



Gadget Factories Charge Up China's Activism

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The trajectory of China's breakneck economic growth over the past three decades is a case study in how globalization allows cutting-edge technology to exist alongside primitive labor conditions. In fact, the gap between the pathways of human versus commercial development might be growing wider, according to new research.

The downside of development

According to China Labor Watch's survey of dozens of Chinese factories, which produce toys, shoes, electronics and other goods, alarming patterns worker exploitation counter the mainstream rhetoric that unlimited growth yields boundless prosperity:

A) The ability for workers to organize and express their grievances is extremely limited, and poses a serious problem. In 88.2% of the surveyed factories, there was no functional or effective trade union or grievance mechanism system.

B) In 87% of the factories, daily overtime work exceeded three hours or there was no guarantee of one day of rest each week. Not one factory met the legal requirements for overtime monthly maximum of 36 hours. In the surveyed factories, overtime hours in excess of 100 hours was the norm, and some were even in excess of 200 hours.

C) 82.6% of the factories surveyed do not pay wages in accordance with Chinese labor laws, with regards to minimum wage and/or overtime rates. As workers have no means of engaging in collective bargaining, there is little hope of wages increases.

Other problems documented in the survey include substandard dormitories, inadequate social insurance provisions, and weak protections against child labor.

Another recent survey [↗](#) by China's official union federation shows that the massive population of young migrant workers still earns only about half the income of their urban counterparts.

Among the most egregious violations reported recently come out of Foxconn [↗](#). The Taiwan-owned Shenzhen-based gained notoriety last year for a spate of employee suicides, which critics attributed to a [hyper-oppressive management system](#) [↗](#) and alienating Panopticon-like living conditions.

The advocacy campaign [makeITfair](#) [↗](#) just published a separate report on China's high-end electronics industry in Guangdong Province, which reveals similarly oppressive conditions in the factories that churn out game consoles and music players for major brands like Apple and Sony. A survey of several suppliers, including one affiliate of Foxconn, uncovered shady practices such as extremely long day and night shifts and unfair deals between employers and intermediary labor agencies.

Apple's squeaky-clean image was just marred by an [internal report](#) [↗](#) showing the use of child labor at its supplier's factories, chemical exposures in the workplace and poor compliance with labor rules.

China Labor Watch predicts that Chinese-style capitalism may hit a crisis point as labor conflict heats up:

The conflict between the push down of company costs and rise of worker consciousness, we anticipate, will lead to a more entrenched labor movement, through which workers will seek empowerment vis-a-vis safeguarding of their legal rights. With growing tensions in this conflict of interest, CLW believes that workers' rights empowerment and systemic change will only come about when there are functional and effective trade unions in factories with democratically elected leaders.

It seems doubtful that China's state-run union structure—and its authoritarian government—would tolerate truly independent worker-led organizations, at least at this stage. But trade unions could be a cautious stepping stone toward some form of participatory democracy, channelling economic unrest toward employers rather than the government. If there was a [political consciousness animating last year's strikes](#) [↗](#), it was a sense of workers' position as the most exploited link in the global production chain.

In the [protests against Honda last year](#) [↗](#), for example, awareness of global labor disparities emboldened workers [↗](#) to challenge

multinational employers who capitalized on those wage differentials.

So if the labor market plateaus, and the young migrants driving Chinese manufacturing begin to wield their leverage over employers struggling to attract and retain workers, then the magic flashpoint CLW forecasts could come through a breakthrough in collective bargaining, or, when push comes to shove, organized uprisings.

The upshot of unrest

The tremendous profits yielded by global capitalism has generated new forms of inequity for China's workers, even those in slick, high-tech manufacturing sectors. But there are signs that the demands and aspirations of workers are finally catching up to the avarice of their bosses.

MakeITfair's investigations show some efforts by firms to address labor abuses [↗](#). Foxconn has set a goal of meeting a government overtime guideline of up to 36 hours per month (even aspiring to comply with labor standards is apparently a milestone in China). Local labor authorities have dished out some modest pay hikes, too:

So far in 2010, all but one of China's provinces have increased their legal minimum wage by an average of 24 percent, the first genuinely significant increase since the minimum wage system was introduced nationally in 2003. ... In major cities like Shenzhen, the minimum wage is now around 1,100 yuan a month, but this is still barely enough for a subsistence existence in cities where the cost of living, and particularly the cost of housing, continues to rise.

With another anticipated wage increase possibly in store for 2011, makeITfair says, "a belief in annual wage increases among Guangdong's millions of migrant workers is likely to become a powerful, self-reinforcing dynamic." Other Chinese cities may follow, since Guangdong has always been at the vanguard of economic reforms. Local officials have also moved toward expanding collective bargaining rights for workers.

Future advancements will hinge on workers' growing courage [↗](#) to advocate for their rights. In last year's wave of "viral" wildcat strikes, CLW notes, workers' direct actions mushroomed into a contagion of solidarity—not unlike the kinetic critical mass [↗](#) that youth are now leading in several Arab countries.

For a generation, corporations have banked on a vast young workforce to mass produce the gadgets and toys that shape our global consumer culture. Now the youth of the digital era can apply the spirit of mass culture to turn out their hottest product yet: social change.

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