

## RESTRUCTURING OF THE HONDA AUTO PARTS UNION IN GUONGDONG, CHINA: A 2-YEAR ASSESSMENT OF THE 2010 STRIKE

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*Since the 1990s, Chinese workers at state-owned enterprises had put up many fights against privatization but with lackluster results. The migrant workers, on the other hand, have mostly been a silent majority, putting up with appalling working conditions. Though resistances among some of them have often arisen, most of these are spontaneous and not organized. However, the CHAM workers had been successful not only in winning an increase in their wages but also pushing the government and the company to agree to a revamp of the workplace union after a 19-day strike in 2010. The CHAM case attracted international concern on the potential rise of the Chinese workers' power and this also pushed the ACFTU to make further reform. Yet, the question remains—does the re-elected Honda trade union really represent the workers? In this article, we will reveal the truth about the ACFTU's engineered reform of the Honda trade union through workers interviews and data analysis.*

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On May 17, 2010, workers at the Honda Auto Parts Manufacturing Co., Ltd. (CHAM) in the Nanhai district of Foshan city in China's Guangdong province downed their tools in a bid to improve their substandard wages. However, their bosses, the local authorities, and even their local trade union did what they could to smother their initiatives. The strikers doggedly held their ground, refusing to compromise. Eventually, after striking for 90 days, they were able to strike a deal with the bosses under which workers would get a pay rise, and their trade union would be overhauled.

It is fair to describe this strike as an important milestone in the history of struggles of China's workers. While the workers at Foxconn responded to their harsh working conditions with a defeatist series of suicides, their CHAM counterparts adopted a very different approach. Both developments served as a wake-up call to draw attention to the shockingly awful positions that China's workers are in, but the CHAM case is especially indicative of the potential of the Chinese working class in the struggle for their rights. It provides a glimpse of the might of workers when they act in unison as was the case between CHAM's regular workforce and interns. The most important of all was the strikers' prominent call to reelect their union by frontline workers, a bold act to challenge the status quo.<sup>1</sup> The CHAM strikers' success boosted the confidence of workers

in the neighboring regions as the latter were also striving for a more decent wage, sparking a new wave of industrial actions throughout China.

In the wake of the CHAM industrial action, the Guangdong branch of the All China Federation of Trade Unions (ACFTU) came forward with the pledge to democratize union elections in an alleged attempt to make the union a more effective instrument to serve workers. Two years later, have the workers' conditions improved and, if so, to what extent did it happen? Was the process to restructure the union a democratic one? How effective has the union been? Is the union on the workers' side of the fence or with the bosses? This article will seek to reveal the truth 2 years after the Honda strike.

### A Brief Company Profile: CHAM

CHAM was first brought into production on March 8, 2007 in the Nanhai Science and Technology Industrial Park in Foshan city of Guangdong province (Figure 1). It was Honda Motor Co., Ltd.'s first wholly owned subsidiary in China and was furnished with an initial capitalization of US\$98 million. Its main business is the production of key components for the gearboxes and engines of Honda vehicles. It pumped out 240,000 sets of parts a year, supplying directly to companies that manufactured such models as Guangqi Honda and Dongfeng Honda. In 2010, CHAM had reportedly churned out 2,400 units of gearboxes a day and sold them at an intrafirm price of ¥10,000 a piece, thus fetching it a daily production worth ¥24 million. When other supplementary productions are added in, CHAM has been producing ¥40 million worth of parts every day.<sup>2</sup>

At the end of November 2011, CHAM had a workforce of 2,319, of whom 2,116 were union members.<sup>3</sup> There were nine male workers to every female counterpart, and the total workforce averaged 23 years of age. Its "frontline" workers—those on the production line, at the coalface—are mostly graduates from technical colleges or vocational secondary schools. CHAM has been taking



**Figure 1.** CHAM's western gate.  
*Source:* Globalization Monitor.

in interns from technical colleges every year, and they have an average age of 18. We understand that CHAM has had a very stable workforce in recent times, registering only one to two resignations every 3 months, which was a far cry from 2 years ago when it had workers quitting every day.

### **Wages, Entitlements, and Conditions**

The immediate trigger of the CHAM workers' 2010 strike was the bosses' move to avoid complying with the new minimum wage that was a ¥150-a-month improvement (from ¥770 to ¥920) as handed down by the Foshan city authorities. Instead of delivering a real rise, the company wanted to get away with it by accounting trickery—nominally pumping up workers' base wage by ¥150 by way of slicing off the same amount from workers' existing monthly allowance of ¥330. That move would have the appearance of a pay rise but not a rise in workers' real take-home pay. And this ploy is not new in China. Bosses there habitually separated welfare and miscellaneous allowances from workers' base wage such that the former would not enter into the equation for overtime computation. Moreover, this arrangement would give them handy excuses to slash welfare allowances the first moment their profits come under squeeze. Although a member of the world's top 500 corporate club, Honda still would rather stoop this low to scam their way out of a statutory pay rise, and it indeed outraged the workers.

The breakdown of the current remuneration package of CHAM workers is largely the same as it was 2 years ago. Later are two pay slips of a Grade 1 CHAM worker in January 2010 and January 2012, respectively. Changes in wages over these 2 years would be evident by comparing the two (Figures 2, 3).

These two pay slips came from a CHAM worker. He had taken 2 days off during January 2010 for which both his wage and allowances would have taken a dent. But he does not know how that was done.

The biggest difference in the two pay slips lies in the changes in the base wage, which catapulted 118 percent from ¥702.19 in 2010 to ¥1,530 in January 2012. The next big rise was in living allowance, which increased by ¥48.39 or 77.3 percent. The skill loading also rose ¥82.14 or 25.8 percent while meal allowance rose by a half. After deductions for insurance premiums, the take-home pay rose by ¥453.06 or 27.2 percent.

Wages at CHAM went up twice since the strike (changes to the statutory minimum wage in Foshan city are also provided) (Table 1).

Table 1 indicates that the first two pay rises of CHAM workers were more or less in line with Foshan city's adjustments of its statutory minimum wage. On the first occasion, workers took industrial action after they were not actually granted the rise, prompting the company to eventually give in, boosting their wages to 118 percent over the minimum wage. The second pay rise closely tracked Foshan's minimum wage adjustment, making the CHAM workers 138.3 percent better off than the official minimum wage level. All indications suggested that Foshan city's adjustment to its minimum wage did act as a lever to

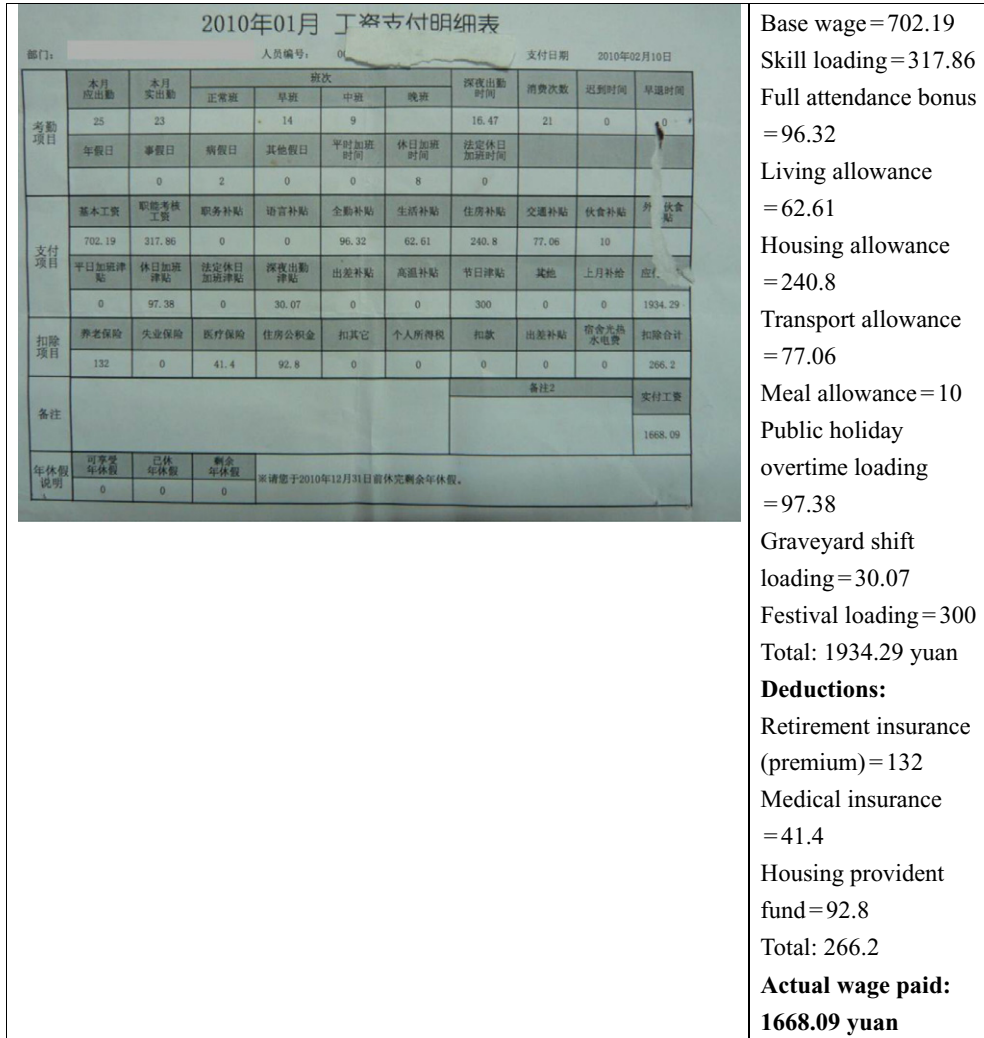


Figure 2. A January 2010 pay slip of a CHAM worker.  
Source: Globalization Monitor.

pressure the CHAM management to improve its workers' wages and that it also emboldened the workers in asking for a rise.

The second round of poststrike wage bargaining took place on February 25, 2011. The management was in a stronger bargaining position then, and it repeatedly rejected the union's demands. The shop stewards (elected during the by-election of the workplace union in August 2010) kicked off the negotiation with a demand for an ¥880 pay rise for the year, which the management tried to haggle down drastically to a ¥531 rise for Grade 1 regular workers.

The shop stewards did not find the counteroffer acceptable. More pondering ensued, and they revised the pay rise demand down to ¥731, which the management was not pleased with either, counteroffering a new package that

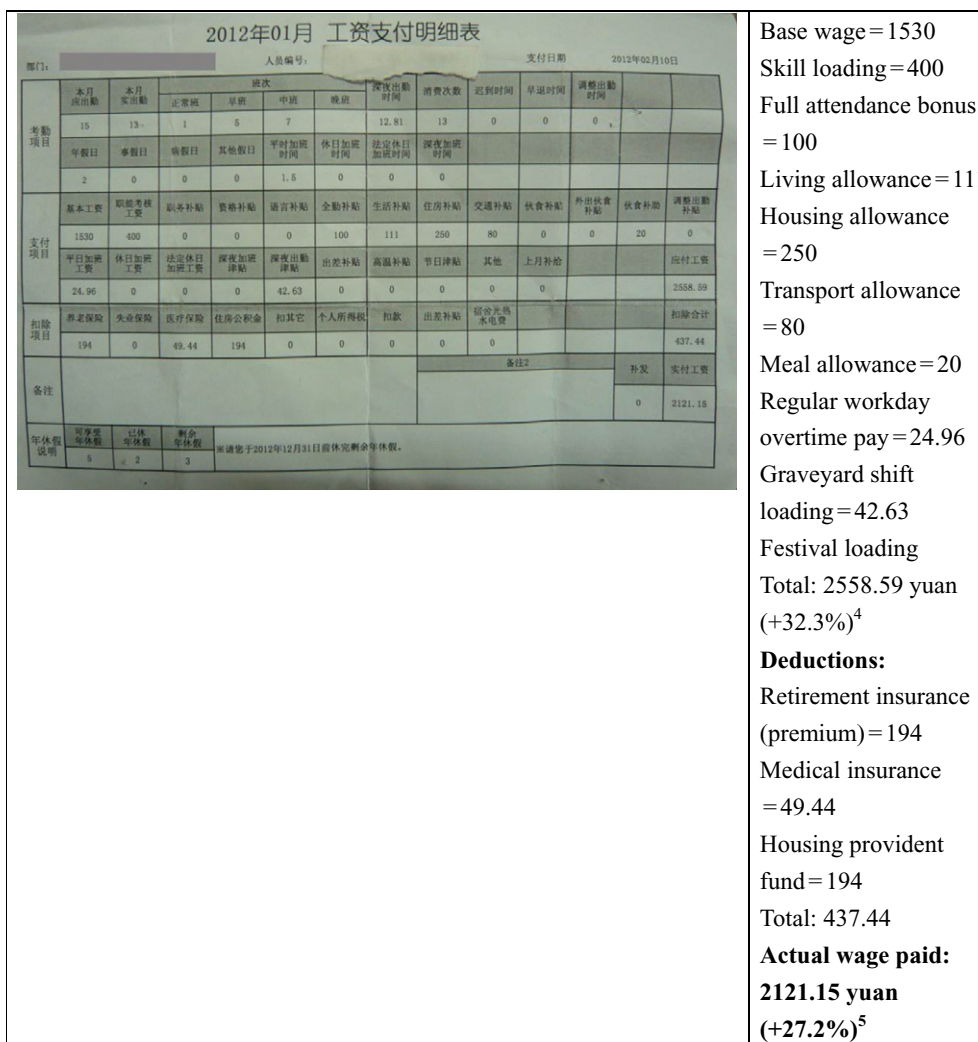


Figure 3. A January 2012 pay slip of a CHAM worker.  
 Source: Globalization Monitor.

allowed for a ¥561 rise in wages plus a ¥33 increase in bonuses. In other words, this offer represented a mere ¥63 advance on its original offer. The management held its ground, declaring: “This is our last offer! Take it or leave it. If the union doesn’t find it agreeable, all deals struck in the earlier rounds would come to naught, and in the end everything will be tabled to the government authorities for arbitration!”<sup>6</sup>

In a bid to entice the CHAM bosses back to the negotiation table, ACFTU Guangdong’s deputy president Kong Xianghong stepped in, urging both sides to give more ground if they were serious about striking a deal. In the end, the management raised the bonus increase component to ¥50, lifting the total rise to ¥611. Meaning, the bosses improved their offer by ¥80, or 15.1 percent, over the

Table 1. The wage changes of a CHAM Grade 1 worker compared to prevailing minimum wage in Foshan

Date	Details	Estimated wage of a Grade 1 worker after the pay rise	Pay rise in %	A CHAM Grade 1 worker's pay compared with prevailing minimum wage in Foshan
Before May 2010	Actual pay of a Grade 1 CHAM worker: ¥1,510			¥790 more (+109.7%)
May 1, 2010	Minimum wage in Foshan rose from ¥720 to ¥920		27.8%	
June 4, 2010	Real pay rise of regular workers: ¥500 a month. Interns' pay hike: ¥634, delivered in stages	1,510 + 500 = ¥2,010	~33.1% rise for regular workers (based on the original real wage of ¥1,510) ~70 + % jump for interns (based on the original real wage of ¥900) 19.6%	¥1,090 more (+118.5%)
March 1, 2011	Minimum wage in Foshan rose from ¥920 a month to ¥1,100			
March 1, 2011	Wages at CHAM rose by ¥611, of which ¥561 was designated for wages and ¥50 for bonuses.	2,010 + 611 = ¥2,621	Regular workers' pay rose by approximately 30.4% (based on original real wage of ¥2,010)	¥1,521 more (+138.3%)
March 1, 2012	Minimum wage in Foshan stayed at ¥1,100 (but in Dongguan, a fellow second-tier city in Guangdong, many companies have already pumped their minimum wage to ¥1,350)			
April 1, 2012	A ¥430- rise for CHAM Grade 1 workers	2,621 + 430 = ¥3,051	16.4%	¥1,951 more (+177.4%)

course of the negotiation while the union downscaled its ask by ¥189, or 23.6 percent, compared with its first demand. Clearly, the union gave in more than the company did. Yet the pay rise being secured was a mere 10.8 percent improvement on the minimum wage adjustment achieved in Foshan in 2011. It is pale in comparison with the gain achieved in the 2010 strike.

In November 2011, the Department of Human Resources and Social Security of Guangdong Province circulated for consultation two proposals for improvement in the province's minimum wage by 16–17.9 percent. That would lift Foshan's minimum wage to between ¥1,270 and ¥1,290 a month. But then a month later, the whole proposition was “shelved” because of pressure from the business sector.<sup>7</sup> Yet intelligence on the ground indicated that inflationary pressure and the shortage of migrant workers had already prompted businesses in the province to improve their wage offers on their own initiatives even though the official requirement has not changed. In Dongguan, also a second-tier city of the province like Foshan, according to the interviews we made with workers, some factories have already lifted their wage deal to ¥1,350 of their own volition, or a 22.7 percent rise from local minimum wages.

In March this year, the CHAM union entered into a new round of wage haggling with the management, which delivered a wage rise of only ¥430, a significant setback from last year's ¥611. Workers who were asked to comment on the latest deal all aired disappointment and poured out their anxiety over the galloping inflation that drove up all essential bills. One of them explained how the gap between the management's offer and the workers' aspiration was eventually bridged: “In fact, the union did aim to get the base wage boosted by 22 percent, which together with other subsidies should deliver a rise of about 500 yuan. But the management kicked the round off by contesting ‘What on earth gave you the hide to go for such a big ask?’ Yet three days later, the management finally agreed to adhere to the government's yardstick of a 20 percent boost to the base wage. Other subsidies would go up 10 percent in line with the CPI (consumer price index), giving a total rise of 430 yuan.”

One can see that the CHAM union more or less maintained its role as an arbiter between capital and labor following its own restructuring, initiating wage review proposals every year. However, it did not seem to have the clout to initiate forceful demands, allowing the bosses to dictate the agenda. The last three rounds of wage negotiations have delivered a progressively shrinking pay rise deal for labor. And in the latest round, the pay enhancement even fell short of that voluntarily offered by some private businesses in Dongguan.

### **Improvement to the Promotion System for Grade 1 Employees**

Prior to 2010, there were five main wage categories in CHAM where Grade 1 was designated for the most junior staff and Grade 5 for the most senior. With fifteen subgrades in each of the main five categories, the CHAM house is a hierarchy of seventy-five tiers. Workers' performance would be assessed once a year, and those who passed the test would move one tier up.<sup>8</sup> One worker thus

**Table 2.** Staff grade table and promotion criteria at CHAM

Staff grades	Promotion criteria
Interns	One would graduate automatically to Grade 1 at the end of the internship.
Grade 1 (level 1 cadre)	Scored “B” in assessments for 3 years in a row or obtained an “A” in assessment for two years or get a “S” for the year.
Grade 2 (level 2 cadre)	Unknown
Grade 3 (level 3 cadre)	University graduates from the relevant trades would be entitled to be on Grade 3 upon recruitment.
Section head	Unknown
Department head	Unknown

grumbled, “At this rate, it would take 15 years to move up a main grade and only on condition that one passes the performance test each and every year.”

Following the strike, CHAM workers also put the company’s promotion system on the negotiation table. So far, the workers have been able to make the promotion mechanism for Grade 1 employees a lot more transparent and accountable. Under the management’s annual assessment exercise, they would grade the rank-and-file workers into “S,” “A,” “B,” or “C” based on their scores, with “S” signifying the highest achievements. A worker who got an “S” score or two “A” scores would jump from one main category the following year to Grade 2 and would be entitled to a pay rise of ¥400–500 per month. Among the production workers who are usually grouped into forty per unit, there would be one “S” scorer and three “A” scorers a year. More than 80 percent of the unit would have a “B” mark, entitling them to a pay rise of tens of yuan per month. If a first grader obtained a “B” for three consecutive years, he or she could be promoted to the second grade and would enjoy the corresponding pay rise. A “C” would not qualify a worker for a ticket to either a promotion or a pay rise.

Workers pointed out that this more transparent promotion mechanism is a hard won gain from their collective battle, which gave them a clearer career path and would keep them more motivated. Unfortunately, they have not been able to win a similar arrangement with workers in the other grades.

Later are the staff grade table and promotion criteria at CHAM (Table 2).

### **Restructuring and Rejuvenating the Union**

During their strike, CHAM workers called prominently for an overhaul of their union and denounced union officials for allegedly scratching the backs of the bosses at the workers’ expense. On June 3, 2010, they asserted in an open letter that rank-and-file unions must be elected by workers at the coalface.

Strikers revealed that they had not even dreamed of restructuring the union when they first launched their industrial action. To their mind, the union had always been little more than a good deal—that is, for the price of filling in an application form and surrendering ¥5 a month, they would get three shopping



cards all up (for the Lunar New Year, Mid-Autumn Festival, and their birthday) with a total nominal value of ¥300. They never thought much about what a trade union is supposed to be for, and if they encountered any problems at work, they would not seek help from the union either. They did not find the union making a difference for them. Even if they did want to seek help from it, they would not know who to approach.

### **Call from Some Quarters to Have the Union Overhauled**

“During the strike, some workers put forward the demand to have the union revamped, an idea supported by quite a few others. Yet this was only a demand or tactic during the strike,” said Little Wei, a postgraduate student who has interviewed some CHAM workers. After considerable efforts, we were able to track down “Blackie,” the worker who first initiated the union restructuring idea. Blackie recalled:

Some way into the strike, it seemed to me that whatever demands the workers put forward weren’t going to get anywhere. We wanted to have a word with the union tops to make sure they are aware of what we want, but they actually didn’t have a clue about our conditions. In the old days, all most workers wanted was to elect a few workers’ representatives who would do the talking with the management. But I didn’t think that was quite the way to go . . . Around the New Year in 2010, in the wake of the Foxconn disgrace and growing shortages of migrant workers, trade unions got mentioned in the media more and more. Trade unions aren’t a new thing to me . . . So in a Staff and Workers Representatives Congress meeting, I proposed that we should put our union executives to a fresh vote. After further discussions and having looked up the Trade Union Law, the others were also in favour of the idea and so the issue was put firmly on the agenda.

Blackie is a thinking worker and has a considerable grasp of issues related to trade unions. He is also a CHAM employee.

Before the strike, workers did not know much about the trade union president Wu Youhe at all, except that he was “the boss’s man.” During the strike, this union president tailed the general manager everywhere as if he was the manager’s bodyguard. During the May 24, 2010 round of labor-management wage negotiation, Wu, who was chairing, went as far as walking over many times to the general manager, bending and bowing to listen to him, and what came through the microphone he was holding was nothing but kowtowing to whatever the general manager was saying.<sup>10</sup>

Workers were outraged with the union president’s servile “yes man” default mode toward the bosses. Some of them lost no time in downloading the Trade Union Law from the Internet, printing it out, and circulating it among their fellow workmates for a closer examination. On May 26, workers resolved to adopt a slogan to call for a revamping of the union in a bid to get their resentment off their chests. Then on May 30, a mob of some 200 union-badge-wearing thugs hired by local township ACFTU roughed up forty-odd workers

who were adamant in pressing for a strike, resulting in many injuries. The union thus let the workers down big time, spurring them to issue a strong statement on June 3 in condemning it.

In the end, at the final stage of the bargaining, the workers' representatives did not insist on a reelection of the union right away, agreeing to have it delayed for 2 months. Why did not the workers press ahead with the demand to put the union to a fresh vote? Workers explained: "We didn't quite have a clear conception at the time on how to go about revamping the union. To us, the wage issue was the most pressing and needed to be sorted out first."

### **How the CHAM Union Was Reconstituted**

Under the Trade Union Law of the People's Republic of China, union members are entitled to the right to have a democratic vote. Yet neither this law nor the trade union constitution spelled out the election process or the steps involved. Only the Provisional Regulations for the Election of Union Grassroots Organizations that was promulgated in 1992 contains some practical details on the question such as what sorts of committees should be formed within a union and with guidelines on how to form them. Other details, such as on the nomination process, were rather hazy. Given the workers' inexperience in democratic practices, it was a bit daunting how to plug this knowledge gap.

So after the strikers' wage demands were addressed, they quickly tasked the ACFTU Guangdong branch to lead the reconstitution effort. ACFTU Guangdong's vice president Kong Xianghong warmly welcomed this, commenting on the media that one should seek to turn a "bad thing"—the CHAM strike—into something positive. He said that he wanted to turn the CHAM union's reconstitution experience into effectively a pilot for a more general reform of the union such that union members do eventually elect their union presidents.

Because the CHAM workers won the wage deal, the media rarely followed up on what is going on with the union's reconstitution effort. Then on March 1, 2011, the company was in the news again, but only in relation to the conclusion of a new wage deal following collective bargaining under which workers would again get a pay rise by ¥611 this time. How did the union restructuring exercise go?

Participants of the 2010 strike revealed that the first poststrike election took place between August and October that year. It was not a totally fresh ballot from a clean slate but only a by-election for a few additional seats on the executive committee and a few branches (workplace unions often comprise three tiers—from bottom up, the rank-and-file shop committees, branches, and the executive committee, details later). After obtaining the management's consent that the union could be revamped within 2 months, the vote took place. It had three goals: (1) expanding the executive committee to include such positions as a youth representative, a vice president and a full-time cadre; (2) founding of rank-and-file shop committees; and (3) calling for the convention of the first congress for union delegates.

Being a by-election, the terms of the existing union executive committee (for 2008–2010) remain in force, which allowed Wu Youhe, the highly unpopular union president, to stay on without facing a vote. Moreover, a joint working group comprises representatives of ACFTU from four administrative levels—province, city, district, and town. It has been operating for 6 months with the mission to draw up union rules which it did.<sup>11</sup> As stipulated by the ACFTU Guangdong branch, the local unions should nominate the candidate for the full-time workplace union cadre, who would then face the workers' vote in a contested election, and the winner should also assume the office of workplace union vice president. The prescription further specified that this office bearer should operate from the factory, take part in the day-to-day running of the union, and the local union should pay for his/her salary. Meanwhile, the president of the enterprise union can linger on to complete his term. It is blatantly clear that the union tops were trying to mastermind and pull the strings in the CHAM union's reconstitution.

Only one or two frontline workers had made it to the newly created positions in the CHAM union's executive committee. The most prominent was Li Xiaojuan, who was one of the chief workers' representatives during the strike. She won a position on the enterprise union's executive committee during the first election; but in August 2011, Li left her job to study at the Nan Hua Institute of Industry and Commerce. Some of the other workers' representatives during the strike either failed to win any position, have moved on, or had left their jobs, seriously reducing the potential supply of union organizers at CHAM.

### **Preparation for the Second Union Congress and Election**

The term of the first union executive committee ran out at the end of 2011, and a second union congress to elect a new committee was due between August and November that year. Within those 3 months, a congress preparatory group needed to be set up to work out the publicity for the election, the election of delegates as well as the convening of the second congress.

The number of delegates to be elected at an enterprise union is governed by the Temporary Regulation which stipulates that work units with 1,001–5,000 members shall elect 6–10 percent of its members as delegates. With 2,116 members, the CHAM union should produce 126–211 delegates. But only 144 were elected in the end, coming from 18 electoral districts. Moreover, the election manual issued by the union executive committee on September 13, 2011 revealed that the designated delegate-to-member ratio was not applied consistently across all electorates. In the aluminum-processing section, 23 delegates were produced out of an electorate of 335 workers, indicating a delegate-to-member ratio of 14.6:1. In the management section electorate at the general manager's office, the ratio was 4:1. Yet in the "Gongtong" (Party Working Group) electorate at the business department, all five members were made delegates, indicating a ratio of 1:1, clearly in violation of the spirit of a democratic ballot. We dug deeper and discovered that four of the five Party Working

Group delegates were voted in at the congress to the union executive committee, which included the president position.

The proceedings of the union congress were published in the *Horizon*, the company's official organ,<sup>12</sup> as stated later:

The CHAM union convened its second delegated congress on November 24, 2011 with the main brief to elect its second executive committee. Apart from 122 delegates, also present there were more than 30 senior union leaders or members of the management, totaling more than 160. The congress elected the union's executive committee, an account review committee, and a women workers' committee.<sup>13</sup>

The congress elected an executive committee of fifteen to serve on the second term of office, of which Wang Siqing is a member; an account review committee of three, of which Wu Huifeng is a member; and a women workers' committee of three, of which Feng Qian is a member. Then the newly elected committee members voted from among themselves: Liao Songshan as president, and Wu Yuelong, Wang Chaoqun, and Wu Yinghua as vice presidents. The results were reported to a more senior ACFTU body and were duly accepted as legally valid and binding.<sup>14</sup>

President Liao Songshan, vice president Wu Yuelong, and committee members Wang Chaoqun and Wu Huifeng were all delegates from the Party Working Group electorate. Liao Songshan is deputy head of the business department. Being a deputy department head, Liao is part of the management, and the union has no reason whatsoever to allow him or any members of the management to stand in its election, let alone take up a union position. In appearance, no law seems to have been broken because the trade union law in China only bans close relatives of the company's responsible persons from running as candidates of election for union officials. The ban does not extend to members of the management itself. The legal loophole here could not be clearer.

According to the union executive committee document issued on September 26, 2011, the outgoing committee would put forward a list of candidates for the election for the incoming committee, but it has to first consult with various rank-and-file shop committees and branches of the union. It also needs to present the list to the CHAM's party branch, as well as the ACFTU Shishan town branch for approval before it can present the list to the congress for voting. This requirement is in fact stipulated under the Provisional Regulations for the Election of Union Grassroots Organizations. In other words, neither workers nor their delegates have the right to nominate any candidate. Instead, that right is the exclusive privilege of the CHAM union leadership, the CHAM's party branch, and the more senior union bodies. Because the union leadership needs to consult rank-and-file shop committees and branches before it can present its list of candidates, the appearance was that an average member has a chance to present a nomination, say of a workmate. But the problem is that a worker's selection must be supported by the union rank-and-file shop committees, union branch, union executive committee, and the union bodies higher up in the food chain and even

the Party branch such that a “nobody” without relevant connections cannot possibly make it to the candidate list. Moreover, there were sixteen candidates in the proposed list for fifteen positions, leaving hardly any meaningful choice. In other words, being a candidate is nearly as good as being elected.

### Elections at Union Branches and for Rank-and-File Shop Committees

In February 2012, 3 months after the ballot for the union’s executive committee, the preparation for the election of the union branch got underway. The electoral boundaries of the two elections are drawn differently. Union branch electorates are based on groupings as organized on the production lines. Workers are to elect the rank-and-file shop committee leaders first, and then the winners would elect the union branch president and executive committee members.

CHAM’s management is structured around three departments under which there are ten sections, with a union branch set up in each. There could be anywhere between two and eighteen rank-and-file shop committees within each union branch, depending on how production on the shop floor is organized. There are eighty-five rank-and-file shop committees in total (see Figure 4 later).

There are three stages in a union branch election:

1. *Election of rank-and-file shop committee heads:* Each rank-and-file shop committee should produce a formal head. The enterprise union did not designate

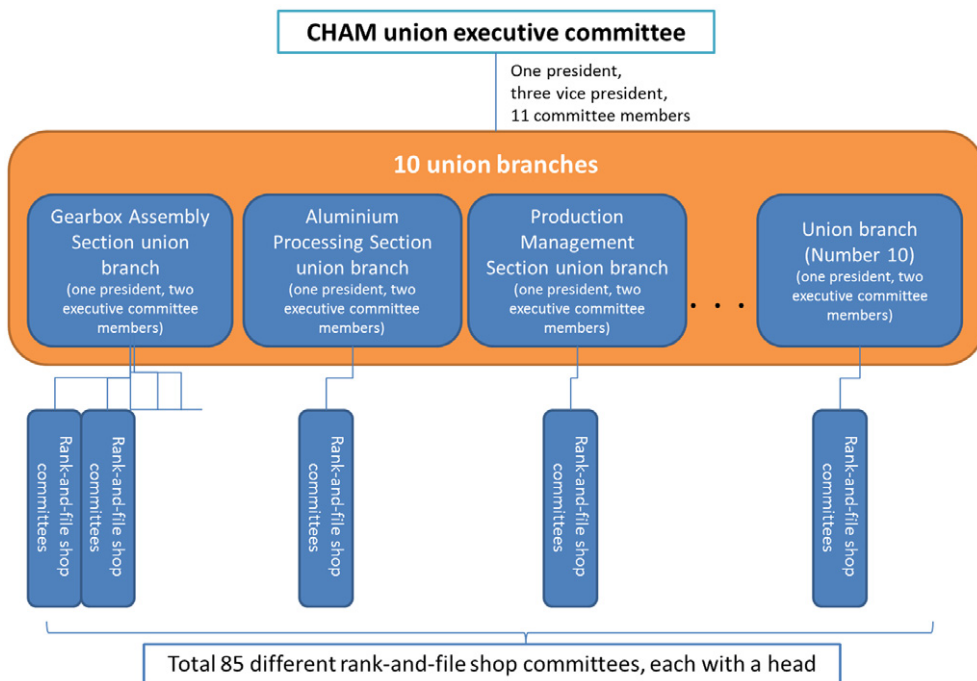


Figure 4. The structure of CHAM union after restructuring.

any candidates, leaving it to the members to nominate themselves or others individually or collectively. Voting will be by a secret ballot among union members within that shop committee.

2. *Nomination of union branches' election candidates:* The enterprise union's executive committee did not designate any candidates, but each union branch should nominate four candidates to contest the three positions available on the branch executive committee. Those nominations must be vetted by the enterprise union first before being presented to the entire membership of the union branch for voting in a secret ballot.
3. *Election of union branch chairperson:* The enterprise union's executive committee would nominate a candidate for the union branch chairperson from among the three branch executive committee members. These three committee members and the elected rank-and-file shop committee chiefs shall elect the union branch chairperson.

From the details just outlined, it is clear that the election rules for the CHAM union are cumbersome, with members' basic democratic rights compromised by the need to obtain the nod of a superior body. This undermines the union's effectiveness in representing its rank-and-file members.

#### *"Frontline" Workers Deprived of the Right to Nominate a Candidate*

With the exception of elections at its lowest units (i.e., when electing delegates and rank-and-file shop committee heads), the candidate lists for the remaining two levels of the union structure were always controlled by the outgoing leadership or by its superior bodies. The candidates for the enterprise union's incoming executive committee would be nominated by the outgoing executive committee. The candidates for the committee members of union branches, after being proposed by membership there, had to seek approval from the executive committee. This was how the bodies higher up in the union hierarchy were pulling the strings of those below. To state the obvious, this is a way to make sure that the "undesirable elements" would not make it to a union executive committee, a blatant move to crack down on dissent. This is remarkably similar to the election of the Chief Executive of Hong Kong Special Administrative Region where only an exclusive club (the Election Committee) has the right to vote, with the average citizens deprived of both the right to nominate a candidate and the right to cast a ballot.

#### *Stepping Up Control through Uncontested Single-Candidate Election or Token Competitive Election*

Union branches go about electing their chairperson by way of having only one lonely miserable candidate for each position. An enterprise union would

nominate the branch union presidential candidate, and all workers can do is to support or reject that candidate. On the other hand, while the election for the executive committees of both an enterprise union and a union branch are competitive, it is only technically so—the number of candidates is only one more than the positions on offer. The attempt of the more senior union bodies and the outgoing union leadership to keep the electoral process within their grip cannot be clearer.

### *Creating Smoke and Mirrors through a Complicated Electoral Process*

It is a standard trick of the Chinese Communist Party to contrive the electoral process into an unnecessarily complicated one. For what could have been a relatively simple exercise for 2,000 plus members to elect their leadership body, the process would instead stretch over many rounds. From the election of the delegates to that of the branch president, it would take three full months over ten stages. If the election of a humble rank-and-file union would consume a good full quarter of a year and wear out its members in the process, would such a body be in the position to take up any serious challenge?

The election of rank-and-file unions in overseas countries seems to be a lot simpler and is more democratic. Under the National Labor Relations Act in the U.S., the guiding principle is that so long as more than 30 percent of the workers in one workplace demand the creation of a union, they have the right to file an application with the National Labor Relations Board for a vote among the employees as long as the employers do not challenge it. If the wish is granted and the proposal received the support of more than 50 percent of the workers, a union can duly be formed. This union can affiliate itself to an existing union or stay as an independent enterprise union. So whether this new body invites an existing union to help out is entirely at the discretion of the rank-and-file body concerned. This is a big contrast to the recent election of the CHAM union executive committee where the outgoing leadership as well as the senior union bodies went to great length to fiddle with the designs of the electoral process to maintain a firm grip, making it hard for workers to really call the shots in what is supposed to be their own union.

### **How Workers Assess Their Union**

A number of workers were interviewed, and they related approvingly that their union has been organizing more social and sports events in collaboration with the management than previously, and that the New Year evening show, for example, had provided more opportunities for members to develop their abilities through performances. They added that the management has moved away from a high-handed approach and has been treating workers in a more civilized fashion. In March this year, members of a branch union put to the union executive their view on a company rule. But at the time of writing, the union still had not given them a direct reply. That rule stipulates that if a worker had taken

more than 10 days off in the previous year, whether it was due to sick leave or not, they would be assigned a “C” mark at the end-of-year assessment. In the CHAM regime, a “C” worker would be deprived of a pay rise the following year, and his/her chance of promotion would be as bleak. Workers pointed out that it was beyond their control whether they got sick, saying that it is totally unfair that their promotion prospects were compromised because of sickies. This raised the question whether the union was going to stand up for workers’ other rights or not apart from wage deals and entertainment programs.

The whole process to revamp the union at CHAM is a precious lesson on democracy for the workers. The most obvious difference it has brought about is that some CHAM workers now care a lot more about their own wage and conditions and are not easily intimidated by the management anymore. Workers told us, “Would the management dare to ill-treat us as they did? The tops are now reluctant to bark at us and have to think twice, worrying what we might do next.” “We now discuss our pay and condition issues frequently, and the complaint that having time off would harm a worker’s prospects for promotion was one that came up during one such discussion. People were disgusted by the injustice that entailed.” These remarks are a testimony of the workers’ impressive newfound confidence.

“Workers wouldn’t go to the union if they are in trouble.” This is a fair representation of an average mainland Chinese worker’s default mind-set. But the CHAM workers are a bit different. Blackie explained, “Workers at our workplace do have a grasp of what a union is all about and some of us have moved away from the mindset of not taking any issues to the union.” While workers have regained a degree of confidence in the union, they have not quite yet been won over to the idea of sticking it out to win a battle. “In the face of any unfair treatment, most workers would most probably pack up and resign.”

The understanding of the “frontline” workers on what a union should be for is far from adequate. And many union branch chairpersons have been derelict in their union responsibilities, preoccupying themselves with other matters such as their own personal issues. There were also others who did not take a democratic ballot seriously enough and as a result undermined the effectiveness of the electoral process. All this contributed to a weakening of what a union could have been, especially in situations of collective bargaining. To help workers to come to a better grasp of the role of unions and the significance of elections, there must be real democratic elections, to help them to come to the conclusion that a union really is there for them. On the other hand, there is also the need to brush workers up on organizational skills. The idea of providing rank-and-file workers with more training on these matters has been raised but has never been implemented.

## Conclusion

Chinese workers at state-owned enterprises had put up many fights against privatization in the 1990s but with lackluster results. The migrant workers, on



the other hand, had mostly been a silent mob, putting up with unbelievable conditions and a pathetic pittance, keeping their heads down no matter what outrageous ill treatment might come their way. No major resistance battles had arisen from this quarter in this period. The 1993 devastating fire hitting the Zhili toy factory revealed the shocking fact that even though workers were toiling in a virtual prison and being exploited through and through, they still did not dare to launch any serious resistance.

In 1995, when the new Labor Law in China was implemented and various labor activists, including those coming from Hong Kong, threw their weight behind a push to make defending workers' rights on the legal front more accessible, things began to change. Guangdong province led the pack, pioneering with a number of cases where workers successfully defended their rights in court. Prominent examples included the 2004–2010 struggles of women workers at the GP Batteries factory to secure compensation for occupational ailments and that of workers devastated by pneumoconiosis winning recognition for their affliction. In general, workers in China were getting more used to the idea of “fighting for their rights within the legal framework,” but when it comes to fighting for benefits that are beyond what the laws prescribe, they tend to be less confident.

However, what the CHAM workers demanded in their 19-day industrial action were either with conditions and entitlements beyond what the law has prescribed, or even if they had not, they were still audacious asks—(1) a pay rise way above the minimum wage; (2) a major overhaul of the wage and seniority systems; and, above all, (3) a revamp of the union. Or, one could say while striking was not illegal, it was still a risky undertaking. Even though the demand to reconstitute the union did not really succeed, other strike objectives did make headway, making the industrial action a success.

There are reasons why the union reconstitution plan did not get anywhere. Some academics are of the view that this strike is indicative of an awakening of trade union consciousness, but still in a budding stage. A bud means that it is still some way behind what was achieved overseas. One has to admit that while the workers had the aspiration to demand for reelection of the union during its negotiation with the employers, it did not have enough drive to see it through, which explained why the whole dispute was so quickly resolved following the prompt intervention of the union's provincial and city superiors. During the 19-day industrial action, strikers had not shown they had achieved a strong consciousness on how to reconstruct their union. First, that demand was first raised by individuals and only appeared midway through the industrial action. Moreover, the workers knew very little what unionism actually is, and most of them even just take a union as “a source of welfare services.” Third, for workers who have never experienced an election before, it was hard to fathom out of thin air the benefits of unionism.

After the CHAM union was reorganized, some observers were left with the impression that the ACFTU was driving this process and drew the mistaken conclusion that the broader social dynamics had forced the ACFTU to mend its

way into one that would serve the interest of workers. However, while the reorganized union has moved away somewhat from its servile pro-capital bias, it has not really turned itself into a union that belongs to the workers. Nor has it shed its role as a mere stabilizer or as a “showcase” for the ACFTU. To function as an organization for the workers, a union must first of all allow workers to elect its leadership democratically, from which “trade union consciousness” might sprout. Yet this process was not happening at the CHAM union. It turned down even the call to provide training on trade union-related issues for workers, preferring to stick to organizing more sports and leisure programs to occupy members’ minds and soak up their time. While we must acknowledge that the workplace union did bargain for wage rise, the question remains that how far it can go as it is not genuinely elected and controlled by the rank and file. It bargained only because at that time, the memory of the strike was still fresh and also because of the fact that the local minimum wages had been raised. One may wonder how far it will represent workers’ interest again in the future when the memory of the strike fades away. As long as workers are not able to control their union, there is no mechanism to make the union officials to genuinely work for workers’ interest.

A big number of strikes took place in China every year but most of them were “wildcat” initiatives that failed to gain enough momentum to turn themselves into forces to be reckoned with. The call to overhaul the union popped up more and more in such actions. It was raised, for example, during workers’ actions to resist motor manufacturer BYD Co., Ltd.’s October 2011 move to sack a big part of its workforce.

But almost none of those calls came to fruition with the exception of CHAM, which was able to press the authority to reorganize its union—even if it was far from being democratic—in the wake of the strike. Even in CHAM’s case, however, it proves again that trying to reform a workplace union within the constraints of a domineering ACFTU having the legal right to impose its organizational shackles, and the broader problem of China’s ban on the freedom of association, it is still miles from being able to turn the workplace union into a real organization of the workers.

This goal cannot be achieved without tackling the totalitarian environment in which the unions are operating in, and achieving genuine freedom of speech and workers’ right to organize. Otherwise, even when workers have the right for the simple act to cast a vote at a union election, they cannot canvass for support of their preferred candidates nor can they launch appeals on matters they care about or debate or organize training on trade union matters for their members. Is this heavily shackled “election” a real democratic bloom?

That is why the campaigners in the British workers’ Chartist movement more than 150 years ago did not straightjacket their demands within the confines of pure economic issues and dared to raise the call for universal suffrage. It was because they understood that workers’ economic struggles can ultimately only succeed in a fundamental sense in the context of a transformation of the broader society. They realized that to mire themselves in narrow “economism” would

not get them far. If workers are to put up an effective fight against social injustices or to achieve democratic unionism in a totalitarian society such as China, they need most of all a fertile ground—that of a democratic society. Only on such egalitarian grounds can democratic unionism really bloom.

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### Notes

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5. As compared to wages actually paid in January 2010.
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10. China Labour Net, “Foshan Honda Bagong gongren tanpan daibiaotuan zhi quanti gongren he shehui gejie de gongkaixin” (Open Letter to All Fellow Workers and the Public by the Negotiation Team of the Striking Workers’ Representatives from Honda Foshan), June 3rd, 2010. Special edition on the CHAM strike, Chinese edition, China Labour Net, Hong Kong, [http://www.worldlabour.org/eng/files/u1/Honda\\_Ch\\_.pdf](http://www.worldlabour.org/eng/files/u1/Honda_Ch_.pdf).
11. Zhihui Xu, “Nanhai bentian gonghui weixin ji (The Reform Diary at CHAM),” *China News Weekly*, August 8, 2011.
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13. According to a *Horizon* report, the election proceeding was carried out in accordance with the election manual issued on September 13, 2011, under which the enterprise union’s executive committee and the account review committee would be voted upon by all the delegates in a secret ballot while the women workers’ committee would be selected by all female delegates by a show of hands. Only the candidates winning at least 50 percent of the vote would be elected.
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