

# Special Report on the Honda Foshan Strike

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**June 15, 2010**



Globalization Monitor

In May 2010, about 1800 workers from the Honda Auto Parts Manufacturing Co., Ltd. (CHAM) have staged a strike to demand higher wages and the reform of enterprise trade union. This strike caused disruption not only to the production of CHAM, but also that of three other Honda branches in China. At the beginning, the company tried to suppress the strike with the help of the party-affiliated trade unions and the local government, but to no avail. Workers were very persistent to pursue their legitimate demands and in the end the company had bowed to pressure and entered into negotiation with workers’ representatives, who were democratically elected during the strike. In the negotiation, the company agreed to raise the monthly wages of formal workers and student intern by 32.4% and 70% respectively. Highlights of this strike are captured in this report.

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## **Honda Workers Strike for Labour Rights and Trade Union Representation.**

Bai Ruixue

【Editorial Note - The strike came to an end with the workers victorious. On 5<sup>th</sup> June workers and management signed an agreement which offered the workers a pay rise of 35%. The interns, who represent the majority of the workers, had already previously agreed to a pay rise in stages which will be equal to a raise of more than 70%. This is a great success for a group of young workers who, in what has been one of the most significant strikes in China in recent years, have taken on the power of a huge international corporation in a two week long struggle in which they have faced bullying, intimidation and violent attacks. In addition to winning the pay rise it should also be noted that the issue of a call for a genuine representative workplace union has not been dropped. In fact at the meeting where the agreement was signed the workers' delegation stated that they would pursue other demands of the strike, such as seniority subsidies, after the trade union has been reorganised. This thus suggests that they are keen that the struggle will not simply end with the strike but that they are intent to go on fighting to further pursue their rights and interests. The strike by Foshan Honda workers has reportedly been followed by a strike by workers at a Honda Lock factory in Zhongshan which has also called for higher wages. June 15, 2010】

Striking Honda workers in Foshan, Guangdong Province have shown incredible courage and determination in their fight to demand higher wages. Workers have now been on strike for more than two weeks. Strike action initially began on May 17<sup>th</sup> when more than 100 workers went on strike. This was followed up by two strikes on May 21<sup>st</sup> which resulted in Honda management retaliating and dismissing two of the leading workers. The following day the whole factory went out and began a strike which has seen the stoppage of all Honda's production in China.

Honda workers in China are being paid wages that are well below industry standards. Before the strike began, including all allowances, they earned just over 1500 Yuan per month, meaning that after social security and other deductions are made their take home pay is just over 1200 Yuan. The workers want their wages to increase to 2000-2500 Yuan per month.

Most of the workers at the factory are very young. Of more than 1800 workers who have gone out on strike, more than half are high school students on internship programmes. This means that they are not protected by Chinese Labour Law. Honda management has been quick to take advantage of this and have exploited the workforce further by using the fact that many of their employees are interns to pay wages at a level below the minimum wage.

The workers have rejected several pay offers, as well as the offer of a higher meal allowance for employees, made by Honda management since the strike began. It was not until 1<sup>st</sup> June that workers started a conditional return to work. In a letter written by worker representatives dated 3<sup>rd</sup> June they state that if they are not given satisfactory answers to their demands within three days then they will continue with and resume their strike action. They also state that while there is a workers' negotiating team, they will not accept any proposal from management without convening a congress of frontline workers and obtaining their mandate.<sup>1</sup>

Throughout the strike Honda management have been doing all they can to divide the workers in an attempt to weaken and break the strike. One key way that they have tried to do this is through treating the interns and regular workers differently, by offering them different wage increases. Many of the workers have refused to be divided and discriminated against in such a way. When the management made these offers all the workers strongly rejected them. In addition to this, management have tried to apply further pressure on the interns by sending in their school teachers, along with the local government officials, to try to persuade workers to go back to work. On May 27<sup>th</sup> they also tried to pressurise the interns into signing "commitment letters" saying that they would not continue to strike. Nevertheless the strike's leaders have stressed the need for solidarity and called on all workers to maintain a high degree of unity in face of their employers' attempts to divide them.<sup>2</sup>

The workers have complained about the huge injustice in the way that they are paid miserable wages, while Honda is claiming huge profits as a result of their labour. Honda is a Fortune 500 company. It reported profits of 774 million US dollars for the

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<sup>1</sup>Open letter by Honda Nanhai Worker representative, <http://www.sina.com.cn> June 3, 2010. It was soon deleted from the website though.

<sup>2</sup>Open letter by Honda Nanhai Worker representative, <http://www.sina.com.cn> June 3, 2010.  
<http://www.sina.com.cn>

first quarter of this year and says it expects to see its profits rise further through the next financial year.<sup>3</sup> It has been pointed out that with the low wages that they earn, Honda workers would never be able to afford one of the cars which they help to produce. According to one Honda worker:

*“China! It has been promoting low-cost competition and cheap labor. Our GDP keeps growing! However, this growth relies on exploiting our cheap labor. We have created all this wealth but only get very low wages in return.”<sup>4</sup>*

The strike, however, has become about more than just pay. In addition to the demand for a pay increase of 800 Yuan per month, compensation for additional years of service, and improved treatment, workers have also called for the re-election of their union representatives. This is a very significant demand as it illustrates the workers dissatisfaction with the way in which the trade union currently operates. They do not want a union which simply urges them to go back to work, but rather they want to be able to elect representatives of the workplace union who are willing to act in accordance with their interests. One worker has complained that:

*At this critical moment our great trade union did nothing for us. Instead they just wanted us to go back to the production line! Is this what a union should be doing? You take from our monthly wages 5 yuan for union dues but look what you have done for us!<sup>5</sup>*

Indeed at the local level of the ACFTU, the union has placed itself in direct opposition to the workers’ struggle against Honda management. On May 31<sup>st</sup> striking workers reported that they had been physically assaulted by men wearing union badges. The ACFTU, which has done nothing to protect the workers during the course of this dispute, has once again clearly demonstrated that its role has become one which is more accomodatory to serving the interests of capitalists, rather than protecting the rights of workers.

Honda workers have taken legitimate action to fight for fairer wages and labour rights. They are therefore justifiably very angry about the way they have been violently

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<sup>3</sup> Honda Gains on Soaring China, India Sales, April 28 2010

<http://www.manufacturing.net/News-Honda-Gains-On-Soaring-China-India-Sales-042810.aspx>

<sup>4</sup> <http://bbs.ttx.cn/fm16/thread-318679-1-1.html>

<sup>5</sup> <http://bbs.ttx.cn/fm16/thread-318679-1-1.html>

attacked in response to their action. They are reported to have said to their management “Lets not talk about wages first, wages are not important now. Lets first talk about the issue of us being beaten up.”<sup>6</sup>

On June 1<sup>st</sup> the local ACFTU, most probably afraid by the reaction to their attack on the workers, issued a vague public apology letter addressed to the workers for its actions, but continues to condemn the workers’ action as “disrupting the normal production in the factory. Nevertheless, the letter still reiterates the union’s position as a mediator rather than defender and protector of the workers’ rights and states that both management and employees should make concessions and compromises:

*“We believe that the consultation between management and labour should be based on "mutual trust, understanding and support". Both sides need to make certain concessions and compromises. Only this can lead to a consensus being reached quickly. We hope the workers will stay calm in asking for a pay raise...”*<sup>7</sup>

This is unacceptable. In their letter from the 3<sup>rd</sup> June the worker negotiators again announced their condemnation of the official union for its behaviour during the strike. They express anger at the union’s fabrication of facts, in its letter to the workers, in the way that it claims credit for the management’s offer to raise wages when in fact, as the workers argue, it is their action which has forced management to offer concessions. They conclude this section of their letter with the insistence, “that the workplace union must be elected by frontline workers.”<sup>8</sup>

China’s growth has been largely based on the exploitation of cheap labour. Coming at the same time as the much reported suicides at the Taiwan owned Foxconn electronics factory in Shenzhen, which have highlighted to the world the immense pressure, loneliness and feeling of isolation experienced by many migrant workers who are made to work for long hours enduring bullying, miserable pay and working conditions, the action taken by the Honda workers shows that there is the potential to fight back against such an oppressive situation. In fact China has continued to witness a growing number of spontaneous strikes and collective action by workers in recent years. At the same time that Honda workers have been on strike, more than 1000 workers at a

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<sup>6</sup> <http://finance.sina.com.cn/roll/20100601/14388039091.shtml>

<sup>7</sup> Letter from Nanhai District Union to Honda Workers, 1<sup>st</sup> June 2010  
<http://policy.caing.com/2010-06-02/100149369.html>

<sup>8</sup> <http://auto.sina.com.cn/news/2010-06-01/1627608675.shtml>

factory supplying parts for the Hyundai Motor company also went on strike for higher pay and better working hours in Beijing on the weekend of May 28<sup>th</sup> and 29<sup>th</sup>. They are reported to have returned to work after being promised a pay rise by their management.<sup>9</sup> As workers become more aware of their rights, the growth in collective action may be a sign that workers will not continue to sacrifice their lives and tolerate such treatment forever. The Honda strike has certainly become one of the longest and most significant reported strikes in recent history. The determination of this younger generation of workers not to passively follow in the footsteps of their parents, but rather to demand respect, fairer treatment and proper representation should be seen as a very welcome development. As the workers themselves have explained:

*“Our struggle to defend our rights is not just about fighting for ourselves, the 1800 workers of Honda. We are concerned about the rights of all the workers in the whole country. We want to set a good example of workers' struggling for their rights. We have noticed that in this plant there are some dispatch workers who are not directly hired by Honda, but they are working along side us. We are aware that they are electing representatives to negotiate with the company. We support them whole heartedly! Meanwhile we also need the support of the media and the public. We express our sincere gratitude to all these support.”<sup>10</sup>*

3<sup>rd</sup> June 2010

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<sup>9</sup> “Striking workers get raises, aim to form a union” May 31<sup>st</sup> 2010

<http://www.globaltimes.cn/www/english/metro-beijing/update/society/2010-05/536933.html>

<sup>10</sup>南海本田工人代表发出公开信

<http://www.sina.com.cn> 2010 年 06 月 03 日

## **“Are we going to follow in the footsteps of our parents?”**

### **A post 80's generation Honda worker speaks out**

<http://bbs.ttx.cn/fm16/thread-318679-1-1.html>

2010-05-29 01:55:39

Honda is a Fortune 500 company! It earned more than 4 billion yuan last year! It earned more than a billion the year before that! Let's compare Honda with other businesses. But none can really compare with it! This is a Fortune 500 company which earned more than 4 billion in 2009 but only pays minimum wages to workers. It gives you a thousand yuan a month, which is only enough for food, and holidays are not included! Would you dare to work for this company? You may say Honda has contributed to our pensions and other companies have not. Mind you, it is illegal for employers to fail to contribute to a pension fund. You must file complaints to the labor bureau. A Fortune 500 company simply cannot do such openly illegal things! This time it increased our wages. 355 yuan! The increase is made up of a basic wage raise of 200 yuan, a living allowance raise of 35 yuan and a meal allowance raise of 120 yuan. You may say that after this pay raise our wage level reached 1500 yuan. All surrounding businesses also offer wages at this level. But how can one compare Honda with other businesses when Honda earns more than 4 billion yuan in annual profit? And this profit may even increase in the future. We all know that the automotive industry is a highly profitable industry. This is created by us frontline workers! But what do those of us who create the profits get? If we are not satisfied we can of course resign, but Honda will continue to recruit people, and our brothers and sisters would continue to suffer here! Even if we quit we have to fight for our brothers' and sisters' benefit! This is another reason for us to continue to strike!

Some people even say that because we are just secondary technical school students and vocational school students, we do not deserve higher wages. First of all I would like to ask: are you looking down on us as technical secondary school students? I strongly despise you! Although we are technical secondary school students, we have created a profit of 4 billion yuan a year! Can you do that? No, you can't!

On May 17 when the strike began, the high-level Japanese management ordered us to resume production. We responded that we would do so and gave them a week to reply to our demands or else we would quit. Then they secretly fired our leaders! The general



manager, in his office, mocked us as fools. Where was their good will? So we went on strike again on the 21<sup>st</sup>. The Japanese managers have resorted to taking pictures of us, to threaten us to resume production! At this critical moment our great trade union did nothing for us! Instead they just wanted us to go back to the production line! Is this what a union should be doing? You take from our monthly wages 5 yuan for union dues but look what you had done for us! On May 22 the Japanese manager sacked two of our leaders to threaten us to resume production. So is this your good will? On the 24th you announced that you would increase our allowances from 65 yuan to 120, an increase of just 55 yuan! So this is your good will? And you continue to make video recordings to threaten us. This is another reason why we continue to strike.

China! It has been promoting low-cost competition and cheap labor. Our GDP keeps growing! However, this growth relies on exploiting our cheap labor. We have created all this wealth but only get very low wages in return. Our wages are still at the level of the minimum wage. We are still struggling to get by with this. We created this wealth. Don't we deserve to get better pay? With such deplorable wages, just how are we going to raise the overall level of our national economy? This (kind of injustice) is just too common! Our parents have suffered from this cheap labor market and now they are getting old. And now, do we, the post 80 and 90 generation, want to follow in the footsteps of our parents? I believe no parent wants this. It is because they all once walked down this road and know how hard it is. We do not want to go this way either. Times have changed! So this kind of cheap labor regime must end!

Honda is a Japanese company and Japan is a capitalist country. But China is supposed to be a socialist country! The Japanese companies investing in China must follow the rules of China. Implement socialism! Do not give us capitalism!

## **Open Letter to the Public and All the Workers in Honda Auto Parts Manufacturing Co., Ltd.**

Delegation of Representatives of the Strike Workers for Negotiation

3 June 2010

Workers in Honda Auto Parts Manufacturing Co., Ltd. of Foshan City started to resume work on a conditional basis in the evening of 1 June. The resumption of work was a result of the mediation of members of the National People's Congress and Mr. Zhang Qinghong, Deputy Director and General Manager of Guangzhou Automobile Group Co., Ltd. We agree to temporary resumption of work for three days on the condition that the management shall provide satisfactory answers to our demands. Otherwise, the strike action will continue.

In the presence of Mr. Zheng Qinghong and representatives of the upper level trade union as observers, workers of Honda Auto Parts Manufacturing Co., Ltd elected 16 representatives. The representatives held the first meeting right after the election. In the meeting, we demanded explanations from the trade union for the beating of workers by the trade union officers. We also reiterated our fundamental demands namely, salary increment by RMB800 for the whole workforce including the intern workers; improvement in the wage structure and job promotion mechanism; and last but not least, re-structuring of the branch trade union in Honda Auto Parts Manufacturing Co., Ltd. Another fundamental demand we made was the commitment of the management to non-retaliation and no dismissal of workers participating in the strike. These demands were accepted by the General Manager of Guangzhou Automobile Group Co Ltd, Mr. Yamada Ichiho 山田一穂 in the morning of 1 June. The night shift workers started to resume work in the evening on the same day. The worker representatives contacted Mr. Zheng Qinghong again on 2 June and the first meeting with the management after the resumption of work took place at 2pm on 3 June.

We hereby appeal to all workers in Honda Auto Parts Manufacturing Co., Ltd.: All of us fellow workers in Honda Auto Parts Manufacturing Co., Ltd. should stay united and not divided by the management. We understand that there are, inevitably, different opinions amongst us. We appeal to all fellow workers to express their views to the worker representatives. Although these representatives do not cover workers in all the departments, they take the opinions of all workers in the factory seriously and equally. Production line workers who are motivated and would like to participate in the

negotiation with the management can join the delegation through election. The representatives will notify all the workers immediately upon receiving any proposal from the management or Mr. Zheng. Without the endorsement given by the workers' assembly, the representatives will not unilaterally agree to any proposal of standard lower than the demands stated in the above.

We hereby appeal to the management of Honda Auto Parts Manufacturing Co., Ltd.: The management should demonstrate sincerity, negotiate in good faith with us, and agree to the reasonable demands of the workers. Our factory is generating billions of dollars (yuan) on an annual basis and this is the profit created by the sweat and labour of the workers. We notice the criticisms against Honda published in the editorial of the XinHua News Agent on 2 June. The editorial argues that "...the full-scale implementation of the collective wage consultation is the most urgent issue to be addressed at present. It should be promoted by means of a sound collective consultation and co-decision making mechanism on workers' salary; a regular wage incremental and payment system, increase in the take-home remuneration of workers especially the production line workers; effective functioning of the worker representatives' assembly; implementation of the right to know, right to participation, right to expression and monitoring of the whole workforce etc, for heightened enforcement of the legal rights of workers and building of harmonious labour relations." The current three-shifts production system of the factory seriously inhibits the worker representatives from taking time off and participating in the negotiation. We ask the Honda management to provide time off for the worker representatives to have meetings and collect workers' opinions; and to give assistance to the holding of the production line workers' assembly.

We condemn the branch trade union of Honda Auto Parts Manufacturing Co., Ltd.: On 1 June, the Nanhai District Federation of Trade Union and the Shishan Town Federation of Trade Union issued the "Letter of Apology" which is based on irresponsible distortion of the facts. The Letter says, "(T)he majority of the workers returned to their work place last night. The acts of the above mentioned 40 workers have damaged the rights and interests of the majority of the workers. Their acts also cause disruption to the normal production and order. The union steps up and advises these workers out of the responsibility to protect the legal rights of the majority. It is a performance of the trade union duty!" On the other hand, the management has been using all means to divide workers. The teachers of the vocational schools were sent to give pressure to the worker interns threatening them for non-awarding of their graduate certificates. This was the reason for the resumption of work of some workers on 31

May. The Nanhai District Federation of Trade Union and the Shishan Town Federation of Trade Union did not utter a word of protest against such acts. They rather act as the complicit of the company giving pressure to the interns during the break time and forcing them to sign the “Agreement to No Strike”. It is the duty of the trade union to defend workers’ collective interests and provide leadership in workers’ strike. Instead, the trade unions are fabricating excuses to justify the use of violence and the physical injuries they caused to the workers. We strongly condemn the acts of the trade unions. Today the management agreed to the wage increment. It is the result of the tremendous pressure created by the workers’ strike and the result of the workers’ sweat and blood. We are outraged to the trade union’s appropriation of the fruits of the workers’ struggles. We insist that the branch trade union of the factory shall be elected by the production line workers.

We appeal also to the general public:

Our “wei-chuan” struggle (struggle for rights) is not a struggle to protect the mere interests of 1800 workers. We are concerned with the rights and interests of the workers in the whole country. We want to demonstrate a good example of the ‘wei-chuan’ struggle of workers. We are aware that the factory also employs a sizable number of dispatch delivery workers. They are not the direct employees of Honda company but they work at the same place as we do. We are informed that the dispatch delivery workers are also electing representatives for negotiation with the management. We express our full support to them! At the same time, we are in urgent need of support from the media and the society! As for the back up that has been given to us so far, we express our deep gratitude for it.

Delegation of Representatives of the Strike Workers for Negotiation  
Honda Auto Parts Manufacturing Co. Ltd  
Nanhai District Foshan City

## **Honda China workers' struggle won more concession**

### **We thank all those who have been supporting them**

China Labor Net

June 5, 2010

This morning, the media, at home and abroad, reports on the negotiation between Honda management and the workers. The Cailing website quoted Professor Chang Kai from the School of Labor and Human Resources of the Chinese People's University, and who is appointed by the workers' delegates as their legal advisor, by saying that "the negotiation is concluded successfully! The management agreed to raise the workers' wages 35% from the current level, which is approximately an increase of 500 *yuan*. Both parties have signed an agreement."

On June 3, the workers representatives contacted Professor Chang Kai, and on June 4, he formally agreed to act as their legal advisor, and in the afternoon rushed to Nanhai to join the negotiation. At 3pm, the democratically elected workers delegation started talks with the management, and had not ended until 10 pm.

Before the negotiation started, the management proposed a pay rise of 366 *yuan* for formal workers, while the latter demanded for 800. The agreement now reached is an average monthly pay rise of 500 *yuan*, with 137 of which is in the form of subsidies and bonuses. A regular front-line worker whose wages was 1544 *yuan*, it will be increased to 2044 *yuan* after the pay rise, a raise of 32.4%. The intern employees, whose number accounts for 80 percent of all employees, had already agreed earlier to a pay rise, in stages, of 634 *yuan* from the current level of 900, a raise of more than 70%.

The meeting spent most of its time to discuss the question of wages. The issue of seniority subsidies proposed by the workers delegation had not been discussed in full, and the workers delegation acknowledged that it can be picked up later after the reorganization of the workplace trade union. The workplace union chairperson also participated in the meeting. Some of the workers delegation said that the reorganization of the union is their main concern, and although it is a complicated matter, they will continue to press for this on the basis of existing legal framework.

## **Open Letter of Thanks from Worker Representatives of Honda Auto Parts Manufacturing Co., Ltd.**

For the protection of workers' rights and the right to democratic election of worker representatives, the workers of Honda Auto Parts Manufacturing Co. Ltd has stopped work for nearly half a month. During the stoppage of work, we received support from both the domestic and international communities. The support has given tremendous boost in the morale of the workers' struggle!

At 3pm on 4 June, the management and the worker representatives had formal negotiation. In the presence of Mr. Zeng Qinghong, member of the National People's Congress (Deputy Director and General Manager of Guangzhou Automobile Group Co., Ltd.) and Mr. Chang Kai (Director of the School of Labor and Human Resources of Renmin University of China), both sides reached consensus in the negotiation of workers' wages.

The labour disputes have brought great damages to both the management and the workers. It is our wish therefore to build an effective communication platform as the next phase of work. On the worker side, we hope to achieve democratic election of trade union representatives and the establishment of a collective negotiation mechanism to ensure protection of the interests of both the management and workers. Only with a real and effective communication platform between the two sides can further disputes be prevented and harmonious labour-management relation established.

On behalf of all the production line workers, the negotiation delegation would like to express our truest and most sincere gratitude to all the people who have shown their concern and given their support to us in the domestic and the international communities. Without your support and encouragement, our strength was limited and our demands would not have gained attention and resolution.

To many people who have conveyed their apprehension about us, we would like to assure you that we will act according to the law and regulations for what is entitled to us in a reasonable manner. We strongly believe that through adequate communication and mutual trust, we will be able to resolve disputes and establish good cooperative relation with the management in the future.

Elected Workers' Representatives

Honda Auto Parts Manufacturing Co. Ltd

Nanhai District, Foshan City

7 June 2010

# In China Unlikely Labor Leader Just Wanted a Middle-Class Life

By [DAVID BARBOZA](#)

<http://www.nytimes.com/2010/06/14/business/global/14honda.html>

Published: June 13, 2010

SHANGHAI — Tan Guocheng is hardly a self-styled labor leader. Age 23 and introverted, he grew up among rice paddies and orange groves far from China’s big factory towns.



Tan Guocheng, 23, helped start a strike against Honda last month.

Why are Chinese workers committing suicide and protesting at their factories?

But last month, an hour into his shift at a [Honda](#) factory in the southern city of Foshan, Mr. Tan pressed an emergency button that shut down his production line.

“Let’s go out on strike!” he shouted. Within minutes, hundreds of workers were abandoning their posts.

Colleagues described Mr. Tan’s leadership as an uncharacteristic act of courage; Mr. Tan said he simply wanted a pay raise. Regardless, he has helped touch off a wave of strikes at Honda plants and other workplaces in China that are still playing out in surprising and significant ways.

Though Mr. Tan has since been fired by Honda for “sabotage” and moved back to his village, striking workers at another Honda plant less than 100 miles away in Zhongshan



marched in the streets on Friday and made a new demand: the right to form an independent labor union.

“This is a remarkable development,” said Anita Chan, a labor expert at the University of Technology in Sydney. “Most strikes in China tend to be about not being paid or being mistreated. This was different. The workers were demanding very high salaries. And they want to elect union leaders democratically.”

The two-week strike at Mr. Tan’s plant forced Honda to shut down its four assembly plants in China and to eventually offer 1,900 workers in Foshan a 24 to 32 percent pay raise. That got to the heart of Mr. Tan’s complaint.

Leaving his home in central China four years ago, Mr. Tan had hoped that working on an assembly line for a global company like Honda would be his path to a middle-class future.

But the pay was meager, he says, and inflation ate away at his earnings. And last January, when Honda offered to increase his \$175 monthly salary by a mere \$7, Mr. Tan, who planned to marry soon, was distraught. It was not enough money to buy a house or raise a child.

“I couldn’t understand how they could give us so little,” he said. So he decided to fight back.

Honda declined to offer details about the Foshan strike, where many of the workers were as young as 19. But the walkout, like the Honda strike in Zhongshan, has touched off debate in this country about not only wages and labor conditions but also the rising expectations of a new generation of young workers.

For years, China’s economic boom has been driven by young people from poor, interior provinces migrating to coastal factory towns to work long hours for little pay, often six or seven days a week, in steamy, high-pressure factories. But workers like Tan Guocheng say they want better jobs and a larger share of the fruits of China’s economic miracle.

Mr. Tan’s journey from migrant worker to labor organizer began in a small farming community near the city of Shaoyang, in central China’s Hunan Province, where [Mao Zedong](#) was born.

His parents grow rice and manage an orange grove on a small plot of land that earns them about \$2,500 a year. But the family plot is too small for him and his older brother and younger sister to earn a living, Mr. Tan says. And so all three of them struck out for the east, as migrant workers.

He moved in 2006. After high school, he had studied at a vocational school in Changsha, Hunan's capital city. A job placement agency allied with the school found work for him at a Honda factory nearly 500 miles away in Guangzhou.

The agency kept a percentage of his salary — a fairly common practice, Mr. Tan said. But he found that employees who were hired directly by Honda were making up to four times his monthly salary of \$175.

“We were doing basically the same thing, but this middleman agency was taking some of our money,” he says.

Hoping for a better opportunity, he transferred to Honda's transmission factory, a short distance away, in Foshan. But the pay was essentially the same, he said, and the job a set of bleak and monotonous routines.

He left home every morning at 5:15 to commute 70 minutes by bus to a job that started at 6:55, and ended at 3:40 pm. He said workers were often forced to switch their shifts — sometimes working days, sometimes nights — leaving many of them continually exhausted.

He saw the \$7 raise last January as the final insult.

“I came up with the idea of going on strike,” he said. But it was not easy, he said, trying to recruit colleagues in secret talks on the factory floor during breaks. He says he tried to persuade five or six senior workers on his assembly line to strike, but, “They said they weren't brave enough.”

Why are Chinese workers committing suicide and protesting at their factories?

“I said: ‘I'll be the one to lead.’ And they said, ‘OK, we'll follow you.’ ”

A week before the strike, 15 or so workers from Mr. Tan's workshop had a meeting outside the factory one night to discuss the plan. “Before that,” he said, “we'd had random talks on the shuttle bus to work.”

A 20-year-old worker named Xiao Lang, also from Hunan, agreed to help lead the strike — partly, the two now say, because they had decided to resign from the company regardless of the outcome.

By the morning of May 17, nearly 50 workers — many of them also from Hunan Province — were in on the plan. By agreement, when Mr. Tan hit that emergency stop button at 7:50 a.m., Mr. Xiao was doing the same thing on a separate, nearby production line.

Within minutes, workers were marching through the factory rallying others to join the strike.

“There were hundreds of us going from door to door,” Mr. Tan said “Several managers tried to stop us with verbal threats. But we ignored them.”

Betting that their strike might create a ripple effect among the network of Honda suppliers and assembly plants in southern China, Mr. Tan’s team alerted the Chinese news media, which gradually gave the strike national publicity.

The strikers were prepared to demand a doubling of their monthly wage to 2,000 renminbi — about \$293 — and nothing less, Mr. Tan said. Panicked, Honda persuaded the workers to return to work the next day, May 18, promising to consider the demands.

But when no deal was struck by May 21, the workers went back on strike, which China’s English-language daily newspaper described as “the largest industrial action ever reported in China.”

Before they were scheduled to formally resign at the end of May, Honda fired Mr. Tan and Mr. Xiao on May 22.

On June 4, after intense negotiations involving the local government in Foshan and Japanese executives, Honda agreed to a large pay raise, though short of the workers’ demand for nearly doubling their salary.

Most of the workers returned to their jobs, satisfied with the raise and their victory over Honda, according to several workers.

Mr. Xiao is now taking driving lessons, hoping to get work operating a van in Hunan Province.

Mr. Tan has also returned home to Hunan. He says his parents do not yet know about his leadership at Foshan. They think he came back home to find a better job.

Now, he is taking a three-month course to learn to operate excavation equipment. He hopes to find work somewhere in Hunan. His wife, whom he married in April, is still working in southern China.

And while he did not set out to be a labor organizer, he said he was proud of what he had accomplished in Foshan.

“I think we can call it a success,” he said. “I only led the strike to earn my fellow workers a decent reward.”

# **Condemn Honda and the AFCTU branch for suppressing the workers' strike!**

2010 June 2

Global Appeal

**Condemn Honda and the AFCTU branch for suppressing the workers' strike!  
Solidarity with Honda Workers' Struggle for Higher Wages and Reorganization  
of the Shop Floor Trade Union**

To brothers and sisters in trade unions and civil society, and all friends who are concerned about the labor situation in China:

**Please read the BACKGROUND INFORMATION and sign the JOINT STATEMENT below it.**

## **BACKGROUND INFORMATION**

Workers at Honda Auto Parts Manufacturing Co. Ltd., located in Foshan City Guangdong Province, have begun their 16th day of strike action. This is one of many strikes by Chinese workers, but is among the longest in recent years. While many people have been concerned and greatly moved by the tragedy of Foxconn's workers who committed suicide by jumping from a building, the struggle of Honda workers undoubtedly is very encouraging.

According to the Honda workers, of more than 1,800 employees in the factory, 80 percent are student interns from technical schools. Since they signed an internship contract, they are not protected by the labor law and their wages are as low as 900 Yuan per month. This is lower than the minimum wage level, which since May 2010 has been 920 Yuan in Foshan. In addition to this they are not covered by any social insurance. When these interns were recruited in schools, the company promised free lodging and meals, but they ended up being provided with only one meal a day. After deducting the cost of utilities connected with their lodging, workers only get around 700 Yuan per month. Interns can become regular employees only after they have finished 12 to 16 months of internship and obtained a diploma. Even after these interns have become regular employees, their wages are only 1,000 Yuan per month.

On May 17 all the workers went on a strike and at the general assembly convened by the employers, the workers made 108 demands, and elected 30 representatives at their employer's request. However, the employer not only failed to show good faith in the

negotiations, but also dismissed two worker representatives in an attempt scare the others.

On May 24, the company agreed to give 55 Yuan a month for meals allowance, but this was sternly rejected by workers. The regular employees and the interns maintained a high degree of courage and solidarity and insisted on continuing the strike.

On May 26, Honda management proposed a wage increase but this was different for interns and regular workers. While interns would get a wage increase of 477 Yuan per month, the regular staff would only get an increase of 355 Yuan. All workers refused the differentiated wage increase.

On May 27 after discussing the matter collectively, the workers again proposed a few important demands:

- 1) An increase to basic pay of 800 Yuan per month for all the workers. Within three days of the wage increase, allow the workers to re-sign a labor contract. The annual pay rise must not be less than 15% while the year-end bonus and festival subsidies must not be less than the previous year.
- 2) A compensation subsidy for additional years of service—for each year of service there must be an increase of 100 Yuan per year with a 10-year cap.
- 3) Reinstate the dismissed employees and impose no punishment for workers who joined the strikes.
- 4) Reorganize the company's trade union—Re-elect the trade union chairman and trade union-related staff.

On May 28, Honda management again came up with a new proposal:

The interns' wages would be increased by 488 Yuan per month after the first three months of employment, but the regular staff's wage increase would remain the same (355 Yuan per month - as the management had suggested on May 26). At the same time, through various means, Honda began to force the interns to sign a "no more strikes" promise which had to be submitted before 9 am on May 31. To make sure that workers would resume work as soon as possible, Honda called in some of the interns' teachers and the local government officials to exert pressure on the interns and urged them to go back to work before the deadline. Throughout the process, the

Honda trade union not only failed to provide any assistance for the striking workers, but urged them to resume production as soon as possible.

On May 31, employers continue to refuse negotiations. What is more, the local government, together with the trade union, went to each team of workers and tried to make them go back to work immediately, threatening to dismiss those who refused to resume work. The worker representatives' complained to us and the mainland media (see Caixin website: [www.caing.com](http://www.caing.com)) that about 200 men wearing union badges, who attacked some 40 workers who were insisting on continuing the strike. The assault led to multiple injuries and bleeding. We are shocked and outraged to learn that during the attack, Honda management, local government officials and the police, did nothing to stop the assault on workers. We severely condemn such illegal acts of violence. ACFTU, the official trade union must do investigation into such ridiculous behavior and respond to the public.

On June 1, Honda workers have begun their 16th day of strike action. The “zero inventory” policy under the Honda assembly plant has already forced a number of Honda component factories to stop production. We believe that Honda will continue to force the striking workers to resume work and will take retaliatory actions against those who refused. The young striking workers are now facing strong pressure and they urgently need outside support and solidarity. Globalization Monitor, upon receipt of requests for assistance from the workers, organized a global campaign yesterday to protest against Honda, and to appeal to the world labor movement, NGOs and friends who are concerned about working conditions in China, to support China Honda workers' legitimate struggle, to put pressure on Honda and the ACFTU, to demand that they stop repressing and dividing the workers, to start negotiations, and for Honda to openly accept the legitimate demands of the workers.

Furthermore, a number of labor organizations from Hong Kong decided to raise their level of action and protested at the Honda showroom in Hong Kong, demanding that Honda, Chinese local government and the ACFTU stop repressing the striking Honda workers, start negotiations with the workers' representatives, and openly accept their legitimate demands, which are as follows:

- 1) Apologize for their attack on workers on May 31 which resulted in casualty.
- 2) Accept workers' demands for higher wages: a wage increase of 800 Yuan per month for all workers and a compensation subsidy of 100 Yuan for each additional year of service.

- 3) Reorganization of the Honda company union – organize a re-election of the trade union chairman and officers so that workers may elect representatives who act in accordance with their interests.
- 4) Reinstatement of the dismissed employees and impose no punishment for workers who joined the strikes.
- 5) No retaliation against workers after the settlement of dispute.

We will continue to maintain contacts with Honda workers, closely monitor the situation, and further raise our level of solidarity action when necessary.

We call upon friends and allies who are concerned about the situation of Chinese workers to continue monitoring the developments of the incident and support the workers' demands and actions when they are in need.

**Online Petition:** <http://www.gopetition.com/online/36742.html>

Contact us : [info\[at\]globalmon.org.hk](mailto:info@globalmon.org.hk)

1st June 2010

**Now you can do the following to support the striking Honda workers:**

Please add your name or organization's name to this JOINT STATEMENT addressed to the HONDA CEO. It will be posted on our websites including [www.globalmon.org.hk/en](http://www.globalmon.org.hk/en) and [www.atnc.org](http://www.atnc.org), and you are welcome to share widely.

Attention:

Honda Motor Co., Ltd.

President & CEO

Mr. Takanobu Ito

本田技研工業株式会社

〒107-8556

東京都港区南青山 2-1-1

TEL.03-3423-1111 (代表)

Dear Mr. Ito,



We have received information about the strike by workers at the Honda Auto Parts Manufacturing Co. in Foshan, China. We are informed that of more than 1,800 employees in the factory, 80 percent are student interns from technical schools, who are not protected by the labor law and whose wages are as low as 900 Yuan per month – below the minimum wage for the city. The interns are provided with only one meal a day and are charged for the cost of utilities connected with their lodging, reducing their earnings to only around 700 Yuan per month. Even after interns become regular employees, their wages are only 1,000 Yuan per month.

The workers went on strike to demand increased wages, yet during the negotiations the management has not shown good faith. The management has begun to force the interns to sign a “no more strikes” promise and has even mobilized some of the interns’ teachers and local government officials to exert pressure on the interns to go back to work on May 31. Throughout the process, the Honda official trade union has not provided any assistance for the striking workers, but urged them to resume production as soon as possible without regard for the resolution of the workers’ grievances and demands.

On May 31, your company in China continued to refuse negotiations. What is more, the local government together with the trade union, went to each team of workers and threatened with dismissal if they didn’t go back to work immediately. The worker representatives’ complained to us that about 200 men wearing union badges, attacked some 40 workers who insisted on continuing the strike. The assault led to multiple injuries and bleeding. We are shocked and outraged to learn that during the attack China Honda management did nothing to stop the assault on workers. We severely condemn such illegal acts of violence and Honda owes an apology to their workers.

You yourself reported in April 2010 that last year Honda’s sales achieved an all-time record of 580,000 units in China, the world’s largest automobile market. The workers of the factory are never able to afford one of the cars, which they are helping to produce by making auto parts. As the producing workers, they have a right to bargain for a greater share in the profits of the firm, and as management of a company originating in Japan, the management should respect the workers’ rights to free association and collective bargaining. The management should not shame itself by threatening and dismissing workers when they justly demand a greater share of the huge profits reaped by the company.

Rather, we hope that Honda management will lead the way in showing ‘harmonious relations’ with its workers, and we join the striking workers of Honda Auto Parts Manufacturing Co., Ltd. in demanding the following:

- 1) Take responsibility for failing to ensure the workers’ safety by allowing the union men to attack the workers on May 31 which resulted in casualty, and paying for their medical treatment and recovery.
- 2) Accept workers’ demands for higher wages: a wage increase of 800 Yuan per month for all workers and a compensation subsidy of 100 Yuan for each additional year of service.
- 3) Reorganization of the Honda company union – organize a re-election of the trade union chairman and officers so that workers may elect representatives who act in accordance with their interests.
- 4) Reinstate the dismissed employees and impose no punishment for workers who joined the strikes.
- 5) No retaliation against workers after the settlement of dispute.

Regards

The undersigned:

Globalization Monitor, Hong Kong

Asia Monitor Resource Centre, Hong Kong

Hong Kong Confederation of Trade Unions, Hong Kong

Students and Scholars Against Corporate Misbehavior, Hong Kong

Justice and Peace Commission of the Hong Kong Catholic Diocese, Hong Kong

Cambodian Tourism and Service Workers Federation (CTSWF), Cambodia

Persatuan Sahabat Wanita Selangor, Malaysia

Workers Assistance Center, Inc., Philippines

Solidarity of Cavite Workers, Philippines

National Coalition for the Protection of Workers’ Rights – Southern Tagalog, Philippines

Labor Education Advocacy Development and Services and Research Institute, Philippines  
and

ATNC Monitoring Network

China Labour Net, Hong Kong

June 1, 2010

## **Worldwide Scholars Petition:**

### **Support Honda Workers in Foshan China**

To all those who are concerned with workers in China:

On May 17, 2010, more than 1800 Honda workers in Foshan decided to go on strike. By May 27, all four Honda plants in China had stopped production.

Why did the workers go on strike? It is because their wages are too low and their conditions are harsh! Formal workers at Honda in Foshan take home 1200 yuan (US\$175) a month on average, while intern workers, 80% of its workforce, earn as little as 900 yuan (US\$131) a month. Intern workers are students from technical schools who are not protected by the national Labor Contract Law, because they work for Honda under an internship contract. They are given a wage below the local minimum and are not covered by social insurance. What can Honda workers do with the little wages they get, at a time where prices for everyday goods are getting more and more expensive? They have little left, apart from covering their basic necessities. Can they hope to take root in the city? No. Can they work with dignity? No. They cannot afford housing, medical care, child rearing, or to look after their parents. With high inflation, it is difficult for them to take care of their own livelihood.

With all these difficulties, they have reported their situation to management through internal channels, but have been ignored. Their report disappears like a stone in the sea. Thus they are forced to go on strike. They demand a pay raise to 2000-2500 yuan. This is a very reasonable demand, as this was only about the average wage level in Foshan three years ago.

During the strike, they hoped that the company would take their views seriously and alleviate their current difficulties. But what did they get as a response? They met with threats and ridicule and a plot to divide the workers. The company said they would respond in a week. What did the company do in the meantime? The company threatened them: whoever does not return to work will be fired. The company picked out the strike leaders and fired them. The company also threatened all intern workers that if they did not return to work, they will not get their diploma for graduation. This is what Honda did in the interim. On May 24, the company responded that they will provide 55 yuan food subsidy to each worker. What a mockery they made of workers' demand! Workers are not beggars! Facing Honda's response, which clearly lacked sincerity, workers were angry and decided to continue their strike.

On May 26, Honda rolled out a proposal to divide the workers: 477 yuan raise for intern workers and 355 yuan raise for formal workers. They hoped to tempt intern workers to return to work and thus “divide and rule.”

What surprised Honda is the unity demonstrated by workers. On May 27, workers counter-proposed 800 yuan raise for all, with no discrimination. Yet Honda did not learn its lesson, but played the “divide and rule” game again: 634 yuan for intern workers after three months and 355 yuan for formal workers. At the same time, Honda exerted more pressure on intern workers and required them to sign a “no strike” commitment before 9 am, May 31. The company also brought local officials and teachers of technical schools to force intern workers to return to work before May 31. Honda had promised that they would address the problem with a positive attitude. Look at what happened. This is what Honda called a positive attitude.

Struggling for survival and for dignity, Honda workers are forced to go on strike. But Honda had no sincere intention to solve the problems; it continuously tried to divide the workers and mobilized others to exert pressure on them. At present, workers have agreed to return to work for three days and allow the management time (before Friday) to respond to their demands. Now is the critical time for the workers’ struggle. Therefore, we appeal to all Honda workers, all worker brothers and sisters, people in China who are concerned with workers, and people in the world who are concerned with workers, to support the struggles of Honda workers in Foshan!

It is because their struggles are reasonable and just. They resist the oppression of their exploiters and they fight for a dignified life for all workers.

Let us unite and exert pressure on Honda. We want to tell Honda: stop all your efforts to divide and suppress workers and meet workers’ demands.

We most sincerely salute the courageous Honda workers!

Contact: [bentiangongren@gmail.com](mailto:bentiangongren@gmail.com)

Initiators:

Editors of Chinese Workers Research Network

Dr. Yan Hairong (Hong Kong Polytechnic University)

Dr. Alvin So (Professor, Hong Kong University of Science and Technology)

Dr. Szeto May (University of Hong Kong)

Wong Kai Hing (President of The Hong Kong Polytechnic University Students' Union)

Dr. Chan Kingchi (City University of Hong Kong)  
Dong Xulin (Retiree from the United Nations)  
Dr. Du Jiping (Taiwan, editor of Pipan yu zaizao)  
Dr. Chen Yunzhong (Hong Kong University of Science and Technology)  
Dr. Barry Sautman (Hong Kong University of Science and Technology)  
Dr. Tong Xiaoxi (Chinese University of Agriculture)  
Dr. Fumie Ohashi (JSPS research fellow)  
Signers:  
Dr. Wang Hui (Professor, Qinghua University)  
Dr. Dong Qingyuan (Engineer in USA)  
Dr. Fang Mou (Scientist, USA)  
Dr. Ma Yaobang (Writer, Canada)  
Wu Jianbing (Poet, USA)  
Peng Zhaochang (University of Massachusetts)  
Liu Shenyu (Scholar/Writer, USA)  
Luo Chiyun (Retired Engineer)  
Dr. Ching Pao-yu (Professor Emeritus, Marygrove University)  
Dr. Bai Di (Drew University)  
Dr. Wang Dan (Hong Kong University)  
Dr. Chen I-Chung (Academia Sinica, Taiwan)  
Dr. Anita Chan (Professor, Sydney University of Technology)  
Dr. Chen Kuan-Hsing (Professor, Qinghua University, Taiwan)  
Zha Jianying (Writer, the China representative of India-China Institute)  
Liang Xiaoyan (Chief Secretary of Beijing Western Sunshine Rural Development Foundation)  
Chung Ming Lai (Labour Action China)  
Zhan Yang (Ph.D. student at Binghamton University)  
Greg King (SEIU Boston, USA)  
More...

The translator is not sure how to Romanize names of many signers from Taiwan. Not wanting to make mistakes in rendering their names, the translator apologize for not including them here. Please check the Chinese version for a fuller list of the signers.

If you want to sign the petition, please go to this website:

<http://gopetition.com/online/36847.html>

## **Special Report on the Honda Foshan Strike**

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Globalization Monitor Limited

e-mail: [info@globalmon.org.hk](mailto:info@globalmon.org.hk)

Tel: (852) 6187 3401

Website: <http://globalmon.org.hk>

Mailbox: P.O.Box 72797, Kowloon Central Post Office, Hong Kong

