

The Fragmentation of Collective Action in Contemporary China:  
Micro-regions and Occupation

By

Jessica A. Sherrod

\*\*\*\*\*

Submitted in partial fulfillment  
of the requirements for  
Honors in the department of Asian Studies

UNION COLLEGE  
March, 2012

## ABSTRACT

SHERROD, JESSICA The Fragmentation of Collective Action in Contemporary China: Micro-region and Occupation. Department of Asian Studies, March 2012.

ADVISOR: Mark Dallas

Since the creation of labor markets in China, there has been a rapid increase in collective contentious action, such as striking and protesting, and this has attracted the attention of many scholars. Because the country contains such a myriad of diverse regions, scholars have commonly analyzed Chinese collective action through a “regional” lens. While that approach has been useful, this paper goes further by disaggregating Chinese collective action along two dimensions: by micro-region and by occupational sector. More specifically, this research disaggregates large macro-regions to show diversity at the city-level within regions. It also considers differences in collective action across occupations and industries, such as transportation workers and factory workers in the auto parts, electronics and textiles industries. To illustrate this disaggregated approach, I have constructed a searchable database of collective action in China over the past years, which consists of 94 verified cases of collective action. These cases have demonstrated that the targets of and reasons for collective action among China’s regions have been far less general and uniform than scholars have projected. In disaggregating collective action within many of China’s vast regions and across occupational groups, I have developed a new framework to analyze China’s collective action.

# Table of Contents

<b>Chapter 1: Introduction</b>	1
<i>i. The Main Idea: Collective Action in China</i>	
<i>ii. The Importance of Collecting Data</i>	
<i>iii. Understanding Both the Positives and Negatives of Regional Analysis</i>	
<i>iv. Reforms vs. Implementation</i>	
<b>Chapter 2: A Glance At the Past</b>	26
<i>i. The Communist Party's Socialist Footprint</i>	
<i>ii. The Market Model Under Deng Xiaoping's Influence</i>	
<i>iii. An Introduction to Chinese Market Reform</i>	
<i>iv. Out With the Old and In With the New: Reform 101</i>	
<i>v. Putting the Pieces Together</i>	
<b>Chapter 3: A Micro-Regional Framework to Analyze Collective Action</b>	58
<i>i. A Micro Regional Analysis of Guangdong</i>	
<i>ii. Micro-Regionally Understanding Guangdong</i>	
<b>Chapter 4: A Sectoral Framework to Analyze Collective Action</b>	76
<i>i. A Sectoral Analysis of Shanghai</i>	
<i>ii. A Sectoral Analysis of Jiangsu</i>	
<i>iii. A Sectoral Analysis of Guangdong</i>	
<i>iv. The Significance of Looking at the Electronics Sector</i>	
<b>Chapter 5: Conclusion</b>	103
<i>Appendix</i>	111
<i>Bibliography</i>	117

## **Chapter One:**

### **Introduction**

It was a blistering afternoon in the beginning of May, the month considered by many to be the peak season in production for the Honda Auto Parts Manufacturing Co. Ltd (CHAM). Due to it being the busiest time of the year, an assembly worker named Huang was not surprised to find himself working longer hours, faster, and harder to help ensure that his section of the assembly line in this Honda company factory would make its yearly quota. Huang had an idea of what might happen if his department did not make quota: lower wages and more hours with little or no compensation for these gruesome hours. Huang looked around his station. New interns surrounded him. The interns the company hired were usually students, either recently graduated or students who were working part time and still continuing their studies. Either way, Huang was disappointed to see so many interns. A few of his coworkers had been fired and replaced by these workers. Working on the assembly line required no previous working experience and is considered a low-skill job; however, the wage gap between interns and senior workers like Huang was tremendous. Huang would be making about 700 yuan a month in comparison to the 400-500 yuan the interns would be earning. On a lighter note, Huang reassured himself that interns were good for the company because of their low wages. If the company hired more interns, paying them less, then potentially those excess funds could be allocated elsewhere and he could get a raise along with his other coworkers; however, Huang was aware of how infrequent raises were, if there were even any to be given at all. Interns had their downfalls though. Working on the assembly line was a fast-paced job. Every worker would be given a

personal quota to make and if that mark was not reached, then the worker would be punished. The quota was not unreasonable; however, even a couple of minor errors could disrupt the entire assembly, affecting not only the person who makes the mistake(s), but also every person down the line. The first time a worker failed to make quota he would be sent to speak with the management. The second time a worker did not make quota, he would receive a fine (usually taken out of his paycheck). If a worker missed his quota a third time, the worker would be released and forced to find work elsewhere. Huang, being a senior employee, was a well-conditioned assembly worker; the interns were not. Huang thought they were slow and usually disrupted the pace of the entire production line. Working on the assembly line, Huang had grown bored, agitated, and tired of the same old repetition the assembly life offered. Next to him on the assembly line worked an intern. The boy could not have been older than 20, he was unskilled and a slow worker – this only added to Huang’s frustration. Earlier in the week Huang had been informed that a Honda factory in the next district had had a few complications and as a result their production had stopped. Huang did not know what these complications were; however, he knew that they must have been large enough if they had caused a complete halt in assembly line production. Although Honda had had some minor complications last week, he had also heard rumors that Honda’s Chinese partner, Guangzhou Automobile Group (GAC) had been doing very well.<sup>1</sup> Huang knew that his company in Guangzhou was doing well, but he did not know how well,

---

<sup>1</sup> In automobile manufactures, the cost of the power control is estimated to share about 20% of the total production cost and more than 30% of the profit. Compared with other auto companies in China, Honda, and its partner GAC are reported to have the highest per car profit margin. This is largely earned from the margins gained in the auto parts procurement in China. IHLO: “*A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*,” 2010, 3.

According to the statistics of the China Automobile Association, Shanghai Volkswagen was the best selling auto company in China 2009 and yet it was only fourth most profitable company. GAC ranked 6<sup>th</sup> in terms of the number of cars sold and yet it was the second most profitable auto company in China 2009. Thanks to the market performance of Honda and Toyota, GAC reported revenue of USC 1.79 billion and a profitable rate of 10.37% in 2009, which is above average profit range of 7.7% of the auto sector in China.<sup>2</sup>

Although Huang did not know these specific statistics pertaining to the growth rate of Honda and GAC, he had an idea that he deserved to be making more than he was relative to the productivity his line was keeping up. Huang understood that he was just another body to fill a spot on the assembly line, and he was well versed in what would happen if he were to stop working. However, the consequences did not stop him when he finally decided he had had enough. At 7:50am May 17<sup>th</sup>, Huang pressed a button and halted his production line. He yelled: “The wage is so low, stop doing your work!” More than 50 colleagues followed him to walk out. On their way out, these colleagues went back to their departments and asked other workers to join them, but they were not successful. Huang and his fellow colleagues went outside. The Japanese management tried to communicate with Huang, becoming afraid once they realized that this rebellious action was spreading around the factory through text messages amongst employees. The interns from other departments soon caught on to Huang’s movement and also walked out. After the 37<sup>th</sup> transmission was assembled, production came to a complete halt. CHAM workers went on strike for 4 days, all demanding the same thing: that their wage demands be met. This dispute continued from May 17<sup>th</sup> until the first week in June, becoming one of the longest protests the Auto Industry had ever faced. The workers in the CHAM-Honda sector, by laying down their tools for 4 days, brought

---

<sup>2</sup> Table Two: Income and Profit of the Auto Companies in China 2009, IHLO: “*A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*,” 2010, 8.

the production of 4 Honda assembly subsidiaries to a halt causing the company to lose 220 million yuan by estimates.<sup>3</sup>

There are many details explaining the specifics of the Honda strike; however, the first and most important point to illustrate is that the low income of CHAM workers contrasted sharply with the profit Honda and GAC were making,<sup>4</sup>

Honda reported a net profit of USD 1.5 billion worldwide in 2008. Out of that, USD 1.3 billion was generated from the China market. The performance of Honda in 2009 continued to benefit from the persisted sales increase in Asia and costs retrenchment. The net income of Honda in 2009 reached USD 2.86 billion despite the downfall in the major markets other than Asia and China.<sup>5</sup>

If Honda could be making such a large margin net profit, then why were grade 1 workers like Huang receiving a basic wage of only 675 yuan compared with the legal minimum of 720 yuan (which was increased to 920 yuan just before the strike) in Foshan city?<sup>6</sup> In actuality, the salary and welfare of Honda grade 1 and 2 employees, as well as interns, is significantly lower than workers in the GAC sector.<sup>7</sup> However, it is common to see low wages in the auto parts sector. Secondly, it is important to question

---

<sup>3</sup> IHLO: “*A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*,” 2010, 10.

<sup>4</sup> IHLO: “*A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*,” 2010, 10.

<sup>5</sup> Zhang, S.S 2010. IHLO: *A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*, 2010, 8.

<sup>6</sup> The salary of grade 2 workers is slightly higher between 1500-1600 yuan. The conditions of the inter workers who made up to 30% of the total workforce were worse. They were paid a basic wage of 500 yuan and a monthly income of around 900 yuan including allowances. IHLO: *A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*, 2010, 8.

<sup>7</sup> The remuneration and welfare of the assembly line workers in GAC- Honda is significantly different from those of the auto parts workers in CHAM. GAC-Honda has a more egalitarian income structure. A probation worker receives nearly 3,000 yuan a month to be increased within 20% after the probation ends. Interns are not used on large scales, which is also significant because interns are widely used in the CHAM-Honda sector. GAC-Honda incorporates overtime compensation, allowance for special work, allowances for work under high temperature, for late marriage/late pregnancy; and bonuses linked to corporate profit. As a result of the high revenue earned by the company, all workers were paid 18/5 months’ salary a year in 2008 and 2009. In sum, a GAC-Honda assembly line worker is receiving, by rough estimate, an annual salary between 50,000-60,000 yuan, which is higher than the market median. IHLO: *A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*, 2010, 9-13.

CHAM-Honda's motives in paying their employee's such low wages. The answer to this question will be explored later on in this paper.

In questioning CHAM-Honda's motives, one may conclude that CHAM-Honda was not concerned with keeping their workers content, but rather (only) in furthering their own industrialization growth both nationally and globally.<sup>8</sup> It is apparent that statistically speaking, as a joint foreign enterprise CHAM-Honda has had success in many of its locations; however, these gains have not been felt or communicated to its workforce by way of positive reinforcement, such as rewarding the workers with wage increases or benefits packages. The CHAM-Honda protest highlights an isolated incident of collective action; however, it has become quite common for workers who feel they have been improperly treated by managers, both in rural and urban settings, to retaliate in the fashion that Huang did. Workers all over the country have retaliated in the fashion that Huang did as well as taking to the streets. Huang's strike method can be classified as an "upfront" technique because he physically stopped working and convinced others to follow him. Huang's main concern was stopping production first before addressing the real issue – unfair wages. However, there is something to be said for the courage involved in Huang's "upfront" method. China remains a country where independent unions have been outlawed, and workers that do join together and fight for their rights can at times do more harm than good. Huang, simply by being the one

---

<sup>8</sup> Compared with other towns in Foshan city where domestic capital plays key role industrialization, the development of Shishan town has been lagging behind and the catch up was mainly driven by foreign investment mainly in the auto parts and related industries. Within 5 years, the economic value of Shishan town expanded three times from 16.6 billion yuan in 2004 to more than 45 billion yuan in 2009. By 2009, Foshan city already has 300 auto parts companies of which 107 of them are joint ventures. Shishan town of Foshan city, where CHAM is located, has attracted more than 50 auto parts companies and the aggregate investor of these enterprises amounts to 2.42 billion yuan. Their investment has booted the industrial value of the auto related sector by 2009. IHLO: *A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*, 2010, 15.



responsible for halting production, severely jeopardized his chances of returning to his job back at the factory. The question then becomes, what other option did he have to better his chances of being treated more fairly by local managers? Information has not been disclosed whether Huang and his fellow coworkers were admitted back to work upon reconciliation between workers and CHAM-Honda.

The CHAM-Honda strike illustrates two of the major contributions of this thesis. The strike occurred in a specific (micro) region and within a specific industrial sector, Foshan and the auto parts sector respectively. I will explain the importance of identifying both a strike's micro region and the industrial sector it occurs within later in this paper. Another aspect of this particular CHAM-Honda strike worthy of recognition is that it received media coverage from over 10 global newspapers, some of these sources including the *Wall Street Journal* and *London Financial Times*, as well as national papers including *Shanghai Daily* and the *Hong Kong Press*. The significance of this incident should be relatively easy to see: as China has progressed economically, the world has become increasingly aware and interested in focusing on the finer details occurring internally within the country. China may be publically displaying economic growth, but it has also suffered a significant amount of internal social discontent. China has entered into an era where GDP illustrates economic stability and political faces illustrate how well your government is operated; however, behind the apparent economic successes and political gains China has made, China has involuntarily entered into an era of labor activism. While China's GDP is consistently on the rise, workers wage increases have been slow. This is particularly relevant to CHAM-Honda. Perhaps workers were not privy to the specific details, but Huang and workers like him had

enough awareness to be able to question why their company's successes were not being reflected in the wages they paid the members of their workforce(s). It is, after all, hard workers like Huang who allow any given company to thrive. Another important point to delve into is that collective action in China is unique. In the majority of reported incidents, there is no "official leader" and information regarding the details of protests is often difficult to obtain. Additionally, while some of the time activism remains isolated, at other times it can become more integrated when workers from one company join forces with those from another, similarly to what happened in the CHAM-Honda incident. Once the widespread nature of China's social discontent has been highlighted, one should begin to see that with an issue so large, a certain degree of attention must be brought to it in order to understand the intricate, underlying details of the protests occurring in China today.

### **I. The Main Idea: Collective Action in Contemporary China**

Two decades ago China's collective action remained predominantly a national issue; foreign media was unaware of the degree to which collective action had begun to plague the country. However, this foreign naivety is no longer the case. For example, the Financial Times of London, a popular newspaper in both Europe and the United States, has been covering a significant portion of the news pertaining to China's economic growth and, more specifically, indirectly highlighting protests that have occurred as a result of many diverse reasons. The extent to which foreign media covers and concentrates on the finer details of what is actually occurring in a given country can be an initial indication of how large-scale the problems have become in that specific

country. Many journalists and economists have focused on China's GDP as a result of the country's economic growth; however, an analysis of this economic growth has also highlighted an abundance of protests spanning across many of China's regions. However, as the world now begins to focus more and more on China's global economic advancements, people have finally begun to realize and see just how large scale China's social discontent has become.

One of the suspected factors lending a hand in this discontent, China's creation of a market economy over the past three decades has been the focus of extensive scholarly research. The very rapid increase of collective actions, such as strikes and protests, has been an important by-product of the creation of a labor market in China, and has been an acute area of concern among Chinese government officials. The CHAM-Honda protest illustrates this by-product. In 1992, China, with the cooperation of Dongfeng Motor Corp (China's state-owned motor company) began working with Japanese suppliers to help propel and increase production within the CHAM-Honda sector. More specifically, this meant that China had begun outsourcing many of its products from Japan thus establishing one of the first Sino-foreign joint enterprises in China. With the creation of this specific Sino-foreign joint enterprise in China (creating a labor market in the auto industry sector), one serious repercussion has been a growth in protests among those employees working in these sectors.

C.K. Lee, Kevin O'Brien, William Hurst, and Elizabeth Perry are just a few scholars that have examined the link between the creation of labor markets and collective action. Because China is an expansive country with many, diverse regions, it has been quite common for scholars to analyze collective action through a "regional"

lens. Many of these scholars argue that market reform has been the underlying catalyst in collective action. While useful, this paper goes even further by disaggregating Chinese collective action along two dimensions: by sub-region and by occupation. More specifically, this research disaggregates large macro-regions to show diversity at the city-level within regions. For instance, the CHAM-Honda strike provides a great example of this disaggregated approach. I first researched collective action within the region of Guangdong, but then went a step further by investigating urban areas such as Foshan, Shishan, and Guangzhou in order to highlight specific cases such as Huang's. As previously mentioned, analyzing a strike through a regional scope has been a common method used by scholars; however, China's regions are extremely large and densely populated. For example, Guangdong, a region this paper frequently refers to, has a population exceeding 100 million people. When dealing with a region like Guangdong, whose population is so great and varied, taking a regional approach does not provide a sufficiently comprehensive or thorough analysis – it remains too broad of an approach. One simple explanation does not exist which covers all the details behind the protesting going on in a given region. C.K. Lee's scholarship retains its accuracy in stating that workers in Guangdong have been suffering from pension issues, but that does not sufficiently explain all the discontent being felt by the workforce; many issues besides pension payments have been the catalysts for the unrest being suffered by workers in Guangdong.

Taking a microscopic look within a region is an important and new perspective I have used to analyze strikes because it highlights the diversity and specificity within these strikes that would be undermined if one were simply looking macroscopically at a

region. For example, when the CHAM-Honda incident was first analyzed, the conclusion was that CHAM workers were discontent because they were not receiving adequate pension payments. When we looked specifically at Huang's case, it became clear that pension payment was not the underlying reason for protest; in fact, low wages happened to be the source of discontent. When we examine this case at greater length, it becomes apparent that the CHAM-Honda factory was doing everything it could to keep workers' wages low, and one method they used was to hire "interns."

In addition to considering micro regions, my new research also disaggregates collective action across occupations and industries, such as transportation workers and factory workers in the auto parts (like Huang), electronics and textiles industries. Most scholars have ignored the method of examining a protest by its industrial sector. When analyzing a protest by its sector, information becomes incredibly difficult to organize, especially when dealing with a subject like collective action. However, despite the difficulties, analyzing by sector can be important because it also highlights the diversity of these protests. More specifically, the fourth chapter will illustrate three cases within three separate regions that display economic prosperity. When we take a look at the electronics sector, we find that certain characteristics may explain why protests have been more prone to occur within this sector as opposed to others. First, the electronics sector has been characterized in China by a propensity to operate under Sino-foreign joint owned enterprises. Second, the electronics industry itself remains one of the largest in the world, as it does within China's borders. And third, most electronics factories operate on incredibly time-sensitive schedules. These three characteristics of the Chinese electronics industry will be explored further in the fourth chapter of this

paper. In addition to these sectoral trends, another dynamic of its protesting issue becomes uncovered when we begin to understand the subjective viewpoint of the protesters themselves. Hurst remains objective when analyzing collective action within economically flourishing areas, and he retains legitimacy in his argument by stating the importance of considering a region's political economy when examining protests. However, by staying objective, his argument fails to consider the reality that individual workers have been perceptive to the successes of their region(s), companies, and peers, as well. Furthermore, it also sheds light on another important contribution of this paper – the implementation of laws and policies that have come to rise with the market reform. I will further explain the importance of these two contributions later in this chapter. To illustrate this disaggregated approach for examining collective action, I have constructed my own searchable database, which consists of 94 current, individual cases of collective action in China, each one of which has been verified. These cases have demonstrated how the targets for collective action, as well as the reasons for collective action among China's regions are far less unified than scholars have projected. In disaggregating collective action within many of China's vast regions, as well as occupational groups, I have created a new framework with which to analyze China's collective action.

Before reviewing the literature presented by the above-mentioned scholars, I would like to introduce my database, in order to begin to establish some sense of organization for this topic. The next subsection briefly introduces the database, as well as the variables I used to organize and keep track of current protests.

## II. The Importance of Collecting Data

In order to collect sufficient data on a topic as extensive as collective action, especially in China, it is necessary to make an unyielding effort to ensure that the sources one gathers are reliable and valid. The majority of my database is compiled of summary-like versions of newspaper articles from two online sites called *China Labor Bulletin (CLB)* and *China Strikes*.<sup>9</sup> Both of these sites frequently have reliable and updated reports pertaining to the current issue of protests in China and do an exceptional job posting, blogging, and illustrating these incidents in detail. One factor to consider before I explain how I organized this database is determining the reliability of an article. There are millions of articles out there, especially pertaining to China's collective action. While many of them are truthful, there are articles that have been published online that are not fully accurate or have been edited by a worker to distort specific details of an incident. I had made it a priority to ensure that all of the articles in my database are valid and if information seemed biased or untruthful, I did not use the article.

In addition to utilizing these online sites, I have also been tracking current incident of Chinese protests through international and national publications such as the

---

<sup>9</sup> The *China Labor Bulletin (CLB)* is a non-governmental research organization created in 1994 by Han Dongfang. This organization's main goal is to defend and promote workers' rights in China. The bulletin has updates and exceptional articles on current protests occurring in China. Most importantly, the articles are valid and accurate. *China Strikes* is a site that maps labor unrest across China. This site differs from *CLB* in that it offers an actual map of China and pinpoints strikes occurring in a region selected by the viewer. The viewer can also pick an industrial sector and trace protests within that specific sector. More specifically, if the viewer decides they want to view the amount of strikes occurring in Shanghai within the taxi industry, this site allows you to choose a region and then select a sector. Both of these sites have contributed significantly to my database. I found *China Strikes* very helpful in illustrating trends within micro-regions, in addition to trends occurring within different industrial sectors. This site contains articles written in both Chinese and English. I attempted to translate as many Chinese articles as I could, and although I was not able to translate every one, I have incorporated all of the English articles from *China Strikes* into my database.

*Wall Street Journal*, *New York Times*, local newspapers in Shanghai, *China Daily*, and the *London Financial Times*. Large newspapers such as these maintain a sufficient level of accuracy and have covered a significant number of incidents, especially over the past two years. The *London Financial Times* has done a particularly noteworthy job in highlighting specific incidents of collective action. In fact, the British news publication now has a “China Daily” section that has been translated for those Americans and Europeans who are interested in learning more about China. I have found many articles relating to China’s current unrest in the “China Daily” section of the *London Financial Times*.

All of the articles comprising my database have been taken from the above-mentioned newspapers, *CLB* or *China Strikes*. I decided to do this because *CLB* is a well-known organization in China. *CLB* has offices in both the United States and Hong Kong, so the information posted to their site is accurate because the articles are in fact coming straight from Chinese newspapers. Hong Kong also lies in close proximity to Guangdong and this specific region has suffered a significant number of protests and demonstrations. In other words, as a close neighbor of such a highly volatile region, Hong Kong is prone to hearing current outbreaks. *CLB* also always posts a hyperlink to the newspaper article that the incident has been taken from, whether it is an international paper or a national one. *China Strikes* differs from *CLB* in that the site posts both “verified” and “unverified” instances of collective action. I personally like this method because it makes it easy for the viewer to read those articles that have been verified. A verified article has a hyperlink leading back to the original newspaper that had covered the incident. For example, when viewing a verified case, at the end of an



article, the viewer can find a hyperlink that leads back to all of the sources the article had been covered by. In many cases, *CLB* is a hyperlink. Therefore, the viewer can click the *CLB* hyperlink and be led directly to the date of the article, and from that site the viewer can then view the actual newspaper that covered the incident. This ability to trace articles back to their origins allowed me to determine whether or not an article was “valid,” and only after making this (affirmative) determination did I add any given specific incident into my database. Tracing articles can be hard, but as long as the incident came from a known newspaper I felt comfortable adding the article to my database. I did not read “unverified” cases.

I will now explain how I compiled the data taken from these newspaper articles and organized the information in a way that was comprehensible to not only me, but also to other readers interested in reading different incidents. First, the database was created from a Microsoft Excel spreadsheet. Upon reading an article involving a particular incident of collective action, I deemed that the title of the article, region, city within the region, industrial sector, number of workers involved, date of incident, date of publication, and resolution (if there was one) were among the most important factors to consider. In organizing my incident articles in this fashion, I enabled myself to choose a specific category (or categories) by which to analyze and interpret the data efficiently. Organizing the database in this way allowed me to quickly deduce trends, whether it was by micro-region, province, region, or industrial sector. More specifically, my database allowed me to interpret significant trends occurring in both areas in which this thesis contributes to this subject: micro-regional trends and industrial sector trends. I learned from this database that instances of collective action have been far more

complex and diverse than scholars have been portraying them to be, and in many cases the protests have not been occurring because of the newly establish market reform policies that C.K. Lee brings to light, but because of the lackadaisical implementation by local leaders, managers, and governmental officials. Now that we have a basic understanding of my database, I would like to introduce the main contributions of this thesis in light of a few scholars who have done extensive research concerning China's collective action.

### **III. Understanding Both the Positives and Negatives of Regional Analysis**

Many are aware of the increased number of protests occurring throughout China, but few people have a clear idea when it comes to discerning the motivating factors surrounding these protests. As stated previously, many scholars have taken a regional approach to study these factors. However, analyzing these protests by region is too broad of a strategy for such a study. For example, for her main argument C.K. Lee looks at two specific regions, Liaoning and Guangdong, and analyzes them in light of the 1980s market reforms. This method is helpful because it illustrates that these protests are not strictly confined to one area of China, but rather in two vastly different regions. It also allows the reader to see that the reason for protest varies greatly across different regions. Workers in Liaoning are distraught because of low wages (or in some cases lack of wages), while workers in Guangdong cite an inability to receive their pensions as the main reason for discontent. The second chapter of this thesis will take a greater look at these reforms; however, what is important to understand is that both of

these issues – wage and pension payments – were altered in the market reform era and as a result have become major sources of discontent.

William Hurst, like C.K. Lee, also takes a regional approach to analyze discontent; however, his main argument states that the reader must take into consideration a region's political economy, or its economic stability, to understand discontent among workers. In other words, if a region were doing poorly from an economic standpoint, then that would be considered the primary source of its workers' discontent. The vigor of the labor market has had a particularly significant effect on citizens residing within their respective regions. With jobs being more difficult to find in some areas than in others, workers have become discontent with more frequency than before, and as a result they have become prone to acting on their feelings through engaging in protests and strikes. This method is helpful because it allows the reader to become familiar with how well China is doing economically, as well as what areas are flourishing more than others. However, it is not the most accurate method because a region's GDP does not reflect how well workers are actually doing. For example: Shanghai's GDP is one of the highest in China, but workers in the region of Shanghai are protesting regardless of how well it is doing economically.

While this thesis will also make a regional argument, its primary intention remains adding to both C.K. Lee and William Hurst by affording the reader a closer, more in-depth and specific look at the regions in question. By looking at the provincial and city levels, it becomes apparent that these protests have been relatively unique case by case and both C.K. Lee and Hurst's broad explanations fail to explain the *entirety* of a given region's discontent. In addition, this thesis will consider different occupational

sectors. I will note here that this has been an aspect of protests that has largely been ignored by analyses and studies, but it nevertheless remains an important dimension to take into consideration because one could make the logical assumption that different sectors might protest for different reasons. For example, we might consider the taxi sector: an incredibly small, complicated, and decentralized occupational sector within China. In the city of Pudong, Shanghai alone, more than 15 different taxi companies exist simultaneously. We cannot assume that they all protest for the exact same reason(s). I have chosen to highlight this particular aspect of protesting because we cannot look at a region as large as Guangdong and reasonably assume that all drivers in the taxi sector have been protesting purely against missing pension payments. In addition to this point, taxi drivers also behave differently than factory workers; workers across these two sectors do not protest using the same methods as each other. This latter point becomes a crucial one to consider because it illustrates how both separate workforces have utilized different strategies to succeed in protesting to have their demands met. We will explore this point further, in the fourth chapter, when we consider the vast electronics sector within China.

The next chapter of this paper will focus on protesting in light of the many reforms that are now taking place in present-day China. When analyzing a few of China's newly created policies, it becomes evident that the policies which may be of paramount importance to urban (state-sector) workers, such as social security pensions, may not have as great an impact on the lives of those working in more rural areas. Alternatively, the policies that may be of importance to rural and migrant workers, such as medical care and land rights, may not be of importance or a high priority to urban

workers. After highlighting this factor, I will add that this paper is not about comparing and contrasting urban and rural China, but it utilizes research from a scholar who does some contrasting in order to highlight the diversity in various protests. More specifically, C.K. Lee analyzes two regions in China: Liaoning “the rustbelt” and Guangdong “the sunbelt.” Her research emphasizes many significant factors to the gradual uprising of collective action in China, but her main message is concerned with the ways in which China’s market reform era has impacted both urban and rural areas of China and the discontent that has followed a result of market reform and the various policies. Although C.K. Lee’s insight is helpful in highlighting the broader, more comprehensive reasoning behind protesting, she is at times too broad and abstract when it comes to the reasoning behind social discontent. My research aims to illustrate how China may be a much more diverse country than C.K. Lee portrays it to be. My own regional analysis of Guangdong will add to Lee’s by delving deeper, taking a *micro-regional* approach that highlights the specificity of protesting on a case-by-case basis, and truly shows how diverse they have become in nature. This contribution will be explored further in the third chapter.

Different scholars utilize different frameworks to analyze the emergence of collective action. More specifically, scholars frame protest within specific categories in order to better understand motives behind the incidents. William Hurst in particular appreciates this approach because he feels that different frameworks may help explain and make sense of events, especially pertaining to collective action.<sup>10</sup> Hurst, like C.K. Lee, takes a regional approach when analyzing China’s collective action; however, in

---

<sup>10</sup> Hurst, William. "Understanding Contentious Collective Action by Chinese Laid-Off Workers: The Importance of Regional Political Economy." *Studies in Comparative International Development*. 39.2 (2004): 99.

addition to analyzing market reform policies impact on various regions in China, Hurst also considers the political economy of a region in order to understand collective action. More specifically, Hurst's approach considers the region's political economy instead of its market reform policies, as C.K. Lee does. For example, if we look at a region like Shanghai, one would immediately see that the region has a completely different dynamic when it comes to protesting:

One laid-off fish warehouse worker in Shanghai stressed that even things have been more stable in the past, her family has acquired a television, refrigeration, and air conditioner between 1992 and 2002, unthinkable luxuries in the 1970s. She criticized the manager of her old state owned enterprise harshly and complained about local officials (while admitting that most things **are still better in Shanghai than elsewhere**) but also said protesting would not be worth it and that her troubles **were probably unique to her enterprise**. A laid-off sanitation worker and a laid-off chemical worker in Shanghai expressed similar views.<sup>11</sup>

The first factor to highlight in Hurst's argument is the region in question, Shanghai. The second is the region's political economy. From this example, it would seem that this specific household is not doing as poorly as it could be doing; the evidence lies in the luxuries the household has been able to acquire during a decade time span. This specific worker also admits that, in particular, standards are better in Shanghai in comparison to other regions in China and that protesting would not be beneficial. This is an important point to highlight because in a region like Shanghai, there are so many different opportunities for an individual to find work. For example, the laid off chemical worker was able to find new work as a taxi driver.<sup>12</sup> Being fired is not the end of the world, and although this specific worker was upset, it is likely safe to assume that she was able to find work elsewhere. However, in a region like Liaoning, the political economy is

---

<sup>11</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 75.

<sup>12</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 76.

vastly different, jobs are not as easily found, as “a team of government researchers in Liaoning Province found that 1,739,000 laid-off workers there who had not been able to find any form of gainful reemployment by the end of 2004, nearly 25% (21,000 had given up searching for work altogether, even in the absence of regular welfare subsidies”.<sup>13</sup>

Hurst’s next step is to consider the plight of workers in a region like Liaoning and compare them to Shanghai workers:

Things could hardly be more different for Shanghai workers. A laid-off worker from a state-owned wholesale and warehousing company there complained bitterly about a lack of management accountability and blamed his plight squarely on managers’ corrupting and incompetence. Still, though, he was confident in that he could find a new job soon and did not seem worried when pressed about what he would do if he could not.<sup>14</sup>

The difference between Liaoning’s and Shanghai’s political economy is immense, and noteworthy of highlighting when considering collective action. While Shanghai is a region of prosperity and opportunity, Liaoning remains an area where opportunity is not as great, and protests may result directly from this lack of opportunity. Hurst adds to C.K. Lee’s argument in highlight the importance of political economy; however, Hurst and C.K. Lee alike remain too broad in their arguments. I agree with Hurst’s point that regional political economy is important to consider, but Shanghai is a large region with many districts and cities, and although Shanghai’s overall GDP is booming, not all workers are reflective of that. My research contributes to Hurst’s argument by showing that, even within regions and cities that display economic prosperity, many industries and occupational sectors still continue to suffer and protest as a result of discontent. My

---

<sup>13</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 81.

<sup>14</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 83.

contributions to Hurst's argument will be explored later on in the fourth chapter of this thesis.

In the next chapter, China's historical past will be explored and the contention as a result of this transition will be illustrated; however, now it is important to focus on the different frameworks and what frameworks have been most widely used. Of the frameworks mentioned above, scholars have largely analyzed the rise of collective action through China's transition from a planned economy to a more market based economy. C.K. Lee, William Hurst, Kevin O'Brien, and Elizabeth Perry all frame China's collective action in terms of the region and the emergence of market reform. However, while all of the abovementioned authors analyze market reform as a result of collective action, some scholars highlight different points to consider which do not directly deal with market reform. Hurst's framework begins with a region's political economy and then analyzes the emergence of collective action. While this approach is more specific and allows the reader to view the link between political economy and collective action, he also places a lot of focus on market reform, especially when he analyses the region of Liaoning. C.K. Lee, like Hurst, also analyzes China's regions; however. She utilizes China's market reform as a framework. This broader approach creates some organization to this chaotic topic; she misses a lot of the finer details pertaining to social discontent. While C.K. Lee and William Hurst's different frameworks add considerable insight to the topic of collective action, my research offers additional contributions to both these scholars' arguments pertaining to the underlying motives of Chinese collective action. I not only search within a specific region, but I also consider the city levels within that region to highlight the more concrete underlying



issues behind social discontent. In Hurst's eyes, he would likely claim that I am creating two new frameworks to analyze the emergence of collective action, one which looks to a worker's occupation and one which explores further within the city of contention. In other words, I use the city level as well as occupational sectors to frame and comprehend China's collective action. In conclusion, most scholars frame collective action in light of China's vast market reform. While market reform does remain one of the underlying reasons for discontent, it does not represent the only reason migrant and state-sector workers are protesting. Other scholars argue that market reform has had a positive effect on the Chinese labor population; however, there still exists a wide range of social discontent regarding how well new reform policies have been implemented.<sup>15</sup>

#### **IV. Reforms vs. Implementation**

Apart from micro-regions and sectors another contribution of this thesis concerns the overlooked role of implementation of market reform policies. Although all of the above mentioned scholars have a different way of proving their points, they do manage to agree on one thing: the new reform agenda has brought about considerable discontent Chinese among urban and rural workers. C.K. Lee does an exceptional job explaining the new reform policies; however, C.K. Lee can sometimes be too broad when generalizing where collective action is taking place, and within her generalization of a region she can undermine the other cities within that region where protests are

---

<sup>15</sup> Jamie Horsley is a scholar who focuses on China's legal system. In exploring China's vast legality system, Jamie highlights one of the country's main issues when it comes to the rule of law and that is how well China's government enforces its laws. Fewsmith, Joseph, ed. *China Today, China Tomorrow: domestic politics, economy, and society*. Lanham: Rowman and Littlefield Publishers Inc., 2010, 51-70.

taking place. In fact, my additional research has shown at the city level that many cities within a region protest for many different issues, especially in Guangdong. In addition, her conclusions are at times too neatly (and conveniently) organized. More specifically, the protests occurring in China, as you will see from my research, have been vast and incredibly diverse.

I agree that market reform has caused a considerable amount of discontent among many of China's urban and rural workers; however, I also believe that these new reform policies have allowed China to be a prominent player in the globalized, capitalist world that we currently live in. I feel that C.K. Lee, while her argument and research may be significant to this field, overemphasizes the impact of market reform on Chinese workers and underemphasizes the impact of the implementation of these newly created policies. I would switch the order of emphasis here and also add that these newly created policies have been incredibly beneficial to Chinese workers. Market reform has had many positive impacts on China's economy; however, it is ultimately the responsibility of managers and local government officials to implement these newly created policies. If policy implementation does not take place, it should come as no surprise that workers turn their backs on market reform. In summary, with any form of transformation, especially to social policies, consequence is inevitable. As long as there is history, people will always resort to the ways things were. And if times happened to be better than they are in the present, discontent will likely result. This fact would allow me to understand this point, but Elizabeth Perry has also illustrated that even during the "good times" China has suffered social discontent.

Although C. K. Lee creates some organization to the chaos of this collective action, it does not always offer a realistic or comprehensive explanation of what is actually going on in China. Hurst, on the other hand, brings forth an alternate framework within which to understand Chinese protest through the lens of a region's political economy and the opportunities that are available within that specific economy. Opportunity should be a crucial point to consider because it has been through the new market reforms that this sense of "opportunity" has been allowed to emerge. One can also see opportunity as a leading motivation to strike. If there is a chance that workers' livelihoods may be improved, or that a better opportunity might present itself, then workers should and will fight for that chance to obtain these opportunities. In the post-reform era, opportunity was non-existent – each worker had the same opportunities as the next. Elizabeth Perry allows us to turn to China's history to understand this fact in addition to giving us a basic understanding of what the pre-reform era was like. In summary, it is important to take into consideration this Maoist nostalgic framework of because this legacy of pre-reform era has significantly influenced the grievances of laid-off workers.

In the second half of this paper I will illustrate that collective action occurs not necessarily because of the newly created market reform policies, but more notably because of how well these policies are implemented. My research has shown that when one disaggregates collective action not by region, but by city and occupation, it is not the market reform agenda that is causing this widespread discontent, but the implementation of this agenda. Workers are not necessarily upset with the policies that are created, because in actuality, these policies would prove to be quite beneficial for

their livelihoods. Contention arises because of the unwillingness of local authorities, managers, and governments to effectively enforce the laws that come with the new reform agenda. C.K. Lee, O'Brien, Hurst, Perry, and Caroline Hsu's focus on market reform as the catalyst for discontent may be significant because the information they illustrate to their readers helps them understand not only the need for these reforms, but also some of the smaller gaps in the reform process, one among them being the implementation of policies. The only issue with the work done by these scholars is that they do not touch on these gaps, and some of these gaps are actually causing many of the problems, one huge issue being implementation.

## **Chapter Two:** **A Glance At the Past**

In this chapter the reader will begin to gain a basic understanding of how Chinese workers typically lived prior to 1980, during the Maoist era. It is crucial to first gain this historical perspective in order to then be able to understand the contemporary social discontent among workers. The transition from a planned economy under the Maoist era to Deng's open market economy has caused significant national discontent. The third section of this paper will introduce C.K. Lee's *Livelihood Struggles and Market Reform*, where the reader will gain a basic understanding of some of the more contemporary reform policies that have brought forth widespread dissatisfaction among both migrant and state-sector workers. Literature written by Kevin O'Brien, Elizabeth Perry, and William Hurst will also be used as tools to further analyze the link between market reform and collective action. The fourth section of this chapter will shed light upon the open promises of specific reform policies, such as labor contracts, the 1994 and 2008 Labor Laws, pensions, and unpaid wages. C.K. Lee offers significant insight on two regions in China, Liaoning located in northern China and Guangdong, located in southern China. C.K. Lee's regional analysis of these two specific regions will serve as a tool for both illustrating the specific social discontent in two vast regions in China while also helping me to introduce my point of view pertaining to the advantages and disadvantages of regional analysis. The final section of this chapter will reveal my own personal insights into the current protesting and will introduce my framework for analyzing collective action in contemporary China. In the present day, the rest of the world has continued to become increasingly aware of China's social unrest; however,

the news which actually airs to the public remains very selective. As soon as more protests begin to find their way to different media outlets, foreign countries will surely begin to question the manner in which China treats its people. China has set itself along the right path, steering farther away from socialist values and entering a world of commerce, international relations, and market reform; however, a country cannot progress without the support of its people. If China loses the support of its citizens, it seems very likely that China will have difficulty progressing further either politically or socially, but more importantly economically, as well.

It is necessary to turn one's gaze to both the Maoist era and the Deng era in order to understand the motives behind the present-day reform policies, as well as the discontent that follows as a result. We will first look at the Maoist period and then turn our attention to Deng's succession along with an analysis of his ideology of turning China into a capitalist economy. This socialist-capitalist transition is significant in that it allows many to understand the beginning source of social discontent in China.

## **I. The Communist Party's Socialist Footprint**

One facet of Mao's political institutionalism was his vision of a planned economy.<sup>16</sup> Within this socialist planned economy, Mao Zedong created two significant

---

<sup>16</sup> Under a planned economy social production is aimed at meeting the ever increasing needs of the entire society in the interest of all the working people, instead of catering to the private interests of the few. Under a unified state plan, it can distribute the labor force and the means of production among the various departments in the national economy so as to use manpower, material and financial resources rationally in the light of the needs of the state and the people and the proportional relations which exist objectively between the various departments. In this way, the entire national economy can develop in a planned and proportionate way and at a high speed. Ching-wen, Wu. "Socialist Planned Economy." *Peking Review*. 16.11 (1973): 7-8. Web. 9 Dec. 2011. <<http://www.marxists.org/subject/china/peking-review/index.htm>>.

institutions: the “*danwei*”<sup>17</sup> and the “iron rice bowl.”<sup>18</sup> Both the *danwei* and the iron rice bowl guaranteed lifetime employment; however, Mao’s vision went further than this. Elizabeth Perry describes the concept of the Chinese *danwei* as an institution that had multiple social, political, and economic functions, and as a permanent ‘membership’ of workers with lifetime employment.<sup>19</sup> Workers assigned to a *danwei* remained in their work units for the duration of their lives. The *danwei* guaranteed security and protection from job termination. Once assigned to a specific *danwei*, a worker could rest assured that he or she was guaranteed that job for the rest of his or her life. The “iron rice bowl” promised workers lifetime employment, housing, health care, pension plans, and education for their children. In addition to creating institutions such as the *danwei*, Mao also did a significant amount of restructuring to ensure the longevity of socialism. One aspect of China’s economy that Mao restructured during his reign was the existence of private enterprises. Elizabeth explains Mao’s alteration exceptionally,

Private firms were eliminated and replaced by so-called joint ownership enterprises. Under this arrangement, the former owners became state employees, receiving interest on the value of their shares in the enterprise. The capitalist no longer enjoyed profits, nor did they exercise any real managerial initiative...the joint-owned companies were in effect wholly state-run entities.<sup>20</sup>

---

<sup>17</sup> Under the socialist planned economy, workers belonged to a work unit called the *danwei*. The *danwei* was a source of identification. When a worker asked another worker where they were from, a typical response was something along the lines of “Watch Factory Number 18”. “Number 18” is the regional location, work unit of that worker. Xiaobu, Lu, and Elizabeth Perry, ed. *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspective*. Armonk: M.E. Sharpe, Inc., 1997, 42.

<sup>18</sup> The idea behind the “iron rice bowl” is that a worker will always have rice in their iron bowl. The notion that the bowl was made of steel meant that the bowl would never break. In other words, workers would always have a stable source of food. The iron rice bowl was a planned economy slogan that assured workers of a lifetime of food and employment.

<sup>19</sup> Xiaobu, Lu, and Elizabeth Perry, ed. *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspective*. Armonk: M.E. Sharpe, Inc., 1997, 42-53.

<sup>20</sup> Perry, Elizabeth. "Shanghai's Strike Wave of 1957." *China Quarterly*. 137 (1994): 7.

In other words, if private enterprises exist while new state laws are being implemented, these private enterprises can create their own rules and laws, and they may choose not to abide by state and national laws. New market reform policies may not necessarily apply to these private enterprises, and if workers feel that their enterprise is not abiding by national laws, collective action may be the result. This particular conclusion becomes relevant when considering the CHAM-Honda example explored in the first chapter. Due to CHAM-Honda being a private Sino-foreign joint enterprise, the company was allowed to get away with things that state-owned enterprises would not have been allowed to. The mere existence of private enterprises goes against any socialist ideology because private enterprises are there to gain for themselves. A private enterprise's profits go into its company and is not shared with the greater state as a whole, which ran contrary to what Mao wanted under his planned economy. However, even this alteration caused discontent among workers.

#### a. China's Contentious Past

Many believe that the contemporary instances of collective action are a novelty to China; however, it is important to note that the Maoist era was not an era untouched by social turmoil. During this time period China was also plagued with social discontent among its citizens. In fact, Elizabeth Perry highlights some of the demonstrations during the 1950s, saying that "in March 1957, Party Central, acknowledging that labor strikes, student boycotts and mass petitions and demonstrations had increased dramatically in the past half year, Party central estimated that more than 10,000 strikes had erupted



across the country during this period”.<sup>21</sup> More importantly to note about this fact is not so much the early acts of Chinese protesting, but the way in which Mao utilized protesting to further advance himself politically. Elizabeth Perry illustrates how Mao used popular uprising to his advantage, explaining that “Mao hoped that the release of social tensions in China would avert popular uprising at home...Mao was clearly anxious to defuse domestic contradictions. Mao refereed the hope that strikes in China might help forestall a large and more serious insurgency at home [China]”.<sup>22</sup> In other words, Mao believed that strikes were healthy simply because they could prevent a larger revolt.<sup>23</sup> Mao used the masses to propel his political authority and advance his stay in office. The combination of Mao creating and restructuring institutions allowed him to maintain socialist notions under a planned economy. Those living under this socialist state became secure. However, after Mao Zedong died in 1979, Mao’s successor Deng Xiaoping,<sup>24</sup> along with other reformers, broke down both notions of the “*danwei*” and the “iron rice bowl,” along with Mao’s elimination of private enterprises, in order to move China in a more capitalist direction. Although this capitalist direction may be a circumstantial factor, it is a hypothetical cause that many scholars argue may be the reason behind the ever-present social discontent today.

---

<sup>21</sup> Perry, Elizabeth. "Shanghai's Strike Wave of 1957." *China Quarterly*. 137 (1994): 5.

<sup>22</sup> Perry, Elizabeth. "Shanghai's Strike Wave of 1957." *China Quarterly*. 137 (1994): 7.

<sup>23</sup> This is an important concept to consider in light of the current protesting today. How healthy are strikes, and at what point do too many strikes become unhealthy?

<sup>24</sup> Deng Xiaoping became the most powerful leader in the People's Republic of China (PRC) following Mao Zedong’s death in 1979. He served as the chairman of the Communist Party's Military Commission and was the chief architect of China's economic improvements during the 1980s. Mao and Deng parted ways in the 1960s as they disagreed over the strategy of economic development and other policies. Mao wanted to stay on the path of socialism and Deng wanted to move in the direction of opening China’s doors to foreign investment and higher education. “Deng Xiaoping.” *Encyclopedia Britannica*. Encyclopedia Britannica Online, 2011. Web. June 2011.

## II. The Market Model Under Deng Xiaoping's Influence

Deng Xiaoping's ideology differed from Mao's in that he believed capitalism would industrialize China as a whole; however, many employment regions in China were negatively affected by many of Deng's bold reforms while Deng's bold market reforms<sup>25</sup> propelled the country's economy forward.<sup>26</sup> More specifically, Chinese workers residing in various regions were no longer protected from losing their jobs, breaking down both notions of the "iron rice bowl" and the "*danwei*." Keith Schoppa explains that under the traditional system workers did not have to pay for medical care or put money into pension funds.<sup>27</sup> Beginning in the 1990s workers had to do both, and they also had to worry about life insurance. However, under the reform workers had more choice in where they worked, which was one of the downfalls of the *danwei* system. Deng's vision to move China in a more capitalist direction was a decision made to benefit China's economy; however, many scholars argue that it was the breakdown of these traditionalist institutions that has contributed to the widespread discontent China currently faces. John Gittings touches on this contentious capitalist shift in his book, *The Changing Face of China*, when he explores the post-Mao transition. Gittings

---

<sup>25</sup> Although this paper will only touch on China's urban market reforms, China's agricultural sector also underwent serious reform that affected those living in rural China. Smith, Christopher. *China in the Post-Utopian Age*. Boulder: Westview Press, 2000, 119-180.

<sup>26</sup> Of these reforms, Keith Schoppa notes that one of the reform efforts was to move towards privatization. Once enterprises went private, they would be driven by the bottom line- profits. Without the *danwei* system, many workers were in danger of losing their jobs. Another impact of privatization was ideological. In socialism the state owns and controls industry. Once companies became private and worked for individual company profits, there was no way the new Chinese system could remain socialist. The official party-state line became "socialism with Chinese characteristics," clearly a euphemism for capitalism. Keith, Schoppa. *Twentieth Century China: A History in Documents*. 2nd. New York: Oxford University Press, 2010, 153.

<sup>27</sup> Keith, Schoppa. *Twentieth Century China: A History in Documents*. 2nd. New York: Oxford University Press, 2010, 153.

enables the reader to understand Deng Xiaoping's logic in making this capitalist transition amongst the contention that it would cause,

The more party members and other people there are who use their heads and think things through, the more our cause will benefit. To make revolution and build socialism we need large numbers of path breakers who dare to think, explore new ways, and generate new ideas. Otherwise we won't be able to rid our country of poverty and backwardness or to catch up with- and surpass- the advanced countries. We hope every party committee and every party branch will encourage and support people both inside and outside the party to dare to think, explore new paths, and put forward new ideas, and that they will urge the masses to emancipate their minds and use their heads (13, December 1978).<sup>28</sup>

In highlighting Deng Xiaoping's mentality, it is apparent that Deng believed that these new ideas would steer China in the direction it needed to be going in – a more innovative and capitalist direction – which would allow the country to compete with the other leading capitalist countries. Later on, Gittings states that it was this ideology that disturbed those who wished to cling to the old certainties of the Maoist planned economy.<sup>29</sup> However, Deng did realize how important it was to reach out to the masses when creating these new reforms, “In the final analysis, all other reforms depend on the success of the political reform, because it is human beings who will- or will not carry them out...”.<sup>30</sup> However, as much emphasis as Deng placed on the human beings that would carry out these reforms, he did neglect them when he broke down prior traditionalist institutions. Although breaking down these traditionalist institutions brought a sense of insecurity to workers, Deng did try to install some sense of security

---

<sup>28</sup> Gittings, John. *The Changing Face of China: From Mao to Market*. New York: Oxford University Press, 2005, 168.

<sup>29</sup> Gittings, John. *The Changing Face of China: From Mao to Market*. New York: Oxford University Press, 2005, 168.

<sup>30</sup> Gittings, John. *The Changing Face of China: From Mao to Market*. New York: Oxford University Press, 2005, 179.

for worker. In order to do so, labor contracts and national labor laws were created to improve Mao's old socialist traditions.

After the Maoist era, new labor policies were created to restructure prior socialist traditions, as C.K. Lee discusses,

Firstly, the unmaking of an entire generation of workers rooted in Maoist socialist tradition and institutions; and secondly, the making of a new young generation of migrant workers who are inserted into the orbit of capitalism without being fully proletarianized or deprived of their land rights.<sup>31</sup>

In other words, C.K. Lee hints that collective action has become so prevalent now because those workers who lived in the generation of Mao were used to his institutions, therefore they were more apt to fight to try to get back the rights they once had. With a new generation being born into a world of capitalism, the new generation can mold to the new policies without being proletarianized the way the past generations had been. C.K. Lee illustrates that two of the socialist traditions which the new labor reform sought to break down were both the notion of the 'danwei' and that of the 'iron rice bowl'. Tim Pringle also illustrates this point,

...One of the targets of the reforms has been to destroy 'old-fashioned' notions of secure employment and welfare and substitute them with labour markets and pay-as-you-earn social security insurance. In the eyes of the World Bank and various neo-liberal economists, one of the great achievements of the Deng era was to lay the groundwork for an economy that operated on the principles of the 'trickledown' theory, as opposed to notions of the right to work and the right to basic welfare.<sup>32</sup>

The destruction of these two socialist traditions has had an enormous impact on many urban Chinese citizens.<sup>33</sup> Under Deng's newly reconstructed system, Chinese citizens

---

<sup>31</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 5.

<sup>32</sup> Pringle, Tim. "A Labor Movement in the Making?" *China Labor Bulletin* (2002): Web. 16 May 2011.

<sup>33</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005.

were no longer guaranteed lifetime employment, only foreshadowing a number of new reform policies that would forever alter their livelihood. More specifically, under Mao's planned economy, workers had been guaranteed a sense of security that they were no longer assured of under a capitalist regime. It is nevertheless important to note that Deng's reform policies were actually incredibly beneficial for the country; however, the change from strict socialism to private entrepreneurship created hurdles that many Chinese were not used to, such as corruption. More specifically, the policies were legitimate; however, those with authority who were supposed to be enforcing these laws were improperly implementing policies, especially those laws that were created to safeguard workers, thus causing a significant amount of widespread discontent. This implementation issue will be revisited when we look at some of the policies that were created under Deng's regime later on in this chapter.

Now that we have a greater understanding of the socialist-capitalist transition China's economy made during the 1980s, we can turn our attention to some of the market reform policies that have caused such widespread discontent. In this section there has been a brief introduction to some of the implementation issues that emerge as a result of market reform; however, the problems that appear as a result of the policies that were created during this time period are far more complex than the simple implementation of these policies. The next section will give a brief introduction of Chinese market reform. The following section will introduce some of the reform policies established during Deng's reign that still exist today and have caused and continue to cause such widespread discontent among so many Chinese workers. We will then turn our attention to some of the scholars who have used the regional analysis

technique in order to illustrate the connection between market reform and collective action. Many scholars, such as C.K. Lee, William Hurst, Elizabeth Perry, and Kevin O'Brien believe that market reform has played a prominent role in fostering discontent among Chinese citizens. More specifically, we will turn our attention to two regions, Guangdong and Liaoning, where pension and unemployment have caused a considerable amount of discontent. This social unrest has arisen as a result of two policies that were originally created to ensure the livelihood of both urban and rural workers. It is important to note that market reform has become a considerable burden amongst many of China's workers; however, the transition from a planned economy to a market based economy is not the only source of hardship.

### **III. An Introduction to Chinese Market Reform**

In C.K. Lee's *Livelihood Struggles and Market Reform*, she elaborates on the many flaws in China's market policy reforms which have taken a toll on the livelihoods of both migrant and state-sector workers and that, as a result, have caused social discontent: "protests notwithstanding, the Chinese government has ardently pressed ahead with social security reform, targeting problem areas such as pension, unpaid wages, unemployment benefits, and medical insurance".<sup>34</sup> In addition to shedding light on these flaws, C.K. Lee also explains the varying discrepancies in implementing many of these new reform policies. In other words, while many of the new policies seem promising in theory and show signs of potential benefit for workers, the implementation of these policies may lack authority and, as a result, the workers suffer,

---

<sup>34</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 2.

The central problem for Chinese workers is not the new labor and welfare system, but the wide discrepancies between the stipulation and the implementation of these new policies...the state uses the law as a means of controlling society, while allowing itself to remain mostly unrestrained by the law. When it is not in the interest of the local officials to enforce labor regulations, there is hardly enough countervailing authority to preserve the sanctity of the law.<sup>35</sup>

It is important to note two things from this description. First, workers do not emerge worse off than before the laws were passed. With the creation of the new laws, a logical assumption would be that workers' expectations would rise. Subsequently, if workers' expectations failed to be met, the likely result would be discontent. On June 27<sup>th</sup> 2011, the China Labor Bulletin highlighted a protest by taxi drivers in Henan in response to the local government abolishing a long-established system of six workdays, one rest day. This meant that the city's 10,607 licensed cabs had to work seven days a week in order to satisfy the government's demands for more cabs on the street.<sup>36</sup> Discontent arose because the taxi drivers working in Henan had certain expectations that were not met. The majority of these drivers worked long hours already, and the one rest day they had been afforded prior to the changes allowed them to relax and collect their energy for the days to come. Taxi drivers work six days a week and expect to have one off day. By eliminating their one day off, these drivers naturally became discontent and protests that occurred in response to their expectations not being met. Second, 'the state' and 'local officials' are two different concepts. The 'state' level pertains to the Chinese government as a whole, while 'local officials' pertains to local governments and the people who enforce the laws. At the local government level, failure to enforce labor laws and policies poses a critical problem: which laws ought to be (actually)

---

<sup>35</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 2.

<sup>36</sup> See Appendix A Reports 20, 21, 22, 23, 24, 25, and 26. For all sequential strikes see Appendix A.

implemented and which ones ought not? The next section will go into greater detail on specific policies that replaced prior socialist traditions and discuss why new reforms policies have not met the expectations of urban and rural workers.

#### **IV. Out With the Old and In With the New: Reform 101**

One of the first policies created to ensure the dissolution of these two socialist traditions was the idea of employee labor contracts. Labor contracts were introduced in the late 1970's for two reasons: "as a way of expanding employment, by allowing enterprise managers to recruit their own workers and create more employment channels run by collectives and private enterprises... a second reason was reform leadership's decision to allow foreign investment in special economic zones in south China".<sup>37</sup> The labor contract was created to give workers the same sense of security guaranteed by the *danwei* and the "iron rice bowl," but it differs in that a worker could be fired if he or she failed to do his or her job properly. The Chinese government viewed signing labor contracts as a plausible way to regulate the number of employees and also as a tool to attract more employees. The labor contract ensures agreement between employer and employee. However, C.K. Lee states that while the labor contracts were created in 1979, they were not put in effect until 1993. Grace Lee further explains the issue of labor contracts and the reason for discontent among workers. As a result of breaking "the iron rice bowl," managers now have the ability to fire their workers more easily:

The most important of these was the attempt to 'break the iron rice-bowl' of state workers by introducing the labor contract system. This reform aimed to increase the discretionary powers of managers over their workforce, in particular strengthening their ability to dismiss workers...the core principles of this reform

---

<sup>37</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 7.



were to introduce a labor contract system by which workers were employed on a contractual basis and no longer as ‘permanent’ employees with virtual lifetime guarantees.<sup>38</sup>

On the one hand, the government broadens work options and tries to improve relations between employer and employee. On the other hand, for those guaranteed a permanent job during the Maoist era, this rule now no longer applies since managers can readily “fire” their employees without honoring the terms of the contract. More specifically, C.K. Lee illustrates the reality behind this labor contract in her other book, *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*,

Official statistics show that labor contracts have become universal in the state sector by the end of the 1990s, although in many places, signing a contract is just a ritualistic compliance. Neither workers nor managers were serious or concerned about the terms and implication of the contracts. For the non-state sector, surveys reveal that only about 23-30 percent of migrant workers in private enterprises have contracts.<sup>39</sup>

Switching to this contract system allows managers to more easily fire their workers. If contracts are not being signed, the regulations behind the layoff conditions also do not apply. For migrant workers living in the once industrially booming Liaoning province, being laid off has become a serious issue because those that become unemployed cannot find other jobs.

It is important to note that in 2008, China’s Labor contract was revised and renamed the PRC Labor Contract Law. Edward Epstein, a managing partner at the Troutman Sanders<sup>40</sup> law firm, illustrates the reality of the Labor Contract by stating,

---

<sup>38</sup> Linda, Wong, and Norman Flynn, ed. *The Market in Chinese Social Policy*. New York: Palgrave Macmillan, 2001, 21.

<sup>39</sup> Lee, Ching. *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 42.

<sup>40</sup> Troutman Sanders is a well-established international law firm with offices all over the world. Edward Epstein, who is a member of the Troutman Sander’s firm located in Shanghai, helped draft and prepare China’s New Labor Contract for two years. The draft was finalized in 2007, ready to be put into action January 1<sup>st</sup>, 2008.

“...there is no question that the new law has changed many well-established rules and filled loopholes that have long been considered too favorable to employers”.<sup>41</sup> The ‘loopholes’ Epstein refers to have not diminished with the revision of the new 2008 Labor Contract Law. In comparison to 1994, state-sector workers now sign these labor contracts more often; however, employers in the present day retain the power to alter the terms of the contract if they feel it will better the growth of the company.<sup>42</sup> This altering of the labor contract violates the newly formed 2008 modifications, thus illustrating the ‘loopholes’ Epstein refers to.

The National Labor Law of 1994 represents another policy reform that has had a significant impact on worker livelihood. The law was implemented to protect the legal rights of workers, set a minimum wage system, and also to “break the unequal power between employees and employers”.<sup>43</sup> The Labor Law’s four main concerns were pensions, unemployment benefits, medical care, and housing. Under the Labor Law, workers were guaranteed a pension upon their retirement. If fired, workers would receive compensation to live off of until a new job could be found. Workers could also count on being provided basic medical attention when needed, in addition to private ownership of land. Of these four concerns, pension and unemployment benefits have since received the most attention from the media.

---

<sup>41</sup> Epstein, Edward. *China’s 2008 Labor Contract*. Troutman Sanders (2007). 2. Web. 3 June 2011.

<sup>42</sup> Epstein, Edward. *China’s 2008 Labor Contract*. Troutman Sanders (2007). 6. Web. 3 June 2011.

<sup>43</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 8.

a. The Pension Problem

One of the first policies created to provide workers with some form of security were pension payments. These differed from the previous idea behind the “*danwei*” because they did not guarantee lifetime employment, but they did offer a measure of security for those who had reached the end of their employment careers. Pensions were a part of market reform that in actuality should have benefited workers, but failure by the government to implement the policy led to the current discontent that we have been witnessing in China. The policy was sound, but when its implementation was left unfinished or unenforced, the result was and has continued to be workers’ discontent and the protesting that has become a growing problem throughout the country.

C.K. Lee explains that “pensions were drawn from enterprises’ employee welfare funds, the size of which varied with the size of the enterprise and came from the government”.<sup>44</sup> However, as straightforward as the pension fund appears, Bergsten and others emphasize that with the creation of the new market reform policies, the pension system, along with other systems, have been disrupted,<sup>45</sup>

Reform, particularly in the last decade and a half, has severely disrupted this system...starting in 1996, a new pension system was introduced which covers all urban workers, not just those working for state companies. However, these new delivery mechanisms have developed only unevenly, leaving many unemployed Chinese beyond the reach of the emerging social safety net.<sup>46</sup>

It is important to note that the social safety net referred to here is a reference to the old traditionalist institutions discussed earlier in this chapter. The idea was to transform both notions of the *danwei* and iron rice bowl into a safety net that could continue to

---

<sup>44</sup> Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005, 11.

<sup>45</sup> Bergsten, C., Bates Gill, et al. *China: The Balance Sheet*. 1st. New York: Public Affairs, 2006.

<sup>46</sup> Bergsten, C., Bates Gill, et al. *China: The Balance Sheet*. 1st. New York: Public Affairs, 2006, 39.

prosper in a more capitalist China. In many cases, an enterprise would have a pooling pension system where a small percentage from an employee's salary would be taken and put into a 'pooled pension' fund.<sup>47</sup> C.K. Lee illustrates here that the Labor Law requires all enterprises, regardless of ownership category, and all employees, including migrant workers, to participate in this contributory system. However, the pension system has had its flaws, "the implementation of pension reform has met with serious problems...overall, across all types of enterprises, only 40% of firms participate in pension scheme. A survey on some 1,500 migrant workers in Guangdong found that 73.8% of the respondent did not have any form of social security in 2001".<sup>48</sup> The establishment of the 1994 National Labor Law stated that enterprises were to participate in this pension scheme; pension reform was not intended to be voluntary. Today, those living in Guangdong still suffer from not being able to receive proper pension allotment. The China Labor News Translations (CLNT) provides great insight into how China's social security system was failing for migrant workers, in particular when it came to obtaining retirement pensions,

On 1 January 2010, new provisional regulations were enacted permitting the Inter-regional transfer of social security accounts (pension). In Guangdong, the new regulations were accompanied by a last minute announcement that, from 31 December 2009, workers would no longer be allowed to cash-in their pensions...many workers did not hear the news and missed the deadline. Many turned to protest in an attempt to get their money.<sup>49</sup>

This problem with inter-regional transfer proves a heavy burden for those migrant workers who want to switch locations. If migrants want to seek out an opportunity in a

---

<sup>47</sup> Perry, Elizabeth, and Mark Selden. *Chinese Society: Chang, Conflict and Resistance*. 3rd. New York: Routledge, 2010, 108.

<sup>48</sup> Lee, Ching. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 11.

<sup>49</sup> "Migrant Workers Protest Against Poorly Managed Social Security Reforms in Guangdong." *China Labor News Translations*. Mar 2010. Web. 9 Dec 2011.

different province, their contributions to the pension scheme in their current location will not transfer to the new scheme. In addition to Guangdong, Liaoning also suffers from unpaid pensions. Liaoning, a province located in the northeastern region of China, has a population presently standing at approximately 43.2 million (according to the Hong Kong Trade Development Council). Liaoning has enjoyed a long history of industrial development and had been a center for major industry and raw materials. However, Liaoning can no longer boast as the promising industrial province of old. C.K. Lee, in her book, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, describes the state of present-day Liaoning: "the rustbelt, Liaoning, once the heartland of the socialist planned economy and home to some of China's most prominent state-owned industrial enterprises, Liaoning has decayed into a waste land of bankruptcy and a hotbed of working-class protest by its many unemployment workers and pensioners".<sup>50</sup> As a result of this vast transformation from a once industrially booming province into a wasteland, not only has Liaoning's physical appearance disintegrated, but its population of state-sector workers has also significantly suffered,

In Liaoning province alone, between 2000 and 2002, more than 830,000 people were involved in 9,559 'mass incidents', or an average of ten incidents each involving ninety people everyday for nearly three years. Nationwide, the Ministry of Public Security recorded 8,700 such incidents in 1993 rising to 11,000, 15,000, and 32,000 in 1995, 1997, and 1999, respectfully. In 2003, some 58,000 incidents were staged by three million people, including farmers, workers, teachers, and students. Among them, the largest group consisted of 1.66 million laid-off, retired, and active workers accounting for 46.9 percent of the total number of participants that year. The surge social unrest continued from 2004 to 2005 as the Ministry of Public safety announced a hike from a total of 74,000 to 87,000 cases of riots demonstrations.<sup>51</sup>

---

<sup>50</sup> Lee, Ching. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 8.

<sup>51</sup> Lee, Ching. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 5.

Special attention should be paid to the timeline C.K. Lee illustrates for Liaoning. From 1993, around the time the first Labor Contract was implemented, to 2005, Liaoning suffered from serious social discontent as a result of unpaid wages, and in particular unpaid pensions. During the 1990s, there were many state-owned enterprise bankruptcies that contributed to state-sector workers not receiving pensions. Currently, workers continue to suffer, as “in Shenyang, the provincial capital of Liaoning, a survey showed that between 1996 and 2000, more than one-quarter of retired workers were owed pensions and one-quarter of employed workers were owed wages”.<sup>52</sup> C.K. Lee explains Liaoning’s pension issue as a result of the state sector truly failing when it comes to the implementation of pension reform. Employees were ‘supposed’ to contribute between 5-7% of their monthly salary to a communal pension. This 5-7% pension contribution was prior to the 2008 modifications of the labor contract. Now, employees are required (as opposed to being encouraged) to contribute 8% of their monthly salary to a communal pension.<sup>53</sup> Two issues have been taken up with this modification. Those who are forced to contribute 8% are fearful that they will not get their proper allotment of pension money and those who contributed their 5-7% prior to the new requirements of the 2008 Labor Contract want to retrieve their earned pension, but factories and industries fail to allot the proper amount of money. When those contributing their 8% now see that those who had contributed their 5-7% prior to the 2008 regulations still have not been receiving their pensions, it is apparent why employees are wary to pay the required 8%. When state-sector workers in Liaoning see

---

<sup>52</sup> Lee, Ching. *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 5.

<sup>53</sup> Lee, Ching. *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*. Ewing: University of California Press, 2007.

that those able to retrieve their pension do not actually receive any, why would they want to contribute? This in itself illustrates the implementation failure of pension reform. China's issue with implementation remains much more complex than simply enforcing laws and this notion will be further illustrated later in this chapter. However, important to note here is how C.K. Lee expresses, when it comes to implementation failure, that the state should shoulder the blame, "the state uses the law as a tool of control over society while allowing itself to remain mostly unrestrained by the law. When it is not in the interest of local officials to enforce labor regulations, there is hardly enough countervailing authority to uphold the law".<sup>54</sup> Minxin Pei also agrees with C.K. Lee, stating that "what laws are actually implemented are at the state's discretion".<sup>55</sup> The pandemic of urban workers seeking unpaid pensions does not stop in the Liaoning province. The China Labor Bulletin has posted a number of various claims regarding workers wanting to claim their compensation. A worker of the Shaanxi Carbide Tool Company, located in Mianxian<sup>56</sup>, illustrates this point excellently,

Yuan, originally from Wuhan in Hubei, earns 700 yuan a month, and this falls to a little over 600 yuan take-home pay, after pension contributions and other deductions. Yuan's main concern, however, is his pension. The contribution shortfall came to light when it was spotted by local Social Security officials. They gave Yuan and other affected workers at the plant payment cards and told them to check the numbers carefully. "We did, and saw that, from 2003, there was nothing, just a blank" - even though pension deductions were made from their wages during this time. The hole in the records affects all workers currently employed (as opposed those to on the payroll but past retirement age), Yuan said. The social security bureau said the problem "is within the company" and

---

<sup>54</sup> Lee, Ching. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 64.

<sup>55</sup> Perry, Elizabeth, and Mark Selden. *Chinese Society: Change, Conflict and Resistance*. 3rd. New York: Routledge, 2010, 22.

<sup>56</sup> Located in the Shaanxi Province.

wanted nothing to do with it. But the procedural blockage could mean that some employees lose their pension eligibility.<sup>57</sup>

By the time this post was written in 2008, new modifications had been made to the 2008 Labor Contract. While protesting as a result of unpaid pensions might be a larger issue in the urban regions, such as Liaoning and Mianxian, it still remains an issue in rural regions, such as Guangdong. More importantly, this example from Mianxian sheds light on the fact that the government undoubtedly contributes to the poor implementation of the pension reform. Turning our focus back to Liaoning and Guangdong, in addition to the amount that urban and rural workers protest in regards to (not) receiving pension, both regions also suffer unpaid wages and massive layoffs that have plagued the lives of hundreds of thousands of urban and rural workers.

#### b. The Unemployment Problem

Under the Labor Law, those declared ‘unemployed workers’<sup>58</sup> were to receive some sort of compensation to assist them until they could find another job. However, those workers who have seen their jobs terminated have not been receiving the compensation the Labor Law promised, again illustrating this policy implementation issue.

---

<sup>57</sup> “Shaanxi Workers Seek to Reclaim Stolen Pension Fund Contribution.” *China Labor Bulletin* (2008): Web. 22 May 2011.

<sup>58</sup> The State Statistical Bureau defines “laid-off workers as “workers who have left their posts and are not engaged in other types of work in the same unit, but still maintain a relationship with the unit in which they have worked”. They are given only very basic living subsidies instead of unemployment benefit, and they are not included in the registered unemployment rate. From 1999 to 2005, more than 21 million state owned enterprise (SOE) employees were laid off. Although, the largest wave of SOE lay-offs is now over, those laid-off workers still exert significant pressure on employment. Many laid-off workers are middle aged, low-skilled, and poorly educated, and had been employed in traditional sectors such as coal, textiles and machinery. Lacking skills, they found it difficult to find a job in the new market economy. Despite various government schemes and incentives designed to encourage employers to hire laid-off workers, only 32 percent of workers who left the unemployment registry in 2005 were reemployed. “Unemployment in China.” *China Labor Bulletin* (2007): Web. 23 May 2011.



C.K. Lee discusses the story of a man named Zheng Wu, who suffers from both unemployment and unpaid wages. Wu was once a factory hand in a rubber plant in Tieling, located in Liaoning. Since 1991 he has been unemployed, alongside his wife (who also lost her job). Wu claims that “without wages, I will die either way, whether sitting here or laying on the railroad, so we went lying on the railroad”.<sup>59</sup> C.K. Lee then continues to discuss just how critical this situation has become,

Zheng Wu’s situation was hardly unique. Many aggrieved workers find themselves going back and forth between passivity, depression, and even self-destruction, on the one hand, and outbursts of rage, desperation, and heroic acts of collective defiance on the other. Throughout the late 1990s, as mass layoffs continued unabated, Liaoning became a hotbed of labor unrest.<sup>60</sup>

One might be inclined to think that Liaoning’s unemployment situation would gradually improve; however, Liaoning’s labor unrest from the late 1990s still remains prevalent in Liaoning,

The era of state-owned enterprises (SOEs) may have faded, but the power and influence of many of these aging monoliths remains intact, especially in the old steel towns of northeast China that still rely on them for local employment and tax revenue. Employees in dispute with these SOEs face a major uphill battle to obtain any redress. As Liu Xiangdong, a 20-year veteran at the Lingyuan Iron and Steel Group in Liaoning discovered when he tried to sue the company for wrongful dismissal and get his wage and social security arrears back: “The local government will go to any lengths to protect the company’s interests they do not care about giving me my job back,” Liu told *CLB* Director Han Dongfang in an interview in August 2010.<sup>61</sup>

The problem of unemployment looms just as large as a current issue in Liaoning as it does in Guangdong,

The Supreme People’s Court (SPC) announced on 13 July 2009 that labor disputes in China as a whole climbed by 30 percent in the first half of 2009.

---

<sup>59</sup> Lee, Ching. *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 69.

<sup>60</sup> Lee, Ching. *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*. Ewing: University of California Press, 2007, 70.

<sup>61</sup> “Former Steel Workers Battle Industrial Goliath.” *China Labor Bulletin* (2011): Web. 3 Jun 2011.

Certain areas saw sharper increases, **with labor disputes in the first quarter of 2009 shooting up by 41.6 percent in Guangdong**, 50.3 percent in Jiangsu, and a staggering 159.6 percent in Zhejiang.<sup>62</sup>

It is also important to note that the provinces discussed above represent some of the wealthier ones in the country. As a result, workers not only hope for their wages to be paid, but they also wish for an increase in their wages. Both of the aforementioned posts from the China Labor Bulletin represent interesting cases because in both instances the data comes from after the modifications of the 2008 Labor Contract.

### c. The Market Reform Problem

The policies that have been established by the Chinese government have been created for a reason: to ensure the livelihood of Chinese workers as well as to create a system where workers are protected under this unique form of capitalism. James Horsley illustrates how these policies may actually be quite beneficial for Chinese workers, but his main concern lies at the local level and how well the local level implements these reform policies. According to Horsley, regional and city local government leaders, put in charge by the Chinese government to enforce these laws, have not done a good job fulfilling their duties in a responsible manner. Horsley argues that it is the implementation at the local level is where the problem begins.

#### *i. China's Implementation Issue*

As stated in the previous section, Deng Xiaoping along with his other reformers wanted to move China in a direction that could effectively be molded into a more

---

<sup>62</sup> "As Labor Disputes Rise 30% in the First Half of 2009, Courts Emphasize Stability." *China Labor Bulletin* (2000): Web. 24 May 2011.

capitalist based economy. Although this capitalist direction was beneficial for China's economy, the switch wound up taking a severe toll on many of China's citizens – especially those younger workers who had just begun to work under with the security of the *danwei*. However, it is true that throughout Deng's reign specific policies were created to ensure that workers would be protected under this new market based economy. The details of some of these policies will be illustrated later in this paper; however, what is most important to turn our attention to now is the issue surrounding the implementation of these policies.

James Horsley does not deal directly with protesting in China; however, he explores the rule of law in China and sheds light on a few of the factors that have added fuel to China's collective action. Upon studying law in China, Horsley has illustrated that China has successfully established laws over the past three decades; however, the country has fallen short when it comes to enforcing these laws. For example, Jamie Horsley explains that in 2004, the Chinese State Council committed itself to making a 10 year reform program. The program called for the establishment of clear laws from an administrative perspective as well as a certain degree of governmental power, which included public participation and doing a better job of resolving social tension. These laws were crucial to central government reform and the implementation of these policies would allow the entire administrative process to improve.<sup>63</sup> A large part of this program included workers' rights and giving workers a way to protect their rights. The 2008 National Labor Law served to protect workers' rights, but there have been huge issues with the actual implementation of these varying laws:

---

<sup>63</sup> Fewsmith, Joesph, ed. *China Today, China Tomorrow: domestic politics, economy, and society*. Lanham: Rowman and Littlefield Publishers Inc., 2010, 65.

The development of democracy and the rule of law stills falls short of the needs of economic and social development; the level framework...calls for further improvement; in some regions and departments, laws are not observed, or strictly enforced, violators are not brought to justice; local protectionism departmental protectionism and difficulties in law enforcement occur from time to time; some government functionaries take bribes and bend the law, abuse their power when executing the law, abuse their authority to override the law, and substitute their words for the law, thus bringing damage to the social rule of law.<sup>64</sup>

This issue of enforcement directly relates to workers, both rural and urban, because although the labor laws appear dependable in theory, all that truly matters is how well they can be put into practice. If they are not enforced, the workers suffer. For example, on October 17, 2011, more than a thousand workers working in a clock factory located in Shenzhen stopped production because of poor working conditions and overtime pay. The strike was sparked by a change in salary, announced on October 16. On October 17, workers went on official strike. When a reporter asked a worker the finer details on the strike, he found out that the factory had be deducting 40 minutes from their timecards every day since 2005 and that workers would be fined for taking wash room breaks. The protestors also claimed that the factory had failed to issue pension payments, which was alleged to be included once a worker signs an employer contract.<sup>65</sup> The technicalities of this employer/employee contract will be clarified further later on in this paper, but the main point to take away from should be that this specific case of collective action embodies three labor laws that are supposed to be ensured when a worker begins work: pension, working conditions, and overtime wage salary. It is apparent that the labor law has not been properly implemented in this clock

---

<sup>64</sup> Fewsmith, Joesph, ed. *China Today, China Tomorrow: domestic politics, economy, and society*. Lanham: Rowman and Littlefield Publishers Inc., 2010, 66.

<sup>65</sup> Cheung, Jennifer. "Strike at Citizen Watch Factory." *China Labor Bulletin*. (2011): Web. 11 Dec. 2011. <<http://www.clb.org.hk/en/node/101152>>.

factory. If laws had been enforced, workers would have a better chance of receiving proper treatment. However, the story serves as an important illustration of how local authorities are corrupt<sup>66</sup> and how they may only be interested in furthering their own private agenda(s) rather than keeping their workers happy. In a chapter where Carolyn Hsu revises the meaning of political capital in China, she explains that political leaders, especially state cadres, do not follow the reform policies, because they are making money by not enforcing laws. Hsu interviews a thirty-six-year-old professor pertaining to the topic of corruption and implementation. The interviewee's response was noteworthy,

Now, whatever you're thinking of, you're thinking of how to make yourself wealthier, not caring about what policies are. And this includes those who are supposed to be policy makers. Like if you ask people no, what is the policy about this or that, even you ask professors at [the university], they'll say, I don't care. It's none of my business. My deal is to figure out how to make a little more money.<sup>67</sup>

If state cadres, politicians, and managers know that they can get away with not enforcing the laws and improperly treating their workers, like withholding pensions and wages, they are more apt to do these things because they have no consequences to fear. Not only are they getting away with it, but they are making their own lives better through profiting by not enforcing policies. Christopher Smith illustrates this point

---

<sup>66</sup> Unfortunately, local authorities are not the only source of corruption. Corruption is deeply bedded into all aspect of Chinese government. For example, James Horsley adds, "The 1994 State Compensation Law permitted citizens to sue the government for monetary compensation for injuries caused by official action. Possibly due to its lows levels of mandated compensation and some same limitations that discourage litigation against the government generally, relatively few compensation claims have been filed and only 34% of those awarded compensation". In other words, Chinese citizens have the right to sue the government, but because it is looked down upon, their chances of actually winning a case remain slim. In fact, the likely outcome for the person filing the complaint, instead of reaping the rewards, would be that they lose their money as a result of filing the lawsuit. Fewsmith, Joesph, ed. *China Today, China Tomorrow: domestic politics, economy, and society*. Lanham: Rowman and Littlefield Publishers Inc., 2010, 51-70.

<sup>67</sup> Hsu, Carolyn. *Creating Market Socialism: How Ordinary People Are Shaping Class and Status in China*. Durham: Duke University Press, 2007, 120.

exceptionally, saying that “once the new reforms were introduced, the initial resistance appears to have been replaced fairly quickly by widespread corruption, bureaucratic “squeeze”, and bribery as unscrupulous officials took advantage of the new reforms to line their own pockets”.<sup>68</sup> If managers fail to be punished for not enforcing laws and for not enforcing these laws, and if they continue making more money as a result, then why would they bother to implement laws in the first place? Implementation is a direct result of market reform that has not been thoroughly or carefully considered<sup>69</sup>. This is an issue that the Chinese government must deal with in order to more efficiently deal with this implementation issue.

*ii. Who Are Workers Blaming?*

When we look at market reform and then take a deeper look at some of these reform policies, we see that implementation of these new reform policies has been a source of discontent. However, in addition to this implementation issue, William Hurst also illustrates in many of his interviews that there is a certain degree of Maoist nostalgia resonating in the minds of many workers.<sup>70</sup> Change itself has been difficult for workers to come to terms with. In other words, workers that were gainfully employed during the Maoist era now long for the institutions that were present then and are now absent under the current regime. They long for those past policies which were directly beneficial for their livelihoods, as opposed to the current ones that seem more concerned with the growth of the economy. Hurst explicates that in the rust belt of the

---

<sup>68</sup> Smith, Christopher. *China in the Post-Utopian Age*. Boulder: Westview Press, 2000, 158.

<sup>69</sup> Smith, Christopher. *China in the Post-Utopian Age*. Boulder: Westview Press, 2000, 175.

<sup>70</sup> Hurst, William. "Understanding Contentious Collective Action by Chinese Laid-Off Workers: The Importance of Regional Political Economy." *Studies in Comparative International Development*. 39.2 (2004): 102.

Northeast one frame of mind that lingers among workers is the “Maoist moral economy”,

This frame sees China’s entire reform project as being to blame for destroying a healthy socialist order that existed prior to the 1980s. The Maoist golden age was one dominated by patron-client relationships, but also one in which a general promise of equality prevailed, living standards were stable (at least for urban workers) workers’ rights were protected, and patrons fulfilled their obligations to clients. What has replaced this order since 1980 is political breakdown and social chaos in the context of suddenly imposed severe scarcity. Responsibility lies squarely on the shoulders of the central leadership and reform agenda it has advanced in recent decades according to this frame.<sup>71</sup>

An interesting point to take away from William Hurst’s perspective is that workers believed that the socialist planned economy that existed before the market era was a healthy system when in fact the system also caused a large amount of discontent among workers.<sup>72</sup> In addition, workers were not necessarily upset with the new policies, but they may have been perturbed by the fact that these new policies did not give any personal guarantees. In other words, the risks that come along with the new reform agenda were enough to spark discontent among workers. Hurst interviews a coal miner who lived during both periods and expresses discontent with the new reform agenda,

Reform and opening started around 1985. From that time everything has consistently gotten worse and worse. Wages don’t get paid, people lose their jobs, inequality has become worse than it was before liberation (1949). Even the Japanese managed things in the Northeast better than today’s government. Managers are all corrupt nowadays and they get away with everything... during the planned economy we were all poor. But we were poor together.<sup>73</sup>

---

<sup>71</sup> Hurst, William. "Understanding Contentious Collective Action by Chinese Laid-Off Workers: The Importance of Regional Political Economy." *Studies in Comparative International Development*. 39.2 (2004): 103.

<sup>72</sup> Perry, Elizabeth, and Mark Selden. *Chinese Society: Change, Conflict and Resistance*. 3rd. New York: Routledge, 2010.

<sup>73</sup> Hurst, William. "Understanding Contentious Collective Action by Chinese Laid-Off Workers: The Importance of Regional Political Economy." *Studies in Comparative International Development*. 39.2 (2004): 104.

This particular miner goes on to explain that even if he and his fellow workers were to protest, nothing would be done. The miner blames the new reform agenda, but also blames the corruption in implementing policies, ultimately blaming the government for not being able to properly secure his rights as a worker. This miner's case does not represent the only instance where the government has been blamed for poor implementation. I have read of many cases where taxi drivers often protest because of the government's inability to crack down on the illegal cabs that roam the city free of daily surcharges.

## **V. Putting the Pieces Together**

It becomes apparent after considering China's long history that the transition from a planned economy to a market-based economy has affected China's enormous workforce. C.K. Lee's regional analysis of both Liaoning and Guangdong argues that some of these present day market reform policies have contributed significantly to the strikes that have been occurring in these two regions. Especially when taking into consideration both the Labor Law and the newly revised 2008 Labor Law, it is evident that there are policies that have left promises to Chinese workers unfulfilled. The newly established pension policy particularly applies to this last statement. However, as helpful and informative as C.K. Lee's literature has been, oftentimes her analysis remains too broad. My contribution to Lee's scholarly approach has been to analyze within a micro-regional approach – one that shows the range and diversity of protesting on a case-by-case basis. For example, my own research has shown how citizens in the region of Guangdong are not all protesting for the same reason: pension and unpaid



wages, respectively. C.K. Lee's approach undermines this important aspect of Guangdong's current protesting atmosphere.

Like C.K. Lee, Hurst also offers a regional analysis; however, he differs from Lee in that he asks the reader to first consider a region's political economy and then assess the degree of collective action occurring in that region accordingly. For example, Hurst considers a wide variety of regions from the industrial heartland in the northeast to the Shanghai municipalities; however, his first concern is assessing that particular regions political economy. Those living in Liaoning are being affected by the market reform policies, but they are being affected differently than those workers living in Shanghai or Guangdong. Hurst phrases this point exceptionally, saying that "northeastern workers experienced socialism as an economic boom...post socialism has been a dystopian nightmare in which northeastern workers have seen their gains striped away".<sup>74</sup> In other words, those workers in Liaoning attached more importance to the socialist planned economy established under Mao's rule than those workers employed in Shanghai. Having previously benefited from this planned economy, one might understand how discontent could arise with post-socialism. These Liaoning workers encountered more hardship as a result of this political and economic change than those workers in Shanghai. Hurst uses this point to show the reader a dimension of collective action that had been undermined by the approach C.K. Lee proposes. However, in his own analysis of a region's political economy, Hurst still manages to overlook a major factor of the countrywide discontent felt by so many in the workforce. My additional research has shown that regions with prospering political economies also suffer, but in

---

<sup>74</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 79.

order to uncover this suffering it is necessary to examine the problem at a more sectoral level, in particular by looking within specific industries and occupational sectors. For example, Hurst considers Shanghai a region of economic prosperity. I concur with that point; however, my research covering Shanghai has still shown that specific industries, such as the transportation and electronics industries, have been more prone to protest despite the overall economic good fortune of the region.

C.K. Lee allows the reader to understand the impact market reforms have had on two regions that are different, but have both been equally affected by market reforms. Hurst puts the pieces together by allowing us to view a more complete picture, identifying exactly why a region might be suffering. However, as comprehensive as Hurst's literature is, we have discovered that his argument remains controversial. By asking to consider a region's political economy, Hurst might be misleading the reader, who could mistakenly think that a region's GDP is indicative of its working conditions. For example, Shanghai's GDP is very high, and in fact, the *China Daily* recorded Shanghai's Gross Domestic Product at 1.92 trillion yuan (\$304 billion) in 2011. That is an 8.2% increase from 2010.<sup>75</sup> Because Shanghai's GDP is so high, one might conclude that the region is prospering economically and that, because of this, workers residing in this region are doing well. However, Shanghai's GDP does not explain the protesting that is presently occurring, particularly with regards to the taxi and bus drivers, as well as the many factory workers in the region. Considering the regional level is extremely important, but in order to notice the more intricate underlying details behind employees' unrest, one must probe further into the region by searching its cities and provinces to

---

<sup>75</sup> "Shanghai's GDP grows 8.2% in 2011." *China Daily* (Xinhua) Web. 22 Feb. 2012. <[http://www.chinadaily.com.cn/bizchina/2012-01/21/content\\_14486308.htm](http://www.chinadaily.com.cn/bizchina/2012-01/21/content_14486308.htm)>.

find a common motive behind protesting. As previously stated in the first chapter, Chinese workers do not have unions; therefore, voicing discontent often proves a difficult undertaking. Striking is considered illegal and the fact that workers are willing to go to this extreme on a national scale sends a clear message to us concerning the state of the present day Chinese work force.

The protests that have plagued China in the past two decades have continued to grow in number and frequency, but some of these protests have been more significant than others. For example, the CHAM-Honda strike has received a significant amount of coverage by international as well as national newspapers, while some strikes have gone by without being covered at all. I would like to make a distinction here, though, by pointing out that just because a strike might not have received coverage by a newspaper it should not be considered significant. In other words, the significance of a strike does not depend on the public notoriety it receives. A small strike might occur in the Pudong area located in the region of Shanghai, but just because the world fails to be notified of its occurrence does not make a less important event than such a well-known incident as the CHAM-Honda strike. Every strike that occurs in China says something significant about the country: China is currently in a decade of labor activism and while the country may be economically booming, internally the country is suffering.

These next two chapters will offer my insights pertaining to China's collective action issue. Chapter three, in light of C.K. Lee's regional approach and argument, will dissect the region of Guangdong to enlighten the reader to the number of protests that have been occurring at the city-level. Specificity is a vital part of reaching the root of a problem. Utilizing this method is important because it allows the reader to see the

diversity within these protests, as well as pinpointing what the issue is and in some cases how it can be resolved. Similarly to chapter three, Chapter four will analyze a plethora of China's industrial sectors from taxi industries to the textile industries in light of Hurst's argument based on the wellbeing of a region's political economy. In highlighting China's industrial sector, the reader will begin two crucial aspects of Chinese protest: first, the diversity within a specific industrial sector; and second, the grave issue with the implementation of new market reform policies. Both of these new frameworks bring forth a fresh new way in order to understand Chinese collective action. While market reform has caused a significant amount of discontent across China's borders, there are other aspects to consider in order to understand why this discontent has become so widespread.

### **Chapter Three:**

## **A Micro-Regional Framework to Analyze Collective Action**

This chapter will highlight the importance of understanding the details of a conflict by analyzing protests within a given micro-region. The last two chapters have discussed different scholars' opinions pertaining to the issue of collective action. C.K. Lee takes a regional approach when analyzing Chinese protests in light of the current market reform policies. In Guangdong, C.K. Lee has highlighted some of the policies cited as sources of discontent among workers. These policies include workers' pensions, labor contracts, and workers' health security. My research differs from C.K. Lee in that I consider a region's urban cities instead of a taking a macro-regional approach as C.K. Lee does with Guangdong. I will add to Lee's argument by examining protests within Guangdong; however, I will examine these protests by using a micro-regional scope, in particular investigating those cities located within the region of Guangdong. This micro-regional approach will illustrate the range and diversity of protests that goes unnoticed by Lee's macro-regional approach. Additionally, by utilizing this micro-regional approach, my research has shown that the sources for discontent have occurred across a far wider spectrum than what C.K. Lee's literature illustrates. My research has shown that when we probe into Guangdong's urban cities – Foshan, Guangzhou, Shenzhen, and Dongguan – workers have not necessarily exhibited discontent with market reform policies as C.K. Lee argues, but rather with the ways that the managerial level has enforced these policies. More specifically, my database has illustrated that managers have not been implementing policies correctly and as a result workers have suffered and begun voicing this discontent. Finally, my research has shown that the dynamic of

Chinese protesting has changed since C.K. Lee began conducting her research in the late 1990s and into the early 2000s. Lee was accurate in concluding from her analysis that Guangdong suffered significantly from the new market reform policies during the early and late 90s and even in the beginning of the 2000s; however, present day Guangdong workers have not continued to suffer exactly the same way that they did when these reforms were initially put in place. For example, current state-owned enterprises function quite differently than they used to in the early reform era. To be more precise, Lee analyzed a time period in which a significant amount of reconstruction was being done to these state-owned enterprises and within this reconstruction era, which happened to be the time frame of Lee's research, market reform proved one of the primary indicators of workers' discontent. Now, China has few of these state-owned enterprises, as many have been replaced by Sino-foreign joint enterprises as well as privately owned enterprises. Sino-foreign joint enterprises do not have to abide by national employee regulation and welfare laws since they are not state-owned, and the unfortunate result has been the suffering of the workforce. This point will be illustrated in the next section of this chapter.

After considering the micro-regional level, it becomes apparent that the source of workers' discontent has become diverse and multilayered. By mistakenly attributing vague, generalized causes of discontent such as pension payments to the region, we blind ourselves from the reality, the specific details of what has been going on in Guangdong. When we view Guangdong through the micro-regional scope I have proposed, we see that workers have actually had the opportunity to benefit greatly from the aforementioned reforms, but discontent has arisen where policies have not been

implemented properly and managers have cheated their employees out of these potential benefits.

The first section of this chapter will first examine the region of Guangdong and then analyze conflicts at the city-level in order to show the diversity of a conflict, neighboring conflicts, joint protesting, individual workers involved in the incident, causes cited, and a resolution if there was one. Taking these aspects into consideration illustrates how China's collective action has become far more chaotic, decentralized, and varied on a specific case to case basis than what newspapers and scholars have been portraying. By following Lee's regional approach, the reader misses a very important dimension of these incidents, namely the suffering that has been occurring within many of China's different urban areas. This next chapter will elaborate on the diversity of protests at the micro-regional level, as well as highlight the constant struggle facing the Chinese people and their individual conflicts. More specifically, scholars have not considered the bigger picture: how these incidents have come about as a result of millions of workers and their collective suffering. But, why have they been suffering recently? Who have workers been targeting and blaming? Have there been resolutions? Who has stood to benefit through these protests? This next chapter will answer these questions and provide case by case conclusions as to why workers have been resorting to protest to express their discontent. In summary, the creation of a market economy has caused many issues in numerous areas throughout China; however, when we delve into the city-levels of China's vast regions, the reader may come to understand that market reforms have not been the sole of this unrest.

## **I. A Micro Regional Analysis of Guangdong**

We learned earlier in the first chapter that C.K. Lee has done extensive research pertaining to the issue of collective action in both the regions of Guangdong and Liaoning in light of the 1980s market reforms. My research has shown that lack of social security and unpaid pensions have become a serious problem in Guangdong; however, many other issues in addition to these have caused the significant amount of discontent that workers in this region currently suffer from. My research has shown that the reasoning behind why workers have been protesting may not simply be due to market reforms, but perhaps also to workers' expectations not necessarily being met by employers. In addition to workers' expectations not being met, there are some serious enforcement and policy implementation problems at not only the managerial levels, but at the local government official levels, as well, and in many cases workers have blamed these authorities as opposed to the overarching market reform policies.

This section will not extensively cover the region of Liaoning, but will instead concentrate on the region of Guangdong. From C.K. Lee's perspective, the region of Guangdong suffers from two main problems: lack of social security and unpaid pensions. A pension system was established during the 1990s so that workers could feel a sense of security once the time came to retire. More specifically, relating to the topic of pension, workers in Guangdong have been having difficulty transferring their pensions when making the decision to take on a new job. Inter-regional transferring of a worker's pension remains a vital component of a Chinese worker's contract because this pension allows him or her to retire and live comfortably; however, the policy has not been working as effectively as it should. As a result of this policy failing, many workers



have put their tools down and resorted to protesting to demonstrate their discontent. Before continuing, I would like to add a vital piece of information that I do not feel C.K. Lee has sufficiently explored in her book: both Guangdong and Liaoning represent two areas greatly affected by the newly established market reform policies. When studying these two regions, we need to remember this fact. More specifically, the *danwei* and iron rice bowl notions were prominent factors in both Liaoning and Guangdong workers' lives, and robbing them of the things that once instilled security in so many minds, one cannot be too surprised that pensions (among other policies) have not been able to immediately reestablish the peace of mind that the *danwei* system once gave them. China's decision to transform from a planned economy to a market-oriented society left those who had worked under the planned economy with no real sense of protection. In line with C.K. Lee's thoughts, I have decided to probe further into Guangdong. My research has shown that workers in Guangdong have not only been protesting over their missing pension payments, but also in response to unpaid wages, non-recognition of overtime hours, rising fuel prices, and poor working conditions. Although these are just a few of the reasons, it is important to highlight these issues precisely because of their diversity, and also because this diversity speaks to the core of the issue behind China's protests.

a. Foshan

Foshan is a small city located in the center of Guangdong province. The city has long been renowned within the porcelain industry, but within the last 25 years this particular province has transformed into China's third largest industrial base along the

Pearl River Delta. Before 1992, Foshan was a city mostly inhabited by state-owned enterprises, but now the city flourishes by means of private domestic and Sino-foreign enterprises. As stated early in the first and second chapters, privately owned enterprises have had a turbulent past within China's borders. During the 1950s-1970s, the country banned privately owned enterprises for multiple reasons, the most important of which was that the national laws that were enforced during this time period did not apply to industries that were not state-owned. In other words, privately owned enterprises could choose to ignore national laws. Therefore, the policies established to protect the workers within that industry did not actually do so because it was up to the private enterprise(s) to create their own protection policies. In many cases, these private firms would completely ignore national policies and disregard any sort of protection for their workers. In addition to ignoring national protection policies, these private enterprises would ignore contract policies. We learned earlier that a worker's contract is vital to the longevity of his or her career at whatever establishment they decide to work. The contract affords them a rest hour during the day, maternity leave, and other benefits that should be allocated to a worker to ensure continued productivity and health. However, many of these private enterprises have had their workers sign these contracts and then simply elect not to implement any of the benefits "guaranteed" to them.

In the present day, Foshan has transformed once again to a city occupied by privately owned enterprises. Many of these privately owned enterprises are also Sino-foreign joint enterprises. These joint enterprises can be good for China because by having them within the country's borders, they can foster business relationships that help boost the domestic economy. Furthermore, these mutually beneficial relationships

also have the ability to demonstrate that China has attempted to become a more globally friendly nation. CHAM-Honda represents one such joint enterprise currently operating within Foshan. China and Japan have partnered in this auto industry so that, by forming this relationship, both nations benefit mutually by the success of the company overall. When the Honda industry does well, it reflects positively on China since the plant operates geographically within Chinese territory, while at the same time Japan sees firsthand how well the company advances because it owns the rights to the product. However, Sino-foreign joint enterprises have proven themselves vulnerable to negative consequences for the Chinese workers within the CHAM-Honda industry, in addition to the potential for mutual positive gains by the respective countries overall. In the first chapter, I briefly touched on the significance of the CHAM-Honda strike, but now I would also like to explain how this particular strike has become significant on a micro-regional level.

We learned earlier from C.K. Lee's research on Guangdong that, at the regional level, workers residing within this province suffer from missing pension payments, unemployment, and wage issues. Wage issues can range from being too low to being nonexistent altogether. However, as useful as C.K. Lee's scholarship has been in highlighting these problems, her research remains too broad sighted when trying to discern the precise details – figuring out the full story behind why workers remain discontent. The reader seldom truly understands why workers have encountered these issues. More specifically, C.K. Lee does not illustrate in her literature the specific details that explain precisely why Guangdong workers have not been receiving pension payments and why their wages have remained so low.

Simply by investigating Guangdong's Foshan city, my research has shown that the answer relating specifically to the CHAM-Honda instance becomes more evident with a deeper look than C.K. Lee's approach could provide. Because CHAM-Honda represents a Sino-foreign joint enterprise, the business enterprise has been able to escape without enforcing or following the national labor laws. One could view this incident occurring in light of market reform; however, this specific CHAM-Honda case retains far more relevance once its details have been discerned than the suggestion of its broad generalization as a casualty of market reforms. In fact, those workers in the CHAM-Honda factories have received opportunities that not many others in the region have: a steady job with an actual salary. This case, as large as it was, has a very specific problem that lies at the managerial level within this enterprise. When the reader understands this incident boils down to a "managerial" issue within a Sino-foreign joint enterprise, it becomes clear that workers have not been upset by market reforms, but rather because of the way managers of privately owned enterprise have been enforcing policies. In reality, it is the glaring absence of policy implementation creating the rift, and workers like Huang have laid down their tools and walked out on the industries that have not been treating them properly as a result.

I will note here that the CHAM-Honda incident involves multiple layers, and that many factors contributed to the dissatisfaction felt by its workers; however, the most important thing to take away from this incident is that the recognition of these private and Sino-foreign joint enterprises would never have surfaced if we had not focused our investigation all the way to the city level. In other words, workers have not been protesting social security and pension. By revisiting the CHAM-Honda case and

using its micro-region as the scope of analysis, the reader can become fully aware of a situation unique to Foshan: the existence of privately owned Sino-foreign enterprises. By highlighting this fact, it becomes clear how unique and specific underlying motives can be on a case by case basis, but in addition, the reader also may begin to notice how truly diverse protesting has become in China, even within a small city in Guangdong. Now we will turn our attention to a few more cases within the Guangdong region.

#### b. Guangzhou

Guangzhou represents another city located in Guangdong, like Foshan, although Guangzhou is somewhat larger than the latter, and contains a significant number of industrial factories. Like Foshan, this city also suffers from a significant amount of discontent among its workers. On March 28, 2011, factory workers from a Guangzhou sanitation plant took to the streets in response to a failed wage increase agreement.<sup>76</sup> As mentioned earlier, wages have been cited frequently in the complaints of protesting workers. However, this incident occurred not solely because of unpaid wages, but also because of issues surrounding a pre-negotiated deal collaborated by both the management and employees of the factory. I will also add here that this agreement specified limits on overtime hours, increased meal subsidies, and improved living conditions in the workers' dormitories. When workers did not receive the wage increase discussed earlier, in addition to not receiving proper overtime-hourly pay, they came together and staged a strike. Highlighting this particular strike proves interesting for a few reasons. The interaction between management and employee in this case is unique.

---

<sup>76</sup> See Report 8.

When analyzing protests at a broader level, as C.K. Lee does, one does not become privy to this kind of communication between workers and management. In fact, it seems almost unbelievable that this type of communication would actually occur. This type of interaction is important to highlight because it illustrates that members at the managerial level have sought to satisfy their workers. Another aspect of this strike that I feel equally inclined to highlight is the fact that, upon becoming aware of this understanding – that the managers have attempted to help benefit their employees – the whole protesting dynamic becomes altered.

After reading C.K. Lee’s literature, the reader may find many negative connotations pertaining to protesting, which can linger throughout her entire book. Also, the reader may begin to believe the idea that “all Chinese workers are discontent.” While many workers might be dissatisfied with current circumstances, not all of China’s workers have begun staging mass protests. Workers do not *always* take this course of action, but they *might* strike for the aforementioned reasons, because there was a specific negotiation and the company did not follow through on what was discussed. After the strike occurred, it has since been verified that the workers who were given promises – the street sweepers – received advanced pay in addition to receiving their overtime hours.<sup>77</sup>

Although this case exemplifies a particularly “happy ending” – where both workers and managers end up content – this is not always the case. In fact, there have been many cases where workers went on strike and still did not receive the compensation they hoped for. However, the aforementioned Guangzhou instance does

---

<sup>77</sup> “Migrant Worker Union Negotiates Pay Deal for Tianjin Cleaners” *China Labor Bulletin* (2002): Web. 1 April 2011.

embody a certain degree of organization through an analysis of the strike. Also, by looking at the case through a micro-regional scope, we see that lines of communication (can) exist between workers and management. At a broader level, this fact would have gone unnoticed. When considering the dynamic of a protest – and every protest has its own distinct dynamic – communication always remains a small but vital aspect of negotiations. If workers have been promised certain rewards, but have not received these rewards, this in itself becomes a reason for protest. As mentioned earlier, every protest has a different dynamic, and this lends itself to C.K. Lee’s market reform argument. Communication between management and employees would have never occurred within a socialist planned economy. If workers were discontent, they most likely would have remained that way, and I feel this is a point worthy of mentioning. In light of new market reform policies, workers now have the ability to voice their opinions, and although not all cases achieve the same degree of success as the one mentioned above, similar stories exist where workers succeeded in having their demands met through protesting. The unfortunate reality seems to be that incidents often occur where workers do not end up as lucky as the aforementioned incident. With that in mind, we will now turn our attention to a case in Shenzhen – one that represents the sad story of a strike failing to achieve any success.

### c. Shenzhen

Shenzhen is another large city located in Guangdong that happens to be heavily populated by electronic factories. Jingmo Electronics is a small factory located in the 3<sup>rd</sup> industrial district of Shajing township and employs 3,000 people. This particular

company manufactures keyboards for Apple and IBM.<sup>78</sup> This particular job frequently asks workers to work overtime. Shipments are often due at the beginning of the month and if a certain quota has not been met then workers find themselves forced to work even longer hours than the normal day demands. The normal work day ranges from 10-12 hours, while an overtime day may demand a worker stay up to 15 hours with 1 hour of total rest included for both lunch and dinner breaks. Rest room breaks were not mentioned in the article, but many other articles have mentioned that if a worker stops to use the rest room more than three times a day they could possibly incur fines.

On the morning of November 22, approximately 1,000 workers at the factory had a meeting and arrived at the conclusion that the time had come to do something about the unjust overtime demands, which came with little compensation.<sup>79</sup> *China Labor Watch* explains the strike as the following:

On the morning of November 22nd, 1,000 workers at the factory held a meeting in which they decided to strike, owing to the unreasonable overtime demands made on them by management. One by one, they walked off the job and moved to block National highway 107 in protest. By the time the protesters decided to end the demonstration and disperse, authorities had assigned several hundred police officers, including riot police, to the protest.<sup>80</sup>

This article goes on to explain the finer details of the protest. According to the information that China Labor Watch has collected from various workers that participated in this strike, it seems this protest stemmed from unreasonable overtime

---

<sup>78</sup> This corporation is owned by the Taiwan-based Jingyuan Computer Group, which mainly produces keyboards and other computer components. According to its public statements, the company has been an Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM) for name-brand multinationals that have included Apple, IBM, LG, Tulip, Legend and Founder Great Wall. Qiang, Li. "1,000 Workers Strike at Factory That Makes Keyboards for Apple and IBM." *China Labor Watch*. 23 Nov 2011. Web. 22 Feb 2012. <<http://www.chinalaborwatch.org/news/new-377.html>>.

<sup>79</sup> See Report 60.

<sup>80</sup> Qiang, Li. "1,000 Workers Strike at Factory That Makes Keyboards for Apple and IBM." *China Labor Watch*. 23 Nov 2011. Web. 22 Feb 2012. <<http://www.chinalaborwatch.org/news/new-377.html>>.



demands made by the electronic management. China Labor Watch gives us additional, specific information pertaining to these overtime hours,

The factory decided to require workers to work from 6 p.m. until 12 p.m., and sometimes even until 2 a.m. the next morning, in addition to their regular work hours (7-11:30 a.m., 1-5 p.m.) Workers now commonly worked anywhere from 100 to 120 hours of overtime a month. Moreover, the factory refused to let the workers work this overtime on Saturday, which would necessitate paying them double wages in accordance with Chinese Labor Law.<sup>81</sup>

In conjunction with long overtime hours, which came with little or no compensation, workers also suffered injuries at a high rate from machines that have not been updated by the factory. Workers have also complained of verbal abuse from managers.

One might reasonably assume that with a large strike involving as many as 1,000 workers management would attempt to modify their systems so that workers could become content. However, in reality, management chose to stand by and do nothing about their workers' dissatisfaction with overtime hours. In fact, the factory has now stated that it will be reducing each employee's overtime average as a result of the strike.

This case highlights three specific areas of discontent: first, overtime hours and compensation from these overtime hours; second, health benefits; and third, managerial abuse. Pertaining to overtime hours, I will add here that workers seem happy to work these hours as long as they are being paid appropriately. I will also add that this factory remains a state-owned factory, meaning that the state requires its management to have employees sign labor contracts and also to give workers correct compensation.

Although the ending to this story does not have the happy ending of the previously

---

<sup>81</sup> Qiang, Li. "1,000 Workers Strike at Factory That Makes Keyboards for Apple and IBM." *China Labor Watch*. 23 Nov 2011. Web. 22 Feb 2012. <<http://www.chinalaborwatch.org/news/new-377.html>>.

visited case (in Guangzhou), it does highlight some interesting points when considering strikes in general. This particular case highlights both a law-based and a non-law based protest. In other words, when a case has been classified as non-law based, it has often occurred because of unfair treatment. The unique nature of this case involves the fact that the workers protested unfair treatment in addition to seeking correct implementation of an overtime policy. Another interesting aspect of protesting that this case brings to light is the fact that, as workers have often done in these situations, their dissatisfaction leads them to turn their backs on the company that has chosen not to obey the law – not the state or local government that should have been enforcing these policies. The government has placed a certain degree of trust in their state-owned enterprises and expects these companies to enforce their newly established policies. However, this case highlights a significant communication issue. From the worker's perspective, they reasonably expect government-issued laws to be abided by and implemented by management. With the government remaining ignorant to this issue, managers have effectively been allowed to cheat their employees, as this case illustrates. To summarize, this case highlights that the governmental level needs to become more engaged with these companies and to keep a closer watch over them to ensure proper policy and law enforcement, and that workers receive fair treatment. Although we have already examined a case where management does not take responsibility for poorly implemented policies, this case illustrates how much these companies can get away with when it comes to protecting their workers. It also illustrates how much harm a strike can actually affect current employees, rather than benefiting them in the end. Now, we will now turn our attention to Dongguan.

#### d. Dongguan

Dongguan is one of Guangdong's most complex industrial cities. Dongguan is divided into four townships, each consisting of more than 28 towns. That being said, Dongguan suffers a significant amount of discontent from its local (town) population. One case from my database that resonates particularly is an incident that occurred at the Lee Precision watch factory located in Dongguan's Chang'an Town.<sup>82</sup> On June 15, 2011, hundreds of Lee Precision workers took to the streets, suspending production at this local watch factory in response to dissatisfaction with management. In an attempt by the company to find an easier way to lay off their workers, the factory's managers decided to introduce a new mandatory overtime system. In other words, workers would be forced to work an allotted amount of overtime, and if they did not reach this quota for hours of overtime then they would be laid off. More specifically, when a *Southern News* reporter named Lee asked a formerly laid off worker how bad overtime hours had become, the employee replied that he often had been forced to work between 4-6 hours of overtime on a daily basis. The worker also added that in addition to the factory's new installation of the "mandatory overtime" system, workers found themselves being fined for using the restroom. The following afternoon, hundreds of workers took their complaints to the Chang'an local government. It has since been reported that the Chang'an local government, in response to the amount of workers expressing dissatisfaction, has begun an investigation into the conditions under which workers have been forced to work at the Lee Precision watch factory. There have been no follow up reports on this incident regarding the status of the government's investigation.

---

<sup>82</sup> See report 56.

Before this case, we had seen that discontent workers had chosen to turn their backs on their managers and express their concerns towards them directly. However, in this particular incident, we see something new: upset workers going straight to their local government in search of help. My research has shown that there have only been a few cases where workers have turned to their local government(s) for help, but in this case, probably due to the volume of complaints directed at one company, the government decided that the best course of action was to investigate the problem. Although there has been no information released regarding the final outcome of this protest or the subsequent investigation, the fact that the local government decided to get involved says something about the degree of the complaints filed against the watch factory. Workers have been suffering, and to such an extent where they have become willing to try any means at their disposal to protect their rights as employees.

## **II. Micro-Regionally Understanding Guangdong**

In looking at just a few cities within Guangdong, the reader has begun to see the diversity of Chinese protesting dynamics in just a few small towns and industrial districts within China's vast region of Guangdong. Although C.K. Lee has brought our attention to this region, one must delve within the city level to truly understand the diverse nature of the protests that have been occurring within this region. Historically, Guangdong may have been a region affected by market reform policies; however, this diversity does not stop within the borders of Guangdong. In fact, my research has shown that many others among China's vast regions have suffered similarly for a multitude of reasons. Zhejiang, another region I have studied has shown a significant

amount of diversity when we explore within its city-levels. Although this chapter will not consider Zhejiang more in depth, I have created a small graph with some of the incidents I came across at the city-level:

Region	City	Occupation	Reason 1	Reason 2	Resolution
Zhejiang	Jinhua	Animal Rights Activists	Stop annual holiday tradition that dog slaughters more than 5,000 dogs	none	Event is now banned by government
Zhejiang	Wenzhou	Transportation: Taxi Drivers	Illegal cabs	none	none
Zhejiang	Hangzhou	Transportation: Taxi Drivers	Stagnant wages	Fuel prices	none
Zhejiang	Anji	Factory Workers: Furniture	Demanding wages after plant went bankrupt	none	none
Zhejiang	Jinhua	Supermarket Employees	Wages	Improper compensation of overtime hours, improper termination of employee contracts	none

Sources: See Appendix A Reports, 1, 15, 16, 65, 70.

Like Guangdong, when we consider Zhejiang’s urban areas of Jinhua, Anji, Jiaxin, Huangzhou, and Wenzhou, we see that there reasons abound behind workers discontent ranging from animal abuse, to illegal cabs. Additionally, we see that the same occupational sector in different urban areas – in this case, the taxi sector – has been a targeted source of discontent and victim of protesting throughout.

The next chapter will further explore William Hurst’s previously mentioned two-pronged argument. William Hurst, like C.K. Lee, also utilizes a regional analysis in light of market reform policies, but he contributes further by additionally considering a region’s political economy. Considering a region’s political economy can be helpful because it can provide elaboration on specific details pertaining to the “why” behind

workers protesting. For example, workers in Liaoning have been protesting more frequently because this specific region relied heavily on their individual respective “*danwei*” to ensure stability in their lives. Liaoning workers, upon being fired, have found it more difficult to find new work than those workers located in areas fortunate enough to have booming economies. By contrast, workers in Shanghai have not been as reliant on this “*danwei*” system and have been able to find work elsewhere more easily. Therefore, the chance for advancement and opportunity in being able to find a job differs in an economically booming area, as opposed to one where the local economy is struggling. The next chapter will contribute to Hurst’s political economy argument by allowing the reader to consider another important dimension of an areas doing well economically: specific occupations within the region. In shedding light on specific occupational sectors within a region with a steady, successful economy, it soon becomes apparent that region’s may thrive while, simultaneously, specific industries and occupational sectors struggle or bear the brunt of the region’s success.

## **Chapter Four:**

## **A Sectoral Framework to Analyze Collective Action**

C.K. Lee does not represent the only scholar who, by basing her analysis at the regional level, overlooks a significant amount of relevant and important information pertaining to the underlying reasons behind Chinese workers protesting. We have learned earlier in the first and second chapters that William Hurst has also utilized a regional-level analysis in his own work. He differs from C.K. Lee by considering a region's political economy first before analyzing protest(s) within that region. More specifically, if a region has been doing economically well, he proposes that the protesting dynamic there will differ from that of a region whose economy has been struggling. Also akin to C.K. Lee, Hurst considers both the areas of Liaoning and Guangdong; however, in order to understand the reasons for which these two areas have been protesting, he considers the political economy of each. For example, Liaoning has been an area negatively affected by the 1980s market reforms. Upon losing their jobs, workers have had trouble finding other opportunities for employment within the region, so these workers have resorted to protesting as a result. By considering Liaoning's political economy following the 1980s market reforms, one might begin to understand that because these changes directly affected this area, workers have been more prone to protest these reforms. However, Hurst does something that C.K. Lee does not by shedding light on the specific areas that have been affected by the 1980s market reforms, particularly the regions that depended heavily upon the *danwei* system. Liaoning happens to represent an area once heavily populated by state-owned enterprises. By introducing this information to his readers, Hurst provides some justification as to why workers in this region have been striking. Hurst does succeed in

adding to C.K. Lee's regional analysis, but like Lee he also undermines the amount of protesting going on in those areas that have not been suffering economic downturns, especially Shanghai.

While Hurst's method of analyzing a region's political economy can be helpful in deducing why workers may sometimes be more prone to blame market reform policies, this approach can also be deceiving. Since a region's economic success fails to paint a complete picture at times, it does not always present itself as a fair tool with which to discern why workers have been more content, or less so, in certain regions compared to others. For example, a brief look at Shanghai showed us that this region has done particularly well from an economic perspective. However, my research has shown that workers in Shanghai have continued to protest despite this overall economic prosperity. The next section of this paper will show that Shanghai does not stand alone as the only economically successful region that suffers demonstrations of discontent from its workforce. Jiangsu and Guangdong have displayed similar economic achievement, but these two regions have also suffered from a considerable amount of discontent felt by the workers in their respective regions. Thus, a region's economic success should not be given any extra weight when considering or trying to discover the underlying reasons for protest in an area whose economy might not be succeeding as much as that of Shanghai. To be more precise, my research has illustrated that specific occupational sectors within Shanghai have continued to engage in protests and strikes despite the region's success overall.

Another insight of this thesis will illustrate that when we take an approach as broad as a region's political economy, it really only allows us to see the numbers that



illustrate *overall* regional prosperity. This regional view presents itself as overly objective in the sense that we do not truly see how well the individual workers within a region survive, simply by the economic numbers the area displays. When we attempt to judge the wellbeing of a region's population by the economic success of the area, or the rate of unemployment, we miss some significant information pertaining to the actual state of living for individual workers and occupations. In other words, an objective point of view gives us an inaccurate interpretation as to why collective action has been occurring. This thesis takes the subjective point of view when looking at regions with prospering economies, looking within occupational sectors to paint a fuller picture of these areas. When we look at regions with thriving economies under a *subjective* light, we see that the discontent in these areas has not as much to do with the regions' overall success, and more to do with the fact that workers have actually been comparing their own success to that of their peers and their companies. In other words, when workers see how well their company, industry, or region has been doing overall, these individuals become more sensitive to the distribution of this wealth. Thus, workers within an area with a successful, thriving economy may be more inclined to feel entitled to share in this success, as my research has shown. Furthermore, when workers in these particular areas and sectors feel as though they have been unjustly treated, because of something like low wages relative to the success of the company, industry, or region, my research has shown that they may be more inclined to outwardly voice their dissatisfaction and request treatment as employees that reflects the same level of economic success being enjoyed on a broader scale around them.

The next section of this chapter will introduce the final contribution of my research: focusing on specific occupational sectors to analyze a region and offer an explanation for why workers have engaged in protesting. More specifically, this paper will consider three cases in three different regions within China's vast electronics industry. These three cases will shed light upon three Sino-foreign joint owned enterprises, three large-scale incidents of discontent, and three incredibly time-sensitive factories. When we analyze the dynamic of the electronics industry and the protests that have occurred in the past year, it becomes very clear that maltreatment becomes a more common occurrence for workers within Sino-foreign joint owned enterprises operating on time-sensitive schedules in larger factories. Hurst's argument might propose that because these regions have all been objectively deemed economic hotspots within the country, that protesting would be a last resort (if it even garnered consideration at all); however, I have found that when we look subjectively within China's electronics industry, protests have been occurring because workers have been comparing themselves to not only their companies' economic achievements, but also the success being enjoyed by their peers, as well.

This perspective represents a completely new way in which to view Chinese protesting, and its importance lies in the fact that it explains why, in areas with successful economies (where we would expect to find a content workforce), we still find that workers have been resorting to collective action. This next section will take a similar path to the one previous, as I will first consider a region studied by Hurst and then shed light on his argument utilizing the contributions of my analysis by occupational sector. I will then shed light on a region I have studied and illustrate

similarities between these two economically flourishing regions in light of their electronics sectors. More specifically, the first section of this chapter will consider the electronics sector within Shanghai, a region studied by Hurst. My research has confirmed that Shanghai does represent an economically flourishing region; however, when we explore further, going deeper into Shanghai's specific occupational groups, especially the electronics industry, the reader sees that electronics workers have been affected dramatically by the region's economic success. Specifically, these workers' perspectives have been altered by the success: they feel that their own treatment as individual workers should reflect and mirror the same economic success being enjoyed by the region as a whole. In addition to considering Shanghai, this next section will also look at the electronics industry within Jiangsu and Guangdong, two other regions that have demonstrated significant economic achievement. By considering two other regions that display economic prosperity, we will begin to see a significant trend between workers in the electronics industry that happen to be located in (separate) economically prospering regions.

To summarize, my research has shown that, while helpful, Hurst's political economy argument concentrating on a region's GDP may not be the best tool with which to analyze protesting. My research will contribute to Hurst's by also considering a region's political economy, but going one step further by asking the reader to additionally consider the specific occupational sectors of the regions in China that have continued to demonstrate economic success. My research has shown that even in such economically prospering regions as Shanghai, Jiangsu, and Guangdong, workers – specifically those employed within the electronics sector – have been protesting because

they have been bearing the brunt of the regions' economic achievements. These workers have seen firsthand the success being enjoyed by the region and industry, and they have begun to question why their own success has not happened in parallel.

## **I. A Sectoral Analysis of Shanghai**

Shanghai, located on the southern coast of China, happens to be one of the country's smallest regions with an area of 6,340.5 square kilometers. However, despite its relatively small size, what Shanghai lacks in geographical stature it makes up for in far-reaching economic achievements. Shanghai has not only been China's top city for importing and exporting, but it has also been renowned as the commercial and financial center of mainland China. In the past year, Shanghai's Gross Domestic Product has increased 10.3% to 1,716.6 billion RMB.<sup>83</sup> However, as promising as these facts might seem on the surface, my research has shown that a look into the electronics sector of Shanghai shows common protesting despite the region's success.

### **a. A Glance at Shanghai's Electronics sector**

The Yangpu District, located in the northeast part of Shanghai, has long been known for its close proximity to the Bund, a major tourist attraction in Shanghai. However, recently the Yangpu District has received attention and coverage from local newspapers because of a string of protesting outbreaks. On December 2, 2011 more than 1,000 workers from the Hi-P International Ltd., a Sino-Singapore joint owned

---

<sup>83</sup> All of Shanghai's economic data comes from "The China Perspective". This site specializes in keeping track of all of China's provinces and well-known inner cities. Economic data is registered daily and these daily archives span from 2005-present. All data is verified and accurate. Jin, Tony, Helen Zhao, and et al. *The China Perspective*. 27 Feb 2012. Web. 28 Feb 2012.

enterprise, staged a protest in response to massive lay-offs occurring within the factory.

<sup>84</sup>Workers who had been victimized by the layoffs had received neither notification nor proper compensation for the termination of their jobs, and workers who had not been laid off also complained of low wages. When asked by local officials why the company had decided let go of so many of its workers, Hi-P responded through email with the following message:

The company said it faces “pricing pressure, higher materials costs due to change in product mix, increased labor costs, additional costs due to activities arising from sites’ consolidation,” according to its third-quarter earnings report. The company’s revenue gained 8.1 percent to S\$308.6 million (\$240 million) during the three-month period, while net profit plunged 81 percent to S\$6.47 million.<sup>85</sup>

In summary, the company responded to being faced with increased material and labor costs by deciding to dismiss workers, despite the strides it had achieved in revenue gains overall. In addition, they opted not to properly compensate the workers chosen for dismissal. Before continuing, I will also add that prior to this email being sent, when asked by a local news reporter why the company had decided to lay off so many of its workers, the head manager replied, “ Hi-P plans to relocate, not lay off workers. We had no intention of laying off our workers...they are overreacting to the situation”.<sup>86</sup>

Regardless of the company’s claims, its decision to dismiss workers in such an irresponsible manner has caused significant discontent. Hurst would claim that these workers, living in an economically thriving region, would have little to no difficulty

---

<sup>84</sup> See Report 64.

<sup>85</sup> Tighe, Michael. "Workers Protest at Hi-P Factory in Shanghai Following Layoffs." *Bloomberg Businessweek*. (2011): Web. 27 Feb. 2012. <<http://www.businessweek.com/news/2011-12-04/workers-protest-at-hi-p-factory-in-shanghai-following-layoffs.html>>.

<sup>86</sup> Tighe, Michael. "Workers Protest at Hi-P Factory in Shanghai Following Layoffs." *Bloomberg Businessweek*. (2011): Web. 27 Feb. 2012. <<http://www.businessweek.com/news/2011-12-04/workers-protest-at-hi-p-factory-in-shanghai-following-layoffs.html>>.

finding a new job. However, having been fired without adequate advance notice and without being given proper compensation, the likelihood that these workers succeed in finding new jobs fast enough to be able to support themselves and their families remains low.

It remains important to note that, although individual workers may not have been intimately aware of the details and numbers surrounding the economic achievements being made by the company, it logically follows that they would have taken notice of the company's success – surely seeing no signs of its struggling. In other words, the company's success and economic achievement could not have gone unnoticed by its workforce (to some degree at least). In turn, it may be this very perception by the Hi-P workforce, and others in similar situations where a company's success has been apparent, that has been a leading cause of discontent among workers and fueling the protesting dynamic, especially within a region like Shanghai where economic wellbeing does not fly under the radar to its population.

As workers continue to contribute to the success of their company, they become concerned with making sure they receive treatment that reflects that success. With regards to this specific aforementioned case, workers expected to be treated a certain way by their managers because the company had been seeing a notable rise in revenue. Although it may not necessarily be the managers' only responsibility to fire workers, it does remain in their power to enforce the laws that protect their workers, including contracts and pension payments. Outside of these managers' direct obligations to their still-employed workers, though, additional laws exist to protect and provide for workers in the event of termination of their position(s), namely some type of compensation to

suffice until they can find work elsewhere. It alarms workers when, despite the apparent success of their company or region, they still fail to receive just treatment that speaks directly *to* this perceived success. They logically question the motivation behind such unfair treatment, and engage in protests and strikes to protect themselves when they feel no one else will, even in the face of the National Labor Law, policies that these companies do not even try to enforce, which *ought* to protect them but goes by without adequate enforcement or implementation. Therefore, the Hi-P International Ltd. example illustrates two important facts: first, workers in regions that display economic growth *do* engage in protests and strikes; and second, they protest in large part due to the perception they have of this economic growth, and the relative slight they feel coming from the companies employing them, which have been enjoying the benefits of this economic growth. In this case, the Hi-P workers felt entitled to a certain treatment by their company, especially upon being laid off, and when they did not receive the just treatment they felt they deserved, they protested. Now, let us turn our attention to Shanghai.

Shanghai has thrived economically, as we have learned, but there has also been a downside to this success. The standard of living remains incredibly high in areas with prospering economies, especially Shanghai. By taking this particular reality into account, it logically follows that the prospect of being unfairly laid off threatens the livelihoods of workers, just as the above incident illustrates. However, besides having their livelihoods threatened by the possibility of losing their jobs, workers also have become aware of the economic success surrounding them, and this perception has led them to acquire a sense of entitlement to a certain level and quality of treatment by their

employers. For both these reasons, discontent has arisen among members of the workforce, and they have chosen to engage in strikes and protests as a means of preserving their livelihoods and the level of treatment they have become accustomed to. Workers within the Hi-P electronics factory have suffered, and this suffering has occurred despite the economic success of the rest of the Shanghai region. Additionally, Hurst's claim that "things could hardly be more different for Shanghai workers"<sup>87</sup> when comparing unemployment with Liaoning, a region displaying low economic growth, is not an accurate in telling what has actually been occurring in Shanghai. I will note here that Liaoning's industrial dynamic presents a completely different one than Shanghai's. Old steel and petrochemical plants heavily populate Liaoning. The dynamic of these industries differs dramatically from that of Shanghai, especially when we consider the relatively recent emergence of the electronics industry in China. However, in order to realize this fact it becomes imperative to focus our analysis *within* Shanghai's occupational sectors – particularly the electronics industry. As an overall region, Liaoning may be suffering higher unemployment rates than Shanghai, but when we examine Shanghai's electronics industry specifically we see that workers have been protesting low wages, unemployment and lack of compensation for unfair layoffs. In addition, these electronics employees have blamed their managers – not market reform policies – for irresponsibly handling the issues of low wages, unfair layoffs and improper compensation upon dismissal. To illustrate these points further, I will now highlight some relevant and interesting facts about the particular company in question: Hi-P International Ltd.

---

<sup>87</sup> O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008. 81.



First, a very large number of workers have been reported as being involved in this strike. Some reports have alleged that as many as 1,000 employees actively participated in the incident, which occurred on December 2, 2011, making this anything *but* a small strike. Perhaps this makes more sense when we realize that Hi-P International Ltd. represents one of Asia's largest contract manufacturing companies. They currently have factories in Tianjin, Qingdao, Chengdu, Suzhou, Dongguan, Xiamen, as well as plans to open up more factories in the future. On its corporate website, Hi-P International Ltd. highlights their treatment towards their employees: "Hi- P is a people's and results--oriented employer that rewards and empowers our people to maximize their potential".<sup>88</sup> In addition to promoting the way they treat their employees, Hi-P also emphasize their global presence, achievements, and production rate. Having been enlightened to these facts, it becomes difficult to comprehend why a company that prides itself in the aforementioned aspects of business could, in reality, be treating their workforce so poorly.

One possible answer may be found in the sheer size of Hi-P International Ltd. As such a large electronics company, with massive production units, it seems plausible that they could hide employee mistreatment beneath the façade of overall economic success as a business. It seems logical to assume that less scrutiny would be given to a company with an exceptional business record – especially one located within a region whose overall economy continues to prosper and succeed. Therefore, Hurst's scholarship emerges "correct" when considered specifically at the regional level; Shanghai has not been protesting "regionally," meaning across the region, within each

---

<sup>88</sup> *Hi-P International Limited*. 2005. Web. 27 Feb 2012. <<http://www.hi-p.com/>>.

and every industry or occupational sector. However, when we do focus our analysis deeper, looking specifically within the region's occupational sectors, we begin to see protests occurring, particularly within the electronics industry. This remains a very important fact to consider, regardless of the region's overall economic success. However, the location of this particular Hi-P factory may be the real reason the incident ended up being reported.

Since Shanghai continues to be a prospering region, workers employed there may be more "in touch" and aware of their situation(s) than somewhere else, the reason being that with a generally higher level of technology standard throughout the region, workers have more ways to stay updated about their surrounding environment, and this includes the success that their employing company may be experiencing, both within and outside of the region where they find themselves working. It follows, therefore, that workers may be aware of what goes on outside their company and also realize when they have been receiving inadequate or unfair treatment. Last, I will add that the establishment of Hi-P. can be seen as a direct result of Shanghai's economic success. How well this company does directly benefits the region; however, when workers do not feel that they have benefited equally, they express their discontent. In other words, a thriving economy can create more displeasure because workers witness this success but may fail to reap any of the rewards. Workers perceive how well an area does and when they do not thrive in parallel to their peers and company, they question their individual success. Therefore, if a company's production rates remain high, workers will hear about it and wonder why their wages remain so low. When workers do not receive adequate compensation for their long hours, in light of knowing how well their

company has been doing, they begin to wonder why they have not also been invited to share in the success and prosperity.

Although many of the facts I have just illustrated pertaining to this particular electronics industry in Shanghai seem specific to the region, they actually may be specific to the electronics industries within regions that display high economic growth. My research has uncovered a very specific trend within the electronics industry in economically booming areas. Now that we have highlighted a region that Hurst has taken into consideration, I would like to turn our attention to Jiangsu and Guangdong. We will first consider Jiangsu, where my research has shown that the electronics sector there has also been suffering discontent amongst the workforce. Jiangsu, like Shanghai, has been displaying high economic growth. In addition to displaying high economic growth, this region, like Shanghai has also been receiving a large amount of media attention pertaining to workers discontent.

## **II. A Sectoral Analysis of Jiangsu**

Jiangsu has been an economic hotspot since the late 1970s. The China Perspective reports that Jiangsu's GDP has grown 12.70% in the past year and predicts that this growth will only continue.<sup>89</sup> However, when we probe into Jiangsu's electronics sector we see a similar story to the one we already witnessed with the Hi-P International incident, namely a workforce that has been suffering from low wages and unfair treatment in light of being a large, Sino-foreign joint enterprise.

---

<sup>89</sup> Looking to surge ahead on its path of growth, the province plans to triple R&D expenditure and double railway coverage by 2015. Additionally, the province will devote more focus to high tech, emerging industries and service industries. The province hopes to have a prosperous solar industry by 2012, with an estimated valued of 100 billion RMB. Jin, Tony, Helen Zhao, and et al. *The China Perspective*. 27 Feb 2012. Web. 28 Feb 2012.

## b. A Glance at Jiangsu's Electronics sector

Nanjing, located along the lower Yangtze River, represents one of China's most important cities. It has been recognized as one of the Four Great Ancient Capitals of China and remains a popular tourist attraction for its rich Chinese culture. In addition to being known as a tourist hotspot, Nanjing has also been deemed one of China's most important economic zones. Within the past 10 years, many well-known electronics manufacturers have begun to set up factories in Nanjing; LG happens to be one of these companies. However, particular to this specific sector, workers from LG have begun protesting recently within the past year for reasons similar to those cited previously by workers at Hi-P International Ltd. My research has uncovered a specific trend within the electronics sector.

On December 26, 8,000 Chinese workers went on strike at a Nanjing LG factory, protesting against alleged unfair treatment by Korean managers.<sup>90</sup> *China Labor Watch* reported a description of the strike as the following:

The strike on December 26 started with the workers assembling on the factory complex's athletics field after walking off the job. Initially, only the workers from the number four factory building took part in the demonstration, but they were soon joined by workers from the complex's four other factory buildings. Before long, the protest had completely shut down approximately 80 different assembly lines.<sup>91</sup>

When reporters asked for clarification as to the main cause of the protest, Chinese workers replied that they had been discriminated against in their year-end bonuses. Specifically, while the Korean assembly line workers received individual year-

---

<sup>90</sup> See Report 71.

<sup>91</sup> Qiang, Li. "8000 Workers on Strike at LG Nanjing Factory to Protest Racial Discrimination in Year-End Bonuses." *China Labor Watch*. (2011): Web. 27 Feb. 2012.

end bonuses equivalent to 6 months' salary, Chinese assembly line workers received individual bonuses equivalent to one month's salary. When a reporter asked a Chinese assembly line worker why he had decided to strike, he replied that he worked just as hard as the other workers, and so he saw no reason why he should have received a year-end bonus any different from his fellow assembly line workers of Korean descent. The report goes on to state that after the strike on December 26, factory owners made an offer to double the year-end bonuses to two months' salary, but the Chinese workers immediately rejected it. The keen, perceptive nature demonstrated by the Chinese assembly line workers, essentially allowing them to realize that they had no reason *not* to expect (or deserve) equal treatment and compensation for doing the exact same work as their fellow Korean co-workers, becomes a critical point to take away from this particular incident. When reporters asked about additional problems, workers responded:

According to the workers, the factory has played host to several smaller strikes in the past, owing to the poor treatment workers have suffered over the years. The factory makes severe demands on its workers, often requiring them to work for as many as 12 hours a day. Many workers can't take the strain of these long hours and are forced to resign. Despite workers working for up to 290 hours a month, their monthly salary is never higher than 2700 RMB (approximately \$430). Finally, the food in the dining hall food is bland and not very filling or nutritious.<sup>92</sup>

Therefore, not only should LG be faulted for discriminating against their workers, but also for overworking and not offering fair compensation to their workers for these extra hours. It should not be surprising then, after learning of these different issues, that these workers chose to band together and protest against the unfair treatment they had been

---

<sup>92</sup> Qiang, Li. "8000 Workers on Strike at LG Nanjing Factory to Protest Racial Discrimination in Year-End Bonuses." *China Labor Watch*. (2011): Web. 27 Feb. 2012.

receiving. However, to go a step further in understanding this particular strike, I would also like to highlight some important characteristics of LG as a company, similarly to the way I examined Hi-P International Ltd.

Like Hi-P, the Nanjing LG Electronics factory represents another private Sino-foreign joint enterprise. LG bases its operations out of Korea, but this particular factory happens to be joint-owned by China and Korea. In addition to the Nanjing LG Electronics factory being a Sino-foreign joint enterprise, it also represents one of the largest in China. As we found the case likely to be for the Hi-P International strike, with a large company and factory, the size of the strike often grows accordingly. As stated previously, 8,000 Chinese workers from this LG Electronics factory participated in the December strike. In fact, this represented one of the largest strikes I documented in my database. Further similarity exists between the Hi-P International case and the LG Electronics one, as the Nanjing manufacturing hub had also been succeeding from a business standpoint. China Labor Watch illustrates the company's economic success,

The Nanjing factory manufactures LCD TVs, LED TVs and computer monitors for the LG Display Corporation, a subsidiary of the LG Group (KRX: 003550). The LG Group is a conglomerate of electronics, plastics and chemical manufacturers that was founded in 1947 in South Korea. By 2011, it had annual revenues of \$48.24 billion and was South Korea's second largest conglomerate, behind Samsung.<sup>93</sup>

By shedding light on this particular factory's overall economic success, we return once again to the question: why have electronics companies like Hi-P International and LG, whose economic successes have been well-documented, continued to treat their employees poorly? The answer seems to lie in the essential fact that (these) electronics

---

<sup>93</sup> Qiang, Li. "8000 Workers on Strike at LG Nanjing Factory to Protest Racial Discrimination in Year-End Bonuses." *China Labor Watch*. (2011): Web. 27 Feb. 2012.

companies remain often, if not always Sino-foreign joint owned and private enterprises. The “private enterprise” designation affords these companies the legal breathing room they need to effectively circumvent the national laws that would require proper treatment of their employees. And in some cases, as the Nanjing LG Electronics incident illustrates, they can also get away with discrimination. Also, we may see more protesting within this industry because the electronics sector happens to be incredibly time-sensitive. Because the majority of these companies remain export-oriented, they often find themselves forced to stick to tight, specific schedules with regards to completing shipments and orders. Operating within one of the most time-sensitive industries, electronics factories demand more hours in harsher working conditions to complete orders promptly and on time. However, the Chinese workers’ rejection of the company’s feeble, half-hearted attempt to alleviate the situation remains another important aspect of this protest worthy of our recognition and attention. Because doubling Chinese workers’ year-end bonuses still did not equal the bonuses given to the Korean workers, these workers completely rejected the company’s “compromise” proposal. These Chinese workers demonstrated the simple fact that employees everywhere, especially those who remain aware of their situations and perceptive to unfair treatment, expect to be treated both fairly *and* equally for the time and effort they put into their jobs.

Guangdong will be the final region taken into consideration by this section. In the third chapter, we probed micro-regionally to shed light on the diverse nature of protests occurring within this region. When we looked at Guangdong’s more urban areas we found that Guangdong has suffered from several different issues, all stemming

from the inability of the managerial level to properly implement labor laws. In fact, when we considered the city of Shenzhen, we found that the Jingmo Electronics factory had been the recent target of a strike by its workers. However, Jingmo Electronics does not stand alone among Guangdong's many factories that have suffered from employee mass protesting. The next section will take a closer look at Guangdong, but this time we will be looking specifically at the electronics sector operating within the region.

### **III. A Sectoral Analysis of Guangdong**

Guangdong represents another region, similar to Shanghai and Jiangsu, which has thrived economically over the course of the past five years as a result of the plethora of Sino-foreign joint enterprises operating within its borders. Guangdong sits atop both trade lists – exports and imports – for the country. Just last year, Guangdong's GDP had grown 12.40%.<sup>94</sup> However, also following in the analyses we have seen for Shanghai and Jiangsu, when we probe into Guangdong we see there has been a substantial amount of discontent among the workforce in its electronics sector.

#### **c. A Glance at Guangdong's Electronics industry**

As stated in the previous chapter, Shenzhen represents one of Guangdong's larger cities. This particular region happens to be heavily populated by electronics industry manufacturers. However, while the region does well overall, the economics sector seems to be suffering. Sanyo Electric Co., Ltd., one company operating within

---

<sup>94</sup> Guangdong has also led the way in moving up the manufacturing value chain from light industry production of textiles, toys and shoes to high end manufacturing of things like IT products and power equipment. Even as strong as Guangdong's manufacturing economy is Guangdong's local government expects the service industry to account for over 50% of GDP by 2015 and high tech manufacturing another 20%. Jin, Tony, Helen Zhao, and et al. *The China Perspective*. 27 Feb 2012. Web. 28 Feb 2012.



the region, represents one company that has had the misfortune of turning up in news reports, having seen two mass protests within the past year.

On November 9, 2011 more than 1,000 Sanyo workers protested against poor working conditions and a **planned** merger with another company within Shenzhen.<sup>95</sup> The company manager told workers that if they did not comply they would be fired immediately. The article also stated that workers had engaged in protest for the following additional reasons,

Workers complained that after the company increased basic salaries to 1,100 yuan per month this year, inline with Shenzhen's new minimum wage, it quadrupled the cost of food in the staff canteen. Workers said they could earn around 2,000 yuan a month before the tax but the company's social security and medical insurance contributions were still calculated according to the previous basic wage.<sup>96</sup>

Workers cited three primary reasons for their protest: costly working conditions; a planned, but forced merger with another company; and low wages. The article shows that company managers told workers that **after** the merger workers would be more content with working conditions and salary, but the article does not further illustrate how many of these workers elected to comply with the merger. With the first case in mind, let us now turn our attention to Sanyo's second protest, which occurred in January.

On January 16, 2012, 4,000 workers at the Sanyo Electric plant in Shenzhen engaged in a strike against the lack of compensation and job security that came as a

---

<sup>95</sup> See Report 66.

<sup>96</sup> "Sanyo Workers in Shenzhen Stage Strike." *China Labor Bulletin*. (2011): Web. 27 Feb. 2012. <<http://www.clb.org.hk/en/node/100927>>.

result **after** the merger with Panasonic Corp.<sup>97</sup> The article goes on to illustrate the details of the protest,

Employees were notified of the plan to merge with another company but not told about the official takeover until late last week. No compensation offer was made for their years working under the previous employer. This in turn affected their pensions and medical benefits. Workers pointed out that when Sanyo Motors, as well as the nearby Siemens factory, were taken over, employees were compensated for their years of service before being reemployed by the new owners.<sup>98</sup>

Lack of compensation, as well as the workers' awareness of the resulting treatment of employees following another recent company merger, seemed to be the leading sources of discontent for this particular incident. A few aspects of these two protests require our attention and bear noting as important. First, these articles highlight a protest before Sanyo's plan to merge as well as a protest following Sanyo's merger with Panasonic. Therefore, it can reasonably be assumed that discontent existed among the workforce before the merger, and then did not subside, or perhaps even worsened after the merger became official. Second, it remains somewhat alarming that Panasonic made no offer of compensation to the employees for their prior years of service to Sanyo once the merger became official. And third, it should be noted that workers had been **aware** of another company that had recently gone through with a merger, which had offered compensation and fair treatment to its workers following the business union, and they questioned why they had not been treated the same way. Having now discussed some of

---

<sup>97</sup> See Report 89.

<sup>98</sup> Yee, Lee, and Isabel Reynolds. "Thousands of workers protest at Sanyo's China plant." *Reuters* (Hong Kong) 16 Jan 2012, Web. 27 Feb. 2012. <[http://www.reuters.com/article/2012/01/16/us-china-protest-idUSTRE80F0FR20120116?feedType=RSS&feedName=businessNews&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed](http://www.reuters.com/article/2012/01/16/us-china-protest-idUSTRE80F0FR20120116?feedType=RSS&feedName=businessNews&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed)>.

the particularly important factors surrounding the workers and their strike, we can focus our attention more squarely on Sanyo Electronic Co., Ltd.

Japanese based Sanyo Electric Co., Ltd represents one of the largest electronics manufacturing companies in the world. On December 21, 2009, Panasonic completed a multibillion-dollar deal which made Sanyo a subsidiary of Panasonic. In Mainland China, Sanyo currently has thirteen different electronic factories, four of which operate within the region of Guangdong. The other nine factories operate within Dalian Liaoning. With thirteen manufacturing locations in Mainland China, Sanyo Electric clearly has substantial reach and size as a company, much like Hi-P International and LG Electronics. And like the other two electronics manufacturers, Sanyo operates as a Sino-foreign joint enterprise, and it does a significant amount of its production work in both Guangdong and Liaoning. The sheer size of both the November and the more recent January protest at this Sanyo factory also stand as being incredibly large for a single factory, with more than 1,000 workers involved in the first, and more than 4,000 involved in the second protest.

Although workers had not been protesting against uncompensated or unreasonable overtime hours in these specific cases, like we saw with the Shanghai transportation industry workers, the electronics industry continues the trend in highlighting how workers may become discontent in spite of the economic growth that certain regions display. Illustrating this point, like Hi-P's and LG's workers, Sanyo's workers have become discontent because of a perception of how they feel they ought to be treated in an environment where the economy and their respective companies have continued to thrive. In other words, these workers feel that the treatment they receive

from their employers should reflect the economic strides being made overall, and they have resorted to engaging in strikes and protests when they feel their contributions have not been rewarded or recognized appropriately. When we specifically consider the Sanyo Electrics case, we understand that these employees believed that following the merger with Panasonic, they should have been compensated and treated the same way they had been treated as employees prior to the merger, as well as receiving treatment equal to their peer workers elsewhere within the electronics industry in the region. Therefore, this case illustrates that workers' discontent may be looked at as relative to how others have been treated upon a company's merge; because workers from another company had been compensated for a year's worth of wages, the Sanyo's workers expected to be treated accordingly.

#### **IV. The Significance of Looking at the Electronics Sector**

After considering each region's electronics industry in addition to specific cases of protest it becomes clear that workers in Shanghai, Jiangsu, and Guangdong have become more perceptive with regards to their region's economic achievements in light of their current situations of unfair treatment. Workers pay attention to the output numbers for production because they work such long, grueling hours to ensure they make their shipments and quotas, so it makes sense that when they run into compensation issues, but they remain aware of the success the company has continued to enjoy, they become agitated by the perceived absence of benefits they feel entitled to, having been a part of that overall success. Although this chapter has only considered three electronics manufacturers in the regions of Shanghai, Jiangsu, and Guangdong,

some important facts have become apparent as to why this specific occupational sector has seen repeated protesting within regions with stable, successful economies.

First, the companies whose factories have been victimized by workers striking have been private Sino-foreign joint enterprises. The second chapter of this thesis explained why the existence of private enterprises in China came with both positive and negative ramifications. The government can control state-owned enterprises by enforcing new labor laws and policies, but privately owned Sino-foreign joint enterprises have found ways to circumvent labor laws and policies, since they do not answer to or operate directly within the national government's control. In fact, these enterprises have little motivating them to obey national labor laws since these laws and policies often pose obstacles to the bottom lines or profit margins being sought by the companies.

Second, Hi-P International Ltd., LG Electronics, and Sanyo Electric represent incredibly large electronics industry companies that manufacture products within China and service products around the world. In other words, if these companies had smaller global economic footprints, their incidents of strike would likely have never made such big splashes in the media. Furthermore, as big players in the global electronics industry, these companies have certain reputations to uphold. We learned earlier in this chapter the Hi-P takes significant pride in the way its treatment of employees has been perceived. Ironically, the recent incidents of collective action involving their company's factories would suggest that they do not actually treat their employees with the due diligence and good will that they have promoted.

Last, each of these companies' factories have been achieving great success within regions whose own economies have displayed economic growth overall. Essentially, these companies contribute to the success of their region(s). By highlighting these three similarities among companies within the electronics sector, it becomes clearer why workers within these companies have continued to suffer poor treatment, even in the face of economic growth and success. As a result of the success being enjoyed by these thriving regions, protests such as the two I have just explored have managed to go unnoticed.

Shanghai presents an excellent example with which to test Hurst's political economy argument. Hurst's scholarship remains correct in that Shanghai displays economic growth *as a region*, as it has not been known to be a frequency victim of protesting *as a region*. However, like the basic regional argument presented by C.K. Lee, Hurst's argument stays too broad-minded by remaining focused at the regional level, because delving into specific occupational sectors we *do* see repeated accounts of protesting and strikes. Although I have only highlighted one instance of protest within Shanghai's electronics industry, my database illustrates that there had been an additional protest within this specific area in the past year.<sup>99</sup> And when we consider Jiangsu, a region that has also displayed economic growth, there have been many protests occurring within this particular sector, as well. Although this chapter has only considered one incident, at LG Electronics, within Jiangsu's electronics sector, like Shanghai, there have also been multiple cases of documented discontent among electronic workers in this region.<sup>100</sup> Like Shanghai and Jiangsu, Guangdong also

---

<sup>99</sup> See Report 89.

<sup>100</sup> See Reports 3, 63, 79.

displays other cases of protest within this sector. However, Guangdong has shown a higher rate of protest within this industry.<sup>101</sup>

One additional question pertaining to the electronics industry, which has not been considered yet, remains: why have foreign enterprises chosen to establish business in China? It would seem that we find the answer in the unrivaled cheap labor to be found by operating within China's borders. The importance of this particular aspect remains specific to an industry that requires its workers to work long overtime hours, since electronics industry companies must ensure that they can work their employees for long periods of time, including overtime, while still producing materials at cheap costs. The reality is that workers, especially when they work such long, grueling hours, become discontent if they do not feel they have been compensated fairly for their efforts. Labor costs can only stay cheap at the workers' expense, but once they figure this out the most likely scenario and reaction, which has been illustrated by the reports in my database, has been to engage in collective action to fight for their rights.

After considering all of the facts these two cases have illustrated, one can likely assume that Hurst and similar scholars have not examined these protests because they simply have not come up under such a broad method of analysis as a region's political economy. In addition, China does a very thorough job covering up these incidents, so when they do occur the stories disappear from the media almost immediately. However, the massive number of workers involved in both the Hi-P International and the LG Electronics strike made it very difficult for the Chinese government to suppress media coverage. Especially when we consider that one employee from the LG Electronics

---

<sup>101</sup> See Reports 56, 60, 66, 74, 78, and 83.

strike managed to upload a video to the internet, in which claimed, “By the strike’s end, they won’t just be giving us polite answers to our uncompromised proposals. United we are strong and we will persevere until we are victorious,” it becomes very difficult to believe companies when they claim that these incidents never occurred.

Taking into account all of these important dimensions of the electronics sector and the repeated protests that have occurred recently, it may be a good time to reconsider how well we deem China’s “economically successful” regions to be doing. The main objective of this last chapter involved shedding light on two regions with prospering economies in light of Hurst’s political economy argument. After examining Shanghai, which surfaced in Hurst’s scholarship, as well as Jiangsu, a region I have studied closely, it has become apparent that a region’s economic success can actually be an underlying reason for workers protesting. Simply by witnessing and being a part of this overall economic achievement, when workers do not feel like they have been allowed to share in the benefits of the success they often become agitated and turn to protesting to voice their discontent. When we consider Liaoning, Hurst makes an exceptional point by shedding light on the fact that this specific region has been dramatically affected by market reform; however, this theory cannot be applied to regions that have not been affected by market reform in the same ways that Liaoning had. Also, a region’s GDP cannot always help understand why certain industrial sectors are protesting within an economically booming region. To do this, we must actually take the time to *look at* the individual occupational sectors, and only then can we begin to understand they might be protesting when the region seems to be doing just fine. At this specific sectoral level, trends become clear and the reader can effectively identify the



main problem, which for this case happens to be that workers have been slaving away without benefiting in line with the profits being made by their companies.

By remaining loyal to their companies and *not* complaining, as the workers of Hi-P and LG had been doing, they suffered from inadequate compensation, low wages, and discrimination by co-workers, all because the government had been unable to enforce newly established labor policies that would have protected them. While the problems facing workers within the electronics sector may cover a broad range of maltreatment issues, the only way to decipher the underlying problem in most cases remains taking a close look within the occupational sectors of each region, no matter what the overall economic outlook for it may be.

## **Chapter Five:**

### **Conclusion**

The world has become increasingly more aware of China's vast economic achievements. However, in light of its economic success many have also learned about the significant number of demonstrations of collective action that have been plaguing the country. Scholars have utilized a regional method when analyzing China's collective action issue, whose incidents have been growing in frequency. C.K. Lee, one such scholar who has done significant research on two of China's regions, argues that both Liaoning and Guangdong have suffered from protests because of the establishment of new market reform policies within China. This method has proven helpful because it illustrates that these protests do not strictly remain confined to one area of China, but rather in two vastly different regions. According to C.L Lee, it also allows the reader to see that the reasons for protesting demonstrations vary greatly across different regions. Workers in Liaoning have grown distraught over low wages (and in some cases even nonexistent wages), while workers in Guangdong have cited the inability to retrieve their pensions as a main reason for discontent. However, after we considered C.K. Lee's scholarship, we found that certain limitations arose concerning the scope of her argument.

C.K. Lee's research emphasized many significant factors to the gradual uprising of collective action in China, but her main message focused on the ways in which China's market reform era has impacted both urban and rural areas of China. Subsequently, she proposed that the discontent that has followed has been a result of market reforms and the various policies associated therein. More specifically, C.K. Lee

has formulated two arguments. On one level C.K. Lee has viewed specific regions in light of the 1980s market reform and how they were affected. On a more specific level she has considered Guangdong and Liaoning, two areas that have been affected by market reform alternations. She has then claimed that Guangdong suffers from unpaid pension and Liaoning suffers from unemployment and unpaid wages. Although C.K. Lee's insight has been helpful in highlighting the broader, more comprehensive reasoning behind protesting, she does at times remain too broadminded and even abstract when it comes to the reasoning behind social discontent. In other words, she considers one region and gives a very broad explanation as to why workers have become discontent. As significant as C.K. Lee's scholarship has been to the field of collective action, I refuse to accept that there may be just one explanation for all the protesting going on in China.

My research has differed from C.K. Lee in that I have considered the urban cities of regions as the focus of my studies, instead of taking a macro-regional approach as C.K. Lee has done with Guangdong. When we probed into Guangdong's inner cities of Foshan, Guangzhou, Shenzhen, and Dongguan, we found that workers' discontent did not necessarily stem from market reform policies as C.K. Lee has claimed, but rather with the ways that the governmental and managerial level have poorly enforced these policies. More specifically, my database has illustrated that managers have not been implementing policies correctly and as a result workers have suffered and begun voicing this discontent through protest. Finally, my research has shown that the dynamic of Chinese protesting has changed since C.K. Lee began conducting her research from the late 1990s into the early 2000s. Lee retained some accuracy in her

analysis by concluding that Guangdong has suffered significantly from the new market reform policies during the early and late 90s and even in the beginning of the 2000s; however, present day Guangdong workers have not continued to suffer exactly the same way that they did when these reforms initially went into effect.

After considering the micro-regional level, it becomes apparent that the source of workers' discontent has become both diverse and multilayered. By mistakenly attributing generalized causes of discontent such as pension payments to the region, we blind ourselves from the reality – the intricate, specific details of what has been going on in Guangdong. When we view Guangdong through the micro-regional scope that I have proposed, we see that workers have actually had the opportunity to benefit greatly from the aforementioned reforms, but discontent has arisen where policies have not been implemented properly and managers have cheated their employees out of these potential benefits.

William Hurst, like C.K. Lee, also takes a regional approach when analyzing workforce discontent; however, his main argument states that the reader must take into consideration a region's political economy, or its economic stability, in order to understand discontent among workers. In other words, if a region had been doing poorly from an economic perspective, then Hurst would consider the region's struggling economy to be the primary source of its workers' discontent. We then learned that this method has been helpful because it allows the reader to become familiar with how well China has been doing economically, as well as what areas have continued to flourish more than others. For example, when we considered the difference between the political economies of Liaoning and Shanghai, we found it to be immense and noteworthy of

highlighting when considering collective action in both regions. While Shanghai has continued to be a region of prosperity and opportunity, Liaoning remains an area where opportunity does not abound on quite the same level, and protests may result directly from this lack of opportunity. Hurst adds to C.K. Lee's argument by highlighting the importance of the political economy of an area, but Hurst and C.K. Lee both remain too broad in their arguments. While I do agree with Hurst on the importance of considering political economies when examining protests, Shanghai remains a very large region, one with many districts and cities, and although its overall GDP has continued to boom, not every type of worker, across every occupation, has reflected that same level of success.

My research has shown that there lies significant discontent even within China's more prosperous regions. In order to see this dynamic, we must consider a region's occupational sectors. Specifically, this paper has considered the electronics industries within three of China's economically burgeoning regions: Shanghai, Jiangsu, and Guangdong. When we considered different cases of protest within the electronics industries in these three regions, we found that significant trends emerged. First, all of the electronics firms we considered presented examples of large factories as the target locations for each protest. Second, each case involved a company whose factory represented a Sino-foreign joint enterprise. And last, since we had been considering factories within the electronics industry, the work being done in each remained incredibly time-sensitive, meaning deadlines for production and shipments had to be met, regardless of the cost to the livelihoods of the workers doing the job. When we consider these three aspects of the electronics sector, we realize these particular facets make companies in this specific industry much more inclined to mistreat their workers.

However, not only has this paper illustrated that protests have in fact been occurring in economically booming regions, but it has also shed light on workers' underlying reasons for engaging in protests and strikes. When we considered three cases within China's economically flourishing regions, we found that workers had been comparing their own economic success to their peers as well as their companies. For instance, when we considered a strike in Jiangsu's LG Electronics factory, we found that a Chinese worker had become discontent not necessarily because he had not received a proper year-end bonus, but more so because his bonus had not been as high as his Korean co-worker. This subjective perspective retains its significance and needs to be taken into consideration in order to understand *why* workers have actually become upset. Therefore, Hurst's more objective viewpoint may enlighten a reader as to why a region has not seemed to be protesting *overall*. However, the problem arises when a specific case has been highlighted within a "non-protest-prone" region, such as the three cases mentioned earlier in this paper, and his argument fails to make sense of these specific incidents. My research has shown that workers, especially within the electronics sector, have become discontent because they have been able to perceive their companies' success, as well as their peers', and they have begun to wonder why their own level of prosperity has not occurred on quite the same level as either.

Utilizing both a micro-regional and a sectoral approach has proven significant in my study of collective action in China. As I illustrated with Guangdong, there have been many cases of protest occurring within China's myriad of regions and this diversity can only be noticed when probing into the regions' cities. This diversity highlights that the nature of these protests cannot be deemed as generalized as scholars

have made it seem thus far. My research has also highlighted that serious implementation issues exist at the managerial level. Correct implementation remains vital to the success of growing companies. My sectoral hypothesis has been equally significant. As China becomes more of a capitalist country, workers mindsets will be sure to alter accordingly. The discontent that has arisen as a result of workers' perceptions of personal success will only grow more frequent as this capitalist mindset becomes more common. I hope that future research will follow this path of analysis. Watching China's economic growth from an objective standpoint may be important, but considering a region's workers from a subjective standpoint should be deemed equally as important. Discontent stems from how one feels, and while statistics may help us see part of the picture, they should not be used by themselves – perceptions should not be forgotten.

Unfortunately, I had a limited time with which to gather data and conduct my research for the project. For my micro-regional argument, I was only able to focus on a few of Guangdong's urban cities. Future research should delve further into regions by exploring their more urbanized areas and cities. In addition to Guangdong, I found that Liaoning and Zhejiang both showed significant diversity at their city-levels. However, I was not able to cover both of these regions in this paper due to time constraints. In the past two years, Zhejiang and Liaoning have been altered significantly. Liaoning's and Zhejiang's inner cities have become more and more populated by various factories and firms. The vast diversity shown in these two regions would probably prove more significant than Guangdong's. I would hope that future research would take this direction and continue to further explore regions in light of their urban cities.

For my sectoral argument I only had the ability to focus on one of China's occupational sectors – the electronics sector. Further research should attempt to give my argument more applicability within economically burgeoning regions by focusing on a smaller occupational sector, one not so predominated by Sino-foreign joint enterprises, and one whose general work did not remain so time- sensitive. However, I still feel that both my micro-regional argument and my sectoral argument remain crucial aspects to take into consideration when researching China's collective action. The dynamic of protests throughout the country remains in a constant state of flux, and this trend will surely continue as China becomes more export-oriented.

This research may not only be important to China's workforce, but also to the longevity of the country's economic growth. LG, Sanyo, and Hi-P each represent large, Sino-foreign joint enterprises that have chosen to establish their manufacturing firms in China because the location allows them to make their products cheaply and efficiently. While these three aforementioned cases have not yet begun to disrupt China's economic order, if China's government and managerial officials cannot find a way to satisfy their workers, the likelihood remains that these protests will continue to grow to the point that they *do* significantly affect the country's overall economic growth rate.

Specifically, these protests will eventually begin to affect the way that China interacts as a member of these Sino-foreign joint enterprises. In other words, as a result of this contention, businesses, factories, and firms will begin to look elsewhere to manufacture their goods. Alternatively, the more Sino-foreign joint enterprises establish themselves within China and continue to make the country more export-oriented, the more we may see this contention emerge and balloon. The possibility remains that, with either of these



scenarios, the next 15 years could decide whether or not foreign industries will be able to continue to manufacture these goods as cheaply and efficiently as they have up until this point. The next 15 years could possibly see the end of cheap labor in China. Additionally, as more workers express their dissatisfaction, more workers will subsequently feel comfortable voicing their discontent. The emergence and strengthening of the collective “worker’s voice” could lead to the democratization of China.

As of right now, the rest world of the world is becoming increasingly more aware of China’s social unrest; however, what is actually aired to the public is very selective. Once more protests begin to hit the media, foreign countries are going to begin to question China’s treatment towards its people. China has set itself on the right path, steering further and further away from socialist values and entering a world of commerce, international relations, and market reform; however, this success relies on China’s immense workforce population. These workers remain one of the most important contributors to the overall success of the country. With so much dependence on the support of its citizens, particularly those within the workforce, China has arrived at a crossroads of sorts. A country can only move forward with the support of its people. If China loses the support of its citizens, it is likely China will have difficulty progressing further economically, politically, and socially.

# Appendix A

	Province	City/County	Occupation	Number of Protesters	Source
1	Zhejiang	Jinhua	Internet Protest: Animal Abuse	n/a	<a href="http://www.whatsonxiamen.com/news21354.html">http://www.whatsonxiamen.com/news21354.html</a>
2	Shaanxi	Datong	Coal Miners	2,000-3,500	<a href="http://www.greenleft.org.au/node/25324">http://www.greenleft.org.au/node/25324</a>
3	Jiangsu	Nanjing	Electronic Industry Workers	1,000	<a href="http://chinastrikes.crowdmap.com/reports/view/136">http://chinastrikes.crowdmap.com/reports/view/136</a>
4	Hainan	Haikou	Factory Workers: Garment Industry	1,000	<a href="http://chinastrikes.crowdmap.com/reports/view/170">http://chinastrikes.crowdmap.com/reports/view/170</a>
5	Guangdong	Panyu, Guangzhou	Factory Workers: Handbag Industry	4,000+	<a href="http://chinastrikes.crowdmap.com/reports/view/143">http://chinastrikes.crowdmap.com/reports/view/143</a>
6	Sichuan	Emeishan	Factory Workers: Laid Off	1,500	<a href="http://chinastrikes.crowdmap.com/reports/view/79">http://chinastrikes.crowdmap.com/reports/view/79</a>
7	Henan	Xinye County	Fertilizer Workers	500	<a href="http://chinastrikes.crowdmap.com/reports/view/83">http://chinastrikes.crowdmap.com/reports/view/83</a>
8	Guangdong	Haizhu District, Guangzhou	Sanitation Workers	200+	<a href="http://chinastrikes.crowdmap.com/reports/view/75">http://chinastrikes.crowdmap.com/reports/view/75</a>
9	Shanghai	Waigaoqiao	Transportation: Truck Drivers	2,000+	<a href="http://chinastrikes.crowdmap.com/reports/view/80">http://chinastrikes.crowdmap.com/reports/view/80</a>
10	Guangdong	Dongguan	Transportation: Bus Drivers	26 bus crews	<a href="http://chinastrikes.crowdmap.com/reports/view/159">http://chinastrikes.crowdmap.com/reports/view/159</a>
11	Anhui	Huaining	Transportation: Bus Drivers	n/a	<a href="http://chinastrikes.crowdmap.com/reports/view/160">http://chinastrikes.crowdmap.com/reports/view/160</a>
12	Anhui	Yuyang	Transportation: Bus Drivers	dozens	<a href="http://chinastrikes.crowdmap.com/reports/view/162">http://chinastrikes.crowdmap.com/reports/view/162</a>
13	Shaanxi	Ankang	Transportation: Bus Drivers	two routes	<a href="http://chinastrikes.crowdmap.com/reports/view/163">http://chinastrikes.crowdmap.com/reports/view/163</a>
14	Hunan	Changsha	Transportation: Railway Workers	100+	<a href="http://chinastrikes.crowdmap.com/reports/view/152">http://chinastrikes.crowdmap.com/reports/view/152</a>

15	Zhejiang	Wenzhou	Transportation: Taxi Drivers	100+	<a href="http://chinastrikes.crowdmap.com/reports/view/150">http://chinastrikes.crowdmap.com/reports/view/150</a>
16	Zhejiang	Hangzhou	Transportation: Taxi Drivers	1000+	<a href="http://chinastrikes.crowdmap.com/reports/view/148">http://chinastrikes.crowdmap.com/reports/view/148</a>
17	Shanghai	Shanghai	Transportation: Taxi Drivers	Fuxin Taxi Company	<a href="http://chinastrikes.crowdmap.com/reports/view/151">http://chinastrikes.crowdmap.com/reports/view/151</a>
18	Hainan	Qionghai	Transportation: Taxi Drivers	100+	<a href="http://chinastrikes.crowdmap.com/reports/view/158">http://chinastrikes.crowdmap.com/reports/view/158</a>
19	Zhejiang	Jiaxin	Transportation: Taxi Drivers	200 out of 900 cabs	<a href="http://www.reuters.com/article/2011/08/09/china-strike-idUSL3E7J92QU20110809">http://www.reuters.com/article/2011/08/09/china-strike-idUSL3E7J92QU20110809</a>
20	Gansu	Lanzhou	Transportation: Taxi Drivers	5,000	<a href="http://www.greenleft.org.au/node/25324">http://www.greenleft.org.au/node/25324</a>
21	Henan	Zhengzhou	Transportation: Taxi Drivers	100+	<a href="http://chinastrikes.crowdmap.com/reports/view/157">http://chinastrikes.crowdmap.com/reports/view/157</a>
22	Shandong	Zhangqiu	Transportation: Taxi Drivers	100+	<a href="http://www.clb.org.hk/en/node/101108">http://www.clb.org.hk/en/node/101108</a>
23	Guangdong	Foshan	Transportation: Taxi Drivers	150 drivers 1 company	<a href="http://www.clb.org.hk/en/node/101108">http://www.clb.org.hk/en/node/101108</a>
24	Yunnan	Mengzi	Transportation: Taxi Drivers	100 drivers 5 companies	<a href="http://www.clb.org.hk/en/node/101108">http://www.clb.org.hk/en/node/101108</a>
25	Henan	Zhengzhou	Transportation: Taxi Drivers	1,000+	<a href="http://chinastrikes.crowdmap.com/reports/view/50">http://chinastrikes.crowdmap.com/reports/view/50</a>
26	Hubei	Xianning	Transportation: Taxi Drivers	100+	<a href="http://chinastrikes.crowdmap.com/reports/view/50">http://chinastrikes.crowdmap.com/reports/view/50</a>
27	Fujian	Fuzhou	Transportation: Taxi Drivers	n/a	<a href="http://chinastrikes.crowdmap.com/reports/view/124">http://chinastrikes.crowdmap.com/reports/view/124</a>
28	Fujian	Putian	Transportation: Taxi Drivers	1,200+	<a href="http://chinastrikes.crowdmap.com/reports/view/125">http://chinastrikes.crowdmap.com/reports/view/125</a>
29	Guizhou	Baiyun District, Guiyang	Factory Workers: Migrant Workers	1,500+	<a href="http://www.greenleft.org.au/node/25324">http://www.greenleft.org.au/node/25324</a>
30	Guangdong	Dongguan	Factory Workers: Migrant Workers	migrant workers	<a href="http://www.citizenstrade.org/ctc/wp-content/uploads/2011/05/knighttridder_chineseworkers_09082004.pdf">http://www.citizenstrade.org/ctc/wp-content/uploads/2011/05/knighttridder_chineseworkers_09082004.pdf</a>

31	Shanghai	Main Harbor District	Transportation: Truck Drivers	600+	<a href="http://www.huffingtonpost.com/2011/04/22/china-strike-exports-shanghai-truckers_n_852628.html">http://www.huffingtonpost.com/2011/04/22/china-strike-exports-shanghai-truckers_n_852628.html</a>
32	Guangdong	Tianhe District, Guangzhou	Factory Workers: Auto Parts	200-300 out of 800	<a href="http://chinastrikes.crowdmap.com/reports/view/24">http://chinastrikes.crowdmap.com/reports/view/24</a>
33	Guangdong	Foshan	Factory Workers: Auto Parts	90 out of 200	<a href="http://www.reuters.com/article/2010/07/21/us-china-labour-idUSTRE66K0WH20100721">http://www.reuters.com/article/2010/07/21/us-china-labour-idUSTRE66K0WH20100721</a>
34	Guangdong	Nansha, Guangzhou	Factory Workers: Auto Parts	1,000+	<a href="http://chinastrikes.crowdmap.com/reports/view/22">http://chinastrikes.crowdmap.com/reports/view/22</a>
35	Wuhan	Hubei	Factory Workers: Auto Parts	240+	<a href="http://chinastrikes.crowdmap.com/reports/view/32">http://chinastrikes.crowdmap.com/reports/view/32</a>
36	Tianjin	Northern City	Factory Workers: Auto Parts	n/a	<a href="http://chinastrikes.crowdmap.com/reports/view/7">http://chinastrikes.crowdmap.com/reports/view/7</a>
37	Tianjin	Xiqing Economic Development Area	Factory Workers: Auto Parts	1,000+	<a href="http://chinastrikes.crowdmap.com/reports/view/21">http://chinastrikes.crowdmap.com/reports/view/21</a>
38	Tianjin	Northern City	Factory Workers: Auto Parts	n/a	<a href="http://www.chinadaily.com.cn/business/2010-06/21/content_9996470.htm">http://www.chinadaily.com.cn/business/2010-06/21/content_9996470.htm</a>
39	Guangdong	Zhongshan	Factory Workers: Auto Parts	n/a	<a href="http://chinastrikes.crowdmap.com/reports/view/8">http://chinastrikes.crowdmap.com/reports/view/8</a>
40	Guangdong	Foshan	Factory Workers: Auto Parts	250+	<a href="http://chinastrikes.crowdmap.com/reports/view/9">http://chinastrikes.crowdmap.com/reports/view/9</a>
41	Guangdong	Zhongshan	Factory Workers: Auto Parts	1,700+	<a href="http://chinastrikes.crowdmap.com/reports/view/9">http://chinastrikes.crowdmap.com/reports/view/9</a>
42	Guangdong	Nanhai, Foshan	Factory Workers: Auto Parts	n/a	<a href="http://chinastrikes.crowdmap.com/reports/view/6">http://chinastrikes.crowdmap.com/reports/view/6</a>
43	Liaoning	Dalian	Petrochemical Workers/Chinese Civilians	12,000+	<a href="http://library.pressdisplay.com/pressdisplay/viewer.aspx#">http://library.pressdisplay.com/pressdisplay/viewer.aspx#</a>
44	Zhejiang	Hangzhou	Transportation: Taxi Drivers	1,000+	<a href="http://library.pressdisplay.com/pressdisplay/viewer.aspx#">http://library.pressdisplay.com/pressdisplay/viewer.aspx#</a>
45	Guangdong	Dongguan, Huang Jiang Township	Factory Workers: Shoe Industry	7,000+	<a href="http://www.clb.org.hk/en/node/101169">http://www.clb.org.hk/en/node/101169</a>
46	Combined city protest	Chongqing, Chengdu, Nanchang, Fuzhou, and Changsha	Factory Workers: Bottling Plant	2,000+	<a href="http://www.clb.org.hk/en/node/101166">http://www.clb.org.hk/en/node/101166</a>

47	Fujian	Xiamen	Transportation: Taxi Drivers	100+	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
48	Guangdong	Qiaotou Township	Transportation: Taxi Drivers	n/a	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
49	Anhui	Chaohu City	Transportation: Taxi Drivers	300+	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
50	Hunan	Xiangtan	Transportation: Taxi Drivers	n/a	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
51	Henan	Leihe	Transportation: Taxi Drivers	500+	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
52	Wuhan, Xi'an, Yunnan, Lanzhou, Anhui	Kunming (Yunnan), Chuzhou (Anhui)	Transportation: Bus Drivers	n/a	<a href="http://www.clb.org.hk/en/node/101156">http://www.clb.org.hk/en/node/101156</a>
53	Shanghai	Yangpu District	Hospital: Support Staff	500+	<a href="https://chinastrikes.crowdmap.com/reports/view/186">https://chinastrikes.crowdmap.com/reports/view/186</a>
54	Chongqing	n/a	Factory Workers: Chemical and Fertilizer	264+	<a href="http://www.clb.org.hk/en/node/101169178">http://www.clb.org.hk/en/node/101169178</a>
55	Henan	Luohe	Transportation: Taxi Drivers	1,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/184">https://chinastrikes.crowdmap.com/reports/view/184</a>
56	Guangdong	Dongguan	Factory Workers; Watch Factory	2,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/180">https://chinastrikes.crowdmap.com/reports/view/180</a>
57	Zhejiang	Wenzhou	Factory Workers: Eyeglass Industry	2,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/185">https://chinastrikes.crowdmap.com/reports/view/185</a>
58	Jiangsu	Nanjing	Sanitation Workers	n/a	<a href="https://chinastrikes.crowdmap.com/reports/view/194">https://chinastrikes.crowdmap.com/reports/view/194</a>
59	Guangdong	Biayun District, Guangzhou	Factory Workers: Shoe Industry	300+	<a href="https://chinastrikes.crowdmap.com/reports/view/187">https://chinastrikes.crowdmap.com/reports/view/187</a>
60	Guangdong	Shenzhen	Factory Workers: Electronics	1,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/196">https://chinastrikes.crowdmap.com/reports/view/196</a>
61	Guangdong	Huangjiang Township, Dongguan	Factory Workers: Shoe Industry	7,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/193">https://chinastrikes.crowdmap.com/reports/view/193</a>
62	Guangdong	Shenzhen	Factory Workers: Garment Industry	400+	<a href="https://chinastrikes.crowdmap.com/reports/view/197">https://chinastrikes.crowdmap.com/reports/view/197</a>

63	Jiangsu	Taicang	Factory Workers: Electronics	300+	<a href="https://chinastrikes.crowdmap.com/reports/view/207">https://chinastrikes.crowdmap.com/reports/view/207</a>
64	Shanghai	n/a	Factory Workers: Electronics	1000+	<a href="https://chinastrikes.crowdmap.com/reports/view/206">https://chinastrikes.crowdmap.com/reports/view/206</a>
65	Zhejiang	Anji	Factory Workers: Furniture	100+	<a href="https://chinastrikes.crowdmap.com/reports/view/214">https://chinastrikes.crowdmap.com/reports/view/214</a>
66	Guangdong	Shenzhen	Factory Workers: Electronics	1000+	<a href="https://chinastrikes.crowdmap.com/reports/view/58">https://chinastrikes.crowdmap.com/reports/view/58</a>
67	Hainan	Haikou	Transportation: Truck Drivers	n/a	<a href="https://chinastrikes.crowdmap.com/reports/view/209">https://chinastrikes.crowdmap.com/reports/view/209</a>
68	Guangxi	Haikou	Transportation: Truck Drivers	n/a	<a href="https://chinastrikes.crowdmap.com/reports/view/209">https://chinastrikes.crowdmap.com/reports/view/209</a>
69	Henan	Fangchang	Transportation: Truck Drivers	n/a	<a href="http://www.clb.org.hk/en/node/101187">http://www.clb.org.hk/en/node/101187</a>
70	Zhejiang	Jinhua	Supermarket	100+	<a href="https://chinastrikes.crowdmap.com/reports/view/200">https://chinastrikes.crowdmap.com/reports/view/200</a>
71	Jiangsu	Nanjing	Electronic Industry Workers	8,000	<a href="https://chinastrikes.crowdmap.com/reports/view/219">https://chinastrikes.crowdmap.com/reports/view/219</a>
72	Guangdong	Guangzhou	Factory Workers: Auto Parts	2,000	<a href="https://chinastrikes.crowdmap.com/reports/view/220">https://chinastrikes.crowdmap.com/reports/view/220</a>
73	Guangdong	Dongguan	Factory Workers: Paper Industry		<a href="https://chinastrikes.crowdmap.com/reports/view/218">https://chinastrikes.crowdmap.com/reports/view/218</a>
74	Guangdong	Niu Shan Waijing Industrial Zone	Factory Workers: Electronics	300+	<a href="https://chinastrikes.crowdmap.com/reports/view/216">https://chinastrikes.crowdmap.com/reports/view/216</a>
75	Hebei	n/a	Transportation: Bus Drivers	40+	<a href="https://chinastrikes.crowdmap.com/reports/view/225">https://chinastrikes.crowdmap.com/reports/view/225</a>
76	Hubei	Wuhan	Factory Workers: Electronics	300+	<a href="https://chinastrikes.crowdmap.com/reports/view/227">https://chinastrikes.crowdmap.com/reports/view/227</a>
77	Fujian	Fuzhou	Factory Workers: Shipyard	100+	<a href="https://chinastrikes.crowdmap.com/reports/view/233">https://chinastrikes.crowdmap.com/reports/view/233</a>
78	Guangdong	Dongguan	Factory Workers: Electronics	n/a	<a href="https://chinastrikes.crowdmap.com/reports/view/226">https://chinastrikes.crowdmap.com/reports/view/226</a>

79	Jiangsu	Wuxi	Factory Workers: Machine and Appliances	1000+	<a href="https://chinastrikes.crowdmap.com/reports/view/232">https://chinastrikes.crowdmap.com/reports/view/232</a>
80	Sichuan	Chengdu	Factory Workers: Steel Workers	2,000-10,000	<a href="https://chinastrikes.crowdmap.com/reports/view/221">https://chinastrikes.crowdmap.com/reports/view/221</a>
81	Liaoning	Dilian	Factory Workers: Brewery Workers	1,000	<a href="https://chinastrikes.crowdmap.com/reports/view/223">https://chinastrikes.crowdmap.com/reports/view/223</a>
82	Guangxi	Wuzhou	Factory Workers: Toys	1,300	<a href="https://chinastrikes.crowdmap.com/reports/view/224">https://chinastrikes.crowdmap.com/reports/view/224</a>
83	Guangdong	Dongguan	Factory Workers: Toys	1,000+	<a href="https://www.wsws.org/articles/2012/jan2012/work-j17.shtml">https://www.wsws.org/articles/2012/jan2012/work-j17.shtml</a>
84	Shandong	Yantai	Factory Workers: Electronics	1,000	<a href="https://chinastrikes.crowdmap.com/reports/view/230">https://chinastrikes.crowdmap.com/reports/view/230</a>
85	Jiangxi	Jingdezhen	Factory Workers: Auto Parts	2,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/229">https://chinastrikes.crowdmap.com/reports/view/229</a>
86	Guangdong	Shenzhen	Factory Workers: Electronics	2,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/228">https://chinastrikes.crowdmap.com/reports/view/228</a>
87	Guangxi	Nanning	Factory Workers: Electronics	8,000+	<a href="https://chinastrikes.crowdmap.com/reports/view/234">https://chinastrikes.crowdmap.com/reports/view/234</a>
88	Hubei	Zhongxiang City	Migrant Workers	300+	<a href="https://chinastrikes.crowdmap.com/reports/view/265">https://chinastrikes.crowdmap.com/reports/view/265</a>
89	Shanghai	Minhang District	Factory Workers: Machine and Appliances	600+	<a href="https://chinastrikes.crowdmap.com/reports/view/268">https://chinastrikes.crowdmap.com/reports/view/268</a>
90	Shaanxi	Hanzhong	Factory Workers: Steel Workers	5,000	<a href="https://chinastrikes.crowdmap.com/reports/view/266">https://chinastrikes.crowdmap.com/reports/view/266</a>
91	Zhejiang	Ningbo	Factory Workers: Electronics	350+	<a href="https://chinastrikes.crowdmap.com/reports/view/270">https://chinastrikes.crowdmap.com/reports/view/270</a>
92	Guangdong	Dongguan	Factory Workers: Electronics	200	<a href="https://chinastrikes.crowdmap.com/reports/view/271">https://chinastrikes.crowdmap.com/reports/view/271</a>
93	Guangdong	Shaoxing	Factory Workers: Shoe Industry	200	<a href="https://chinastrikes.crowdmap.com/reports/view/272">https://chinastrikes.crowdmap.com/reports/view/272</a>
94	Guangdong	Meizhou	Sanitation Workers	200	<a href="https://chinastrikes.crowdmap.com/reports/view/274">https://chinastrikes.crowdmap.com/reports/view/274</a>

# Bibliography

- “As Labor Disputes Rise 30% in the First Half of 2009, Courts Emphasize Stability.” *China Labor Bulletin* (2000): Web. 24 May 2011.
- Bergsten, C., Bates Gill, et al. *China: The Balance Sheet*. 1st. New York: Public Affairs, 2006.
- Ching-wen, Wu. "Socialist Planned Economy." *Peking Review*. 16.11 (1973): 7-8. Web. 9 Dec. 2011.
- Cheung, Jennifer. "Strike at Citizen Watch Factory ." *China Labor Bulletin*. (2011): Web. 11 Dec. 2011.
- “Deng Xiaoping.” Encyclopedia Britannica. Encyclopedia Britannica Online, 2011. Web. June 2011.
- Epstein, Edward. *China's 2008 Labor Contract*. Troutman Sanders (2007). 2. Web. 3 June 2011.
- Fewsmith, Joesph, ed. *China Today, China Tomorrow: domestic politics, economy, and society*. Lanham: Rowman and Littlefield Publishers Inc., 2010.
- “Former Steel Workers Battle Industrial Goliath.” *China Labor Bulletin* (2011): Web. 3 Jun 2011.
- Gittings, John. *The Changing Face of China: From Mao to Market*. New York: Oxford University Press, 2005.
- Hi-P International Limited*. 2005. Web. 27 Feb 2012.
- Hsu, Carolyn. *Creating Market Socialism: How Ordinary People Are Shaping Class and Status in China*. Durham: Duke University Press, 2007.
- Hurst, William. "Understanding Contentious Collective Action by Chinese Laid-Off Workers: The Importance of Regional Political Economy." *Studies in Comparative International Development*. 39.2 (2004).
- IHLO: “*A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*,” 2010.
- Keith, Schoppa. *Twentieth Century China: A History in Documents*. 2nd. New York: Oxford University Press, 2010.
- Jin, Tony, Helen Zhao, and et al. *The China Perspective*. 27 Feb 2012. Web. 28 Feb 2012.



- Linda, Wong, and Norman Flynn, ed. *The Market in Chinese Social Policy*. New York: Palgrave Macmillan, 2001.
- Lee, Ching. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Ewing: University of California Press, 2007.
- Lee, Ching. *Livelihood Struggles and Market Reform: (Un) making Chinese Labor After State Socialism*. United Research Institute for Social Development, 2005.
- "Migrant Workers Protest Against Poorly Managed Social Security Reforms in Guangdong." *China Labor News Translations*. Mar 2010. Web. 9 Dec 2011.
- "Migrant Worker Union Negotiates Pay Deal for Tianjin Cleaners" *China Labor Bulletin* (2002): Web. 1 April 2011.
- O'Brien, Kevin. *Popular Protest in China*. Cambridge: Harvard University Press, 2008.
- Perry, Elizabeth, and Mark Selden. *Chinese Society: Chang, Conflict and Resistance*. 3rd. New York: Routledge, 2010.
- Perry, Elizabeth. "Shanghai's Strike Wave of 1957." *China Quarterly*. 137 (1994).
- Pringle, Tim. "A Labor Movement in the Making?" *China Labor Bulletin* (2002): Web. 16 May 2011
- Qiang, Li. "8000 Workers on Strike at LG Nanjing Factory to Protest Racial Discrimination in Year-End Bonuses." *China Labor Watch*. (2011): Web. 27 Feb. 2012.
- "Sanyo Workers in Shenzhen Stage Strike." *China Labor Bulletin*. (2011): Web. 27 Feb. 2012.
- "Shaanxi Workers Seek to Reclaim Stolen Pension Fund Contribution." *China Labor Bulletin* (2008): Web. 22 May 2011.
- "Shanghai's GDP grows 8.2% in 2011." *China Daily* (Xinhua) Web. 22 Feb. 2012.
- Smith, Christopher. *China in the Post-Utopian Age*. Boulder: Westview Press, 2000.
- Tighe, Michael. "Workers Protest at Hi-P Factory in Shanghai Following Layoffs." *Bloomberg Businessweek*. (2011). Web. 27 Feb. 2012.
- "Unemployment in China." *China Labor Bulletin* (2007): Web. 23 May 2011.

Xiaobu, Lu, and Elizabeth Perry, ed. *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspective*. Armonk: M.E. Sharpe, Inc., 1997.

Yee, Lee, and Isabel Reynolds. "Thousands of workers protest at Sanyo's China plant." *Reuters* (Hong Kong) 16 Jan 2012, Web. 27 Feb. 2012.

Zhang, S.S 2010. *IHLO: A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China*, 2010.