workers, the former rarely chose to follow the actions of other autoworkers.

## The Role of Workers' Organizations in the Mobilization of Migrant Workers

Worker organizers and activists play a very important role in the development of collective consciousness and the collective empowerment of migrant workers.<sup>5</sup> Before the strike wave, Chinese migrant workers knew little about their rights and forms of collective resistance. In 2004, a survey conducted by the Chinese Academy of Social Sciences (CASS) showed that despite illegal exploitation and pressure migrant workers would commonly put up with their plight,<sup>6</sup> and in 2006, an investigation by the Sun Yat-sen University in the Pearl River Delta of Guangdong province also showed that, despite low wages and unstable working environments, migrant workers largely lacked collective consciousness and awareness of collective actions.<sup>7</sup> In a system that is unable to take care of their legitimate rights and interests, a large majority of the migrant workers choose to leave the Pearl River Delta instead of starting to resist.

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<sup>5</sup> C. Chan, *The Challenge of Labour in China: Strikes and the Changing Labour Regime in Global Factories*, Abingdon: Routledge, 2010.

<sup>6</sup> P. Li, *Zhongguo Shehui Fazhan Baogao 2004* (China Social Development Report 2004), Beijing: Social Sciences Publishing House (China), 2005.

<sup>7</sup> L. Liu / X. Wan, *Zhidu Duanque Yu Laogong Duanque* (Institution Absence and Labor Shortage), Beijing: Social Sciences Publishing House (China), 2007.

Nevertheless, these surveys and inquiries have not looked into the lively worker organizing in workers' communities and within factory zones. In June 2010,<sup>8</sup> China already had about 100 independent workers' organizations, as well as more than 2,000 citizen representatives who represent workers in labor disputes. Since the late 1990s, these workers' organizations and labor dispute representatives have developed their activity outside the control of the Chinese authorities and the official union. They successfully established workers' networks based in the workers' communities. In Shenzhen, Guangdong province grassroots workers' organizations bring a fresh wind to the educational and support activity of labor dispute services and small-scale workers' information services that already cover communities of more than 400,000 migrant workers. In Beijing, Shenzhen, and Shenyang, several branches of *Xiaoxiao-niao* (Little Bird) – a mutual help hotline for migrant workers – were founded. Since 2003, they have produced a radio talk show specifically for migrant workers, which attracts an audience of about 500,000 people a year.<sup>9</sup> In addition, the large number of independent citizen representatives representing migrant workers in labor disputes play an important role for the growing knowledge about laws and the rights consciousness of workers. Most of the migrant worker labor disputes these representatives take on are collective disputes.

Although leaders of workers' organizations and independent citizen representatives often get involved in the workers' movement in order to earn money – and not because they want to sincerely support migrant workers – their half-hearted activity still gives migrant workers a chance to gain experience in defending their rights. Through such experience, many migrant workers begin to realize the importance of self-organization and collective action. Ma Yang, an initiator of the Beijing Workers' Action Center, said: "I myself am a migrant worker and I have experience in labor struggles.

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<sup>8</sup> Field data collected by the author.

<sup>9</sup> Little Bird, annual report (2010).

Looking around at the many fellow workers with rights defense experiences has taught us that nobody is able to help us. The only way is for fellow workers to organize and support each other, otherwise you will never have real power.”<sup>10</sup>

In Honda’s auto parts factory, where the strike wave started, almost every line worker and low-level foreman is a migrant worker. Working conditions and salaries in the factory are better than average for the local Nanhai region, and everything is managed according to the proper legal standards. Nevertheless, the internal management system of the company leaves no room for any form of worker participation, and ordinary workers basically have no opportunity to voice their concerns in the union’s collective bargaining process. Some skilled core workers of Honda’s auto parts factory have previously worked for other factories where they participated in various efforts to organize workers. A portion of the workers had already received legal advice from certain workers’ organizations and had some understanding of the importance of collective consciousness and the need to organize workers. When the international financial crisis began in 2008, Honda’s auto parts factory saw its profits reduced and as a result suspended wage increases and overtime work. That led to lower real wages and provoked widespread complaints among the workers. One skilled core worker who participated in the strike said: “Since we stood neither together nor united, the employers were able to handle things the way they wanted to... Today prices increase so fast, e.g. eggs are twice as expensive as they were before, however wages have not changed. We had no choice but to stop [working].”<sup>11</sup>

In April 2010, two skilled and experienced workers from Honda’s auto parts factory initiated a labor dispute over wages against the factory management. The two sought out Lao Zhang – a citizen representative who had specifically represented workers in legal cases. Lao Zhang himself had been a migrant worker and had worked in

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<sup>10</sup> Interview by the author, 2010.

<sup>11</sup> Interview by the author, 2010.

factories before. Lao Zhang thought that only through mediation could the two fellow workers get more money in a timely fashion. Normal mediation procedures for labor disputes last half a year. In order to make the factory management accept the mediation, the two workers needed a bargaining chip that could be used during negotiations. Lao Zhang and his colleagues proposed that the two workers return to their factory and dormitory and hand out a leaflet in preparation for a strike. They were encouraged to tell management about the leaflet as well. That way they would effectively put pressure on management to start the mediation. They did not expect that fellow factory workers who had heard about the two workers handing out leaflets would take action. Many low-level managerial staff members played an important role in coordination and organizing. They came from the ranks of migrant workers and thus had a strong influence on ordinary workers.

By the time the workers started the strike on May 17, the two workers who had handed out the leaflet had already lost their influence. On May 20 and 21, workers and managers had two sessions of collective bargaining. Workers put forward their six demands, including an increase in wages and benefits, a promise not to sack striking workers after the end of the strike, and the reorganization of the union. The factory management agreed to them in principle. The citizen representative Lao Zhang thought that the time had come to return to work and start mediation, but inside the factory hardly any workers acknowledged that it was Lao Zhang and the two workers who had initiated the strike.

On May 22, the management used the factory loudspeakers to announce that it had fired two strike leaders. After hearing this announcement, all factory workers came out on strike, including all employees working in internal logistics. Honda's entire auto parts supply system in China came to a halt. Guangzhou-Honda's and Dongfeng-Honda's large scale assembly plants had to stop production because they did not have enough parts. The economic damage was immense.

In the following week, the factory management made two offers to increase wages and living allowances and demanded that the striking workers return to work immediately. Meanwhile, many striking workers hoped to resolve the problem as soon as possible because they had not received wages during the strike. On May 28, because many workers showed signs of being willing to return to work, the factory management suddenly issued a “promise statement” in the dormitories and demanded that workers commit themselves to not leading, organizing, or participating in collective actions such as strikes. They also demanded that the workers promise to voluntarily follow the company rules. During on-the-spot interviews, workers who participated in the strike declared: “In fact, we wanted to find a solution. Now who is afraid of whom? If nothing gets produced, the company loses money every day, much more than we do.”<sup>12</sup>

On May 29, the factory management, moving a step further in adopting tough measures, ordered the return of the “promise statements” and demanded that the workers sign them and put them in boxes set up specifically until 9 a.m. on May 31. If the workers did not comply they would have to face personal consequences. Faced with such a situation, one female worker said: “In the beginning many participated in the strike. We are not little kids, and the factory management should not try to intimidate us. We could not return to work, since no one was on strike just for him- or herself.”<sup>13</sup> In this way, the strike at Honda’s auto parts plant continued until June 8, and only after the responsible managers at headquarters in Japan and at the Chinese joint venture Guangzhou Auto Corporation promised to satisfy all the workers’ economic demands did work resume.

As the point of departure of the strike wave in the auto industry, the strike at Honda’s auto parts plant reflects collective discontent among the masses of migrant workers. In providing independent

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<sup>12</sup> Interview by the author, 2010.

<sup>13</sup> Interview by the author, 2010.

and experienced worker representation, citizen representatives of labor discontent played an important role in this process. Although the aim of the citizen representatives' planned strike did not converge with the interests of all workers, and although their role during the strike was not approved and supported by all workers, the majority of workers and low-level managerial staff members did immediately respond to the strike leaflet and strike organizing actions. This shows that the slogans used by the citizen representatives were in accordance with the demands of the workers. More importantly, through their experience with labor disputes or services they had received from worker organizations, many striking workers began to understand that for the realization of their own interests it is of great importance to unite and act collectively. Therefore, workers could – in a situation without clear organization and leadership – remain committed to seeing the strike out to the end.

## The Media as a Catalyst

From the beginning, the Honda workers' strike in Nanhai, Guangdong province, received immense coverage in the local and national Chinese media. Official media reports played a role in the strike wave's development from an isolated incident to an industry-wide action spanning multiple regions. In contemporary China, the vast majority of workers' organizations remain limited to local workers' communities and industrial zones.<sup>14</sup> Workers' organizations do not have the ability and experience to use and coordinate transregional labor actions.<sup>15</sup> In this situation, the media became an important channel for the mobilization of workers' actions across multiple regions.

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<sup>14</sup> K. Wang, A Changing Arena of Industrial Relations in China, in: *Employee Relations*, 30 (2008), 2, pp. 190–216.

<sup>15</sup> C. K. Lee, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, Berkeley: University of California Press, 2007.



During the strike wave, the media had a key influence on certain groups of workers. The reports, including those of the domestic Chinese Central Television Station (CCTV) and the Xinhua News Agency, concentrated on two key subjects: the automobile industry and migrant workers. In the Chinese auto industry, workers from assembly plants often look down on workers from the auto parts factories. They think that workers in the parts plants have no skills, are inferior, and produce lower quality goods. However, when workers of the Hyundai production plant in Beijing and the Toyota production plant in Tianjin learned that workers in the parts factories, whom they normally look down on and consider inferior, staged a successful strike, they felt left behind.

Moreover, the media reports attributed the strikes to migrant workers. Most migrant workers in the Chinese auto industry are hired as skilled or unskilled production workers. Media reports on striking migrant workers created a strong sense of identity among many autoworkers. This was shown by the fact that strikes occurred in companies where the workforce consisted of migrant workers, while car factories employing mostly local workers remained relatively unaffected.

These detailed reports from the official media on the developments of the strike and the demands of the striking workers showed others the way. For instance, the demands of striking workers from Hyundai, Toyota, etc. were more or less the same as those of the workers who had previously gone on strike at Honda's parts factory in Nanhai. Even many expressions and phrases were completely identical. During an on-site interview a male skilled migrant worker from a Jeep factory in Beijing said: "Reading those [media reports], it all sounded really familiar. It was more or less the same situation as ours. Those folks went on strike so we wanted to do it, too. On the Internet we saw how the other striking workers put forward their demands, so you knew how to do it."<sup>16</sup>

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<sup>16</sup> Interview by the author, 2010.

During this strike wave, the media's role went far beyond mere reporting. In Honda's parts factory in Nanhai, where the first strike happened, the media intervened in the bilateral collective bargaining procedures. On May 29, the twelfth day of the strike, the factory management still took a hardline stance, and the authorities deployed a large police force outside of the factory. Some workers started worrying about the legality of their own behavior. A reporter from the magazine *Caijing* (Finance and Economics), the Chinese business newspaper with the largest circulation in the country, was conducting on-the-spot interviews and told some worker representatives that *Caijing* could help them find a lawyer. He hoped the worker representatives would help him interview striking workers and gather information. The reporter found Professor Chang Kai, a senior labor scholar with close relations to the newspaper's headquarters in Beijing, and invited him to serve as the striking workers' legal consultant during the collective bargaining process that was about to begin. At the same time, he demanded that Chang Kai would first speak to *Caijing* about the content of the collective bargaining sessions.

On the afternoon of June 4, Chang Kai traveled directly from Beijing to Nanhai to participate in the collective bargaining process. After four hours, Honda agreed to all workers' demands except the demand to "reorganize the union". After the negotiations, a reporter, who was standing in front of the striking workers, received a call from Chang Kai who informed him of the situation. On June 5, *Caijing* published a related article on its website – before any other media outlet. A detailed report was also published in the first June edition of *Caijing*. In terms of the timing and depth of these reports, *Caijing* was ahead of all other domestic Chinese and international media outlets.

The most important reason for the rising media participation in the strikes is the fierce competition on the domestic media market. This competition allows workers and the public at large to receive the latest information about labor actions. In fact, media participa-

tion did not improve the strike situation at Honda's spare parts factory in Nanhai. The workers' legal adviser Chang Kai stayed at the striking factory only for a few hours, and he left Nanhai the evening the negotiations between employers and workers came to a close. One day after employers and workers had reached an agreement, many workers were dissatisfied with the way outsiders had represented them in the negotiations. They claimed that there had not been any discussion among the striking workers before Chang Kai was selected as their legal adviser, and that therefore they could not recognize the negotiated agreement. So the strike continued from June 5 to June 8, until the management and workers' representatives met once more and reached an agreement directly.

The domestic media were also subject to restrictions imposed by the government. When the strike appeared to spread beyond provincial borders, the Central Propaganda Department of the CCP, a regulating body for the domestic media, passed down a notification demanding that all reports on the strike should be in line with the conventional press releases of the official Xinhua news agency. Furthermore, it requested that all media outlets should use the term "work stoppage" and not "strike" in their reports. Thereafter, far fewer reports were published. The reports about the strikes in Beijing, Tianjin, and other locations claimed that local strikes lasted less than one day before being ended through bilateral negotiations between employers and workers. In many ways, these reports do not correspond to the on-site observations of researchers.

Official media reports had a clear impact on the Chinese workers' movement, but this impact did not last long enough. During the strike wave, the media effectively roused the collective consciousness and awareness of the need for action of migrant workers in the auto industry. They encouraged migrant autoworkers in different locations to learn from each other and to engage in joint actions. However, the media also felt the pressures both of marketization and of state control, and the extent to which they supported

the workers' movement was limited.<sup>17</sup> Actually, many media workers reporting on the strikes identified personally with the appeals and the actions of the migrant workers. This experience helped develop a pro-worker consciousness among the people working for the official media, who may support workers even more in future reports.

## Confused Unions

One result of the strike wave has been a serious confidence crisis within the official Chinese labor union. Chinese law stipulates a one-union-system: only the official labor union (ACFTU), affiliated with the local and central authorities, can legally organize and represent workers.<sup>18</sup> The two-month strike wave in the auto industry raised doubts about the labor union's form and function among the public, workers, and authorities alike.

During the strike wave, union branches in all regions attempted to crack down on striking workers. Neither central nor local unions publicly expressed understanding or support for the workers' actions. On May 31, at Honda's spare parts factory in Nanhai, the workers collectively refused to sign a "written promise" to return to work. Soon afterwards the local union associations from the Nanhai district and the Shishan township quickly gathered 150 union staff members, who entered the factory and directly confronted the striking workers. All union staff members wore yellow caps. The union claimed that Honda had already met all the workers' demands and ordered the workers to return to work immediately. The union staff also took pictures of the striking workers. When workers demanded the photos be deleted, clashes erupted between the union and the workers on two occasions, and many workers were assaulted. That same day, at the end of the union shift at 5 p.m. and not long after the two sides clashed for the second time, union staff

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<sup>17</sup> C. Chan, *Challenge* (as cited in note 5).

<sup>18</sup> Trade Union Law (2001), article 2.

members boarded a bus and left the factory. On June 1, following a proposal by Honda's Chinese joint venture partner Guangzhou Auto Corporation, the local union association issued an "Open Letter to the Honda Employees". In this letter, the local union association said that it was all a misunderstanding and apologized. Following a suggestion made by management, the local union did not send any union staff members into the factory compound again.

Before the strike wave, the union enjoyed almost no trust among workers. The rise and flourishing of independent non-union workers' organizations shows the immense distrust of the unions. According to the union's own statistics,<sup>19</sup> it has 220 million members in China, and 60 percent of migrant workers have already joined the union. However, in reality there is no official statistical data that supports these claims. The vast majority of migrant workers simply do not know that they became members of the union. A survey of the Labor Studies Research Center at the Sun Yat-sen University in Guangzhou shows that when labor disputes arise, only two percent of migrant workers consider approaching the union.<sup>20</sup>

After the auto strikes began in May 2010, workers demanded union reform. The media, including the official media outlets of the state TV network (CCTV), publicly questioned the effectiveness of the unions for stable labor relations. In fact, Chinese unions had always enjoyed a special political status. On the one hand, the union is absolutely obedient to the leadership of the CCP and the government. On the other hand, the union is committed both to ensuring that production proceeds as usual within the company and to protecting the rights and benefits of its workers.<sup>21</sup> How to find a balance between the interests of these three actors – the state, the companies, and the workers – was from the beginning the core problem troubling those circles dealing with union strategy.

<sup>19</sup> All-China Federation of Trade Unions, *China Trade Union Yearbook 2010*, Beijing: ACFTU, 2011.

<sup>20</sup> Liu / Wan, *Zhidu Duanque Yu Laogong Duanque* (as cited in note 7).

<sup>21</sup> B. Taylor / K. Chang / W. Li, *Industrial Relations in China*, Cheltenham: Edward Elgar, 2003.

In addition, the union has no vertical system of leadership. The central union authorities provide services and guidance for the local unions; they have no administrative or commanding relationship. The local unions are affiliated with and led by CCP committees. Within the companies, the company-level union reports directly to the company CCP committee, and the company boss or the vice general manager is often the company's CCP committee party secretary.

Within this system, every region and every company has its own interests. Thus, it is extremely difficult to coordinate transregional union actions. Even within one district, the local unions need to represent the interests of three parties – party, management, and workers – at the same time, so they need a politically flexible and determined union leadership.

It is also a pity that the union structure is unable to retain competent staff. The official staff of the Chinese union is classified as civil servants, and if a union leader does an outstanding job he or she is promoted to other government positions and thus leaves the union structure.

Faced with the strike wave in the auto industry, the official union realized that contemporary Chinese workers – especially migrant workers – are going through changes. All levels of the official union are studying the particular features of contemporary migrant workers and are investigating why migrant workers have more collective consciousness and are more capable of action than previously.

At the company level, the union tries to promote a role for itself within labor relations through grassroots reform. It does this, first, by pushing for company-level union elections. Although the Union Law and the Company Union Regulations both contain clear rules for company union elections, in actuality, these are not adhered to. The union hopes to use the recent strike wave to speed up and push for elections of the company union chairperson and company union leadership, thereby expanding their competence. Second, the union wants to accelerate collective bargaining procedures and use

company-level collective bargaining as the basis for promoting regional collective bargaining and linking collective bargaining to the establishment of a mechanism of regular company-level wage increases. This would allow workers to obtain higher wages after every bargaining season. Finally, the union continues to push for an information system that deals with workplace affairs. In 2008, the union tried hard to establish such a system. Through a network of workplace informants, it sought to instantly be informed of all developments among workers. However, the installation of such a system did not work out well, with many disputes between local unions and the central union on how to divide expenses. Confronted with the continuous increase in spontaneous workers' unrest, all levels of the union currently believe they need this system of informants in the workplace. They want to establish such a network, especially among migrant workers, in order to hear instantly about changes in the relationship between employers and workers.

With regard to plans for reforming Chinese unions, there are no arrangements to depart from the traditional union system. At the end of June 2010, during a training session for ACFTU officials on maintaining social stability, the union emphasized once more that it has three main tasks: to ensure social stability, to maintain production, and to protect the rights and benefits of workers. During the training session, union officials were also asked to pay more attention to independent worker organizations. It was emphasized that these worker organizations threaten the stability both of labor relations and of society, and that they are suspected of being influenced by foreign reactionary forces who intend to establish a second independent workers' movement in China, alongside the official union structure.

## The Government

The Chinese government directly intervenes in labor relations. It strives for the establishment of harmonious labor relations and

wants to ensure peaceful relations between labor and capital through legal regulations and its labor administration.<sup>22</sup> Since 2003, the government has issued many guidelines, encouraging the rural labor force to migrate and migrant workers to take on industrial employment. The government stresses the importance of guaranteeing migrant workers' legal rights and benefits and of promoting unionization. Following the implementation of several labor regulations in 2008, including the Labor Contract Law, the government now tries hard to establish a legal system that guarantees a fair handling of labor relations.

Concerning workers' collective actions, the government has maintained a cautious attitude. While the legal system is supposed to protect workers' individual labor rights, when it comes to bottom-up workers' collective consciousness and collective actions outside the official trade union system, the government stays alert and vigilant. The collapse of communist regimes in Eastern Europe and the "Colored Revolutions" in Ukraine and Central Asia have caused the Chinese government to be anxious about popular power and especially about the social impact of workers' organizing efforts. In 2008, the city of Beijing set up a "Social Organization Relay Office", an institution that monitors humanitarian organizations. With regard to labor relations, it demanded that worker organizations be under the control of the official union. If a workers' organization wants to register as a non-profit NGO, it has to obtain the approval of the official union and accept its supervision. In 2009, the provincial government of Guangdong issued a statement in which it identified citizen legal advisers who act on behalf of workers in cases of labor disputes as "black lawyers", i.e. illegal lawyers, and demanded their punishment. The statement also pointed out that the increasing influence of worker organizations on migrant workers was worrying; that many worker organizations were establishing links with foreign anti-Chinese forces; that it was ne-

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<sup>22</sup> E. Friedman / C. Lee, *Remaking the World of Chinese Labour: A 30-Year Retrospective*, in: *British Journal of Industrial Relations*, 48 (2010), 3, pp. 507–533.



cessary to curb the expansion of worker organizations; and that strict measures of control should be taken against certain worker organizations that were actively defending legal rights.

In fact, the creation of a labor rights system and the promotion of rights consciousness and collective consciousness among workers are inseparable. Government propaganda on labor policies and labor laws usually causes workers to recognize their own rights.<sup>23</sup> Despite the restrictions imposed by the existing labor and union laws with regard to the creation of independent worker organizations, workers frequently use their own work experience to interpret the rigid legal regulations. During the recent strike wave, all of the affected companies were operating in accordance with the relevant legal stipulations and employment relations and labor relations were fully in accordance with the labor law. However, almost all striking workers insisted that the auto industry was breaking the law. Workers do not really care about the details of legal documents; they pay attention to whether factories respect workers' rights and participation in the management process.<sup>24</sup>

On May 29, after the emergence of transregional strikes in the auto industry, the actual decision-making body, the Standing Committee of the Central Politburo, held an emergency meeting. The meeting acknowledged the reasons for the actions and demands of the striking workers and criticized the official union for its failed attempts to handle the strikes and prevent their expansion. The meeting also focused on the question of whether there existed an organizing and coordinating force behind the strikes. The Standing Committee demanded that all levels of government intervene in negotiations between employers and workers, that the workers' interests be protected, and that the intervention of foreign and do-

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<sup>23</sup> M. Gallagher, Mobilizing the Law in China: 'Informed Disenchantment' and Development of Legal Consciousness, in: *Law & Society Review*, 40 (2006), 4, pp. 783–816.

<sup>24</sup> C. Chan, *Challenge* (as cited in note 5); M. Gallagher, *Contagious Capitalism: Globalization and Labor Politics in China*, Princeton: Princeton University Press, 2005.

mestic non-governmental forces in the workers' movement be prevented. On July 13, the government of Guangdong province, which was heavily hit by the strikes, issued "Guidelines on the Improvement of a Civilized Employment Environment", stating that companies, state authorities and the union need to consider workers' demands and create channels for workers to express themselves.

Currently the authorities are still the most important player in settling disputes between employers and workers. During the strikes, the authorities often intervened by asking management to give in to the striking workers' demands and increase the workers' income. Generally speaking, whenever the government intervened, the striking workers' economic demands were met. As a result, workers were unwilling to engage in substantial labor negotiations with management, and the main objective of the strikes was to exert pressure on the authorities. Workers demanded that the authorities act to "harmonize" the positions of the management and meet workers' demands. When the authorities do not resolve strikes in a timely fashion, this often leads to a series of violent incidents.

During this strike wave in the auto industry, all levels of government actively intervened in the negotiations between employers and workers. In all auto industry strikes, including the strike at Honda's Nanhai spare parts factory, the authorities presided over the negotiations between employers and workers, and in the end the various company managements met all of the economic demands advanced by the workers. Moreover, while some managers intended to support reform of the company-level unions, the authorities in charge of the negotiations between employers and workers rejected all workers' demands regarding union reform.

When authorities intervene in negotiations between employers and workers, a lack of willingness on the part of both employers and workers to engage in constructive bilateral dialogue is created. During this strike wave, only those workers from companies that were hit by strikes saw their wages and benefits increase. In companies unaffected by strikes, basically nothing changed. Currently,

the Chinese State Council is discussing the issue of “wage regulation” and the establishment of a regular wage increase mechanism that would link wage increases to profits. The aim is to curb the number of wage increases resulting from strikes. What concrete results this discussion will yield remains to be seen.

## Conclusion and Discussion

The strike wave in the auto industry is an inevitable outcome of the development of labor relations and workers’ consciousness following the Chinese market reforms. As the South Korean labor movement of the 1970s and 1980s shows, following industrialization and the development of civil society, forms of workers’ autonomous consciousness and collective awareness develop as well. Through common experiences in the production process and collective actions, Chinese workers hope to unite. Their organizing capacity is steadily improving. The awakening of a collective consciousness among workers – especially among the largest group, the migrant workers – is the force behind the efforts to establish independent worker organizations and reform the official unions and the state labor system. In the short and medium term, the power of the collective actions of Chinese workers will by no means decrease. A group of labor organizers is in the making. These organizers will have more and more experience with struggle and stronger organizing capacities. Workers increasingly realize that only through united action can they change their plight.

*Translated from the Chinese by Ralf Ruckus*