



Reuters: China labor unrest spreads as workers seek more

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(Reuters) - Labor unrest that began among foreign firms in south China's Pearl Delta area is showing signs of spreading to poorer interior regions, as a new generation of workers seek a bigger portion of the nation's growing wealth.

The burst of reported strikes is a worry for China's ruling Communist Party, which has long discouraged independent worker action and punished protesters.

While Beijing has made vows of better incomes for workers and farmers a cornerstone of policy, local officials are often focused on attracting investors with cheap, trouble-free labor to fuel China's export boom.

Following recent high-profile disputes at Honda Motor and iPhone maker Foxconn International, strikes were reported at a Taiwanese-owned sports goods supplier in Jiangxi province, and at Japanese sewing machine maker Brother Industries in Xian -- both some distance from China's wealthier regions near Hong Kong and Shanghai.

"All it takes now is a single spark and news will spread all over China, which could lead to similar industrial action in other factories," said Paul Tang, chief economist at Bank of East Asia in Hong Kong.

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Reports of the poor working conditions first began to surface last month when Chinese and later foreign media began detailing a string of suicides at a massive south China compound run by Foxconn, a unit of Taiwan electronics giant Hon Hai.

Subsequent outbreaks of labor unrest have not been as widely reported in local media, possibly reflecting official reluctance to spread word of the disputes.

All of the problems reported so far has occurred at foreign-run factories, and Hon Hai has said it is looking for other locations to shift some of its production.

However, a senior trade official said China's rising labor costs would not deter foreign investors because policies to boost domestic consumption provide a new reason for them to seek profits.

Most disputes center on workers resentful of large income gaps, higher living costs and long hours with little rest, and employers trying to rein in rising costs as labor pools shrink.

Resolution of the disputes has resulted in sizable pay increases, including a 66 percent raise for Foxconn workers and 20 percent or more for workers in the first Honda strike.

The unrest also reflects the rise of a new generation of young Chinese who grew up in the country's market-oriented era, with little memory of a tumultuous socialist past that included a crackdown that left hundreds dead during the Tiananmen demonstrations of 1989.

In the latest incidents, about 900 workers demanding better pay and work conditions at two plants in the interior city of Xian brought production to a halt at a complex operated by Japan's Brother.

The company said it restarted production on Thursday, but was still in talks on pay and conditions.