



## Strike in China Highlights Gap in Workers' Pay

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The New York Times: Strike in China Highlights Gap in Workers' Pay [↗](#)

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A strike at an enormous [Honda](#) [↗](#) transmission factory here in southeastern China has suddenly and unexpectedly turned into a symbol of this nation's struggle with [income inequality](#) [↗](#), rising inflation and soaring property prices that have put home ownership beyond the reach of all but the most affluent.

And perhaps most remarkably, Chinese authorities let the strike happen — up to a point.

In the kind of scene that more often plays out at strikes in America than at labor actions in China, print and television reporters from state-controlled media across the country have started covering the walkout here, even waiting outside the nearly deserted front gate on Thursday and Friday in hope of any news. All the Chinese reporters disappeared on Saturday morning, however, as the government, apparently nervous, suddenly imposed without explanation a blanket ban on domestic media coverage of the strike.

A worker at a factory dormitory said on Saturday afternoon that the strike continued, and police were nowhere in sight at the factory or the dormitory. The authorities have been leery of letting the media report on labor disputes, fearing that it could encourage workers elsewhere to rebel. The new permissiveness, however temporary, coincides with growing sentiment among some officials and economists that Chinese workers deserve higher wages for their role in the country's global export machine.

And without higher incomes, hundreds of millions of Chinese will be unable to play their part in the domestic consumer spending boom on which this nation hopes to base its next round of economic growth.

"This is all because there is a major political debate going on about how to deal with the nation's growing income gap, and the need to do something about wages," said Andreas Lauffs, a lawyer at Baker & McKenzie who specializes in Chinese labor issues.

If wages do rise, that could bring higher prices for Western consumers for goods as diverse as toys at [Wal-Mart](#) [↗](#) and iPads from [Apple](#) [↗](#).

The Chinese media may also have found it a little easier, politically, to cover this strike because Honda is a Japanese company, and anti-Japanese sentiment still simmers in China as a legacy of World War II. Certainly, the strike is hitting Honda hard, as the resulting shortage of transmissions and other engine parts has forced the company to halt production at all four of its assembly plants in China.

Honda has an annual capacity of 650,000 cars and minivans in China, like Jazz subcompacts for export to Europe and Accord sedans for the Chinese market. Because Honda's prices in China are similar to what it charges in the United States, the cars tend to be far out of reach financially for most of the workers who make them.

A Honda spokeswoman declined to discuss specific issues in the strike negotiations.

The intense media coverage may evoke historical memories of the 1980 shipyard strike in Gdansk, Poland, that gave rise to the Solidarity movement and paved the way for the fall of Communism in Eastern Europe. But the reality here is much different.

Instead of tens of thousands of grizzled and angry shipyard workers, the Honda strike involves about 1,900 mostly cheerful young people. And the employees interviewed say their goal is more money, not a larger political agenda.

"If they give us 800 renminbi a month, we'll go back to work right away," said one young man, describing a pay increase that would add about \$117 a month to an average pay that is now around \$150 monthly. He said he had read on the Internet of considerably higher wages at other factories in China and expected Honda to match them with an immediate pay increase.

Many workers at other factories in southeastern China already earn \$300 a month, but they do so only through considerable overtime. And even that higher income is not enough to embark on the middle-class dream in China of owning a small apartment and subcompact car. Officially, though, the government is discouraging heavy reliance on overtime, and workers here said that Honda was not assigning much.

The strikers said that Honda mainly hired recent graduates of high schools or vocational schools. And so, most are in their late teens or

early 20s, representing a new generation of employees, many of whom had not been born when the Chinese authorities suppressed protests by students and workers in Tiananmen Square in 1989 — a watershed event whose 21st anniversary falls next Friday.

The profile of striking workers seems to run more along the lines of slightly bookish would-be engineers — perhaps without the grades or money to attend college — rather than political activists. Besides their low wages, the workers seem focused on issues like the factory's air-conditioning not being cool enough, and the unfairness of having to rise from their dormitories as early as 5:30 for a 7 a.m. shift.

Workers said that in addition to their pay, they also received free lodging in rooms that slept four to six in bunk beds. They also get free lunches, subsidized breakfasts for the equivalent of 30 cents and dinners for about \$1.50.

The striking employees said that some senior workers, known as team leaders, had allied themselves with management. But they insisted that the rank-and-file workers were solidly in favor of walkout — a claim impossible to verify.

Although China is run by the Communist Party and has state-controlled unions, the unions are largely charged with overseeing workers, not bargaining for higher wages or pressing for improved labor conditions. And they are not allowed to strike, although China's laws do not have explicit prohibitions against doing so.

Workers at the Honda factory dormitory said that the official union at the factory was not representing them but was serving as an intermediary between them and management. Li Jianming, the national spokesman for the All China Federation of Trade Unions, declined to comment.

The workers here have been on strike since May 21, with no resolution in sight. But the strike did not come to broader notice until Thursday and Friday as Japanese media began reporting the shutdown of Honda assembly plants, and as Chinese media and Internet sites were allowed to report extensively on those activities.

The unusually permissive approach of the authorities toward media coverage of the strike follows a decision to tolerate extensive coverage this month of [suicides by workers](#) at the Taiwanese-owned Foxconn factory complex in nearby Shenzhen that supplies Apple and Hewlett-Packard.

The official China Daily newspaper ran a lead editorial on Friday that cited the Honda strike as evidence that government inaction on wages might be fueling tensions between workers and employers. The editorial criticized the Ministry of Human Resources and Social Security for not moving faster to draft a promised amendment to current wage regulations because of what the newspaper described as opposition from employers.

Zheng Qiao, the associate director of the department of employment relations at the China Institute of Industrial Relations in Beijing, said the strike was a significant development in China's labor relations history and that "such a large-scale, organized strike will force China's labor union system to change, to adapt to the market economy."

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