



China factory unrest spreads amid economic uncertainty - Reuters

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(Reuters) - Workers at a foreign-owned factory in China were on strike on Wednesday after a week of industrial disputes in coastal manufacturing hubs, with a wave of unrest showing no sign of abating as they push back against rising economic pressures.

China's economy is showing signs of strain due to mounting piles of local government debt, a sharp drop in external demand for exports and nagging inflation. A pronounced slowdown that could lay off millions of migrant factory workers would be a major concern for Beijing's stability-obsessed leaders.

At a Singapore-owned Hi-P International factory in the eastern Yangtze River Delta -- a major industrial region close to Shanghai, hundreds of workers laid down their tools for a week on fears a planned plant relocation could trigger mass layoffs.

Workers at Hi-P, who make electronics products for Apple and BlackBerry maker Research In Motion, have lodged petitions demanding compensation and scuffled with police after blocking the shipment of heavy equipment.

"The workers' rights awareness has grown," said Li Qiang, the head of China Labour Watch, a U.S.-based labour advocacy group.

"For the Chinese government, this is very dangerous if they don't solve the problem for workers ... They can't just build a wall to stem the floodwaters, they need to find a way to divert the river before it floods, to resolve this growing pressure."

In the southern boomtown of Shenzhen, nearly a thousand workers at a Hitachi-owned plant have also staged a strike, angered that their long-service benefits were being eroded after the takeover of the plant by Japan's biggest industrial electronics firm.

Hitachi said in a statement that the company was negotiating with employee representatives and that it would ensure their legally entitled rights and benefits.

Workers are desperate to safeguard jobs and wages ahead of a major annual break for the Lunar New Year festival in January, when many migrant workers return home to far-flung villages.

Their jobs are under pressure as manufacturers and exporters look to cut costs in response to slowing Western orders, especially from debt-ridden Europe.

LAND GRABS

In recent months, a rash of highly-organized and potent strikes have hit the factories of a number of global brands including PepsiCo, Japanese watchmaker Citizen, and shoemaking Yue Yuen.

Beyond dusty factory towns, pockets of rural unrest have also been brewing. Land grab disputes, in particular, remain an explosive social issue in China's countryside.

In the southern village of Wukan, which was roiled by violent riots in September over the illegal acquisition of farmland by developers, thousands protested again this week against authorities' failure to resolve the issue.

Villagers went as far as barricading local officials in their offices to protest against a brutal regime of threats and intimidation by security forces, including the detention of a village protest leader Zhuang Liehong.

They have also petitioned central authorities in Beijing to investigate the acquisition of hundreds of hectares of farmland by corrupt developers and local officials without offering adequate compensation.

"The (local) officials have tricked us," a Wukan resident told Reuters by telephone. "The whole village is now very tense. If they try to arrest someone, we are ready to challenge them. If this continues, something big will explode."

(Editing by [Yoko Nishikawa](#))

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