



Report:

On China's
Labour Movement
March 2024

Top-down Policies Difficult to Solve Systemic Problems

On 17 August 2021, at the 10th meeting of the Central Financial and Economic Commission (CFEC), Xi Jinping characterised "common wealth" as a new direction for China's development, with a focus on solving the widening gap between the rich and the poor. The underlying principle is to address the problem of inequality in economic and social development on the fast track of social modernisation. There is no doubt about the good intentions of this policy, but its top-down, campaign-style administrative order still makes outsiders question the effectiveness and sustainability of this slogan.

When a government decree is issued, it is answered by a hundred people. Big tech giants like Alibaba and Tencent made gestures, pledging to donate tens of billions of yuan to "common wealth" building efforts. Then a host of private companies, celebrities and tycoons followed suit, and suddenly, overnight, they were all in favour of social justice. Putting aside these merely symbolic oaths, are not the workers under these bosses, who are really ploughing the soil, the nearest target of "common wealth" to these enterprises? In fact, compared to the investment and donation pledges made by these enterprises, if these tycoons can abide by the existing labour laws and give fairer treatment to their workers, the goal of common prosperity can be achieved in a more practical manner.

Further, what will really move Chinese workers towards common wealth is whether the government can respect and protect the spirit of contract, and enable enterprises and workers to negotiate on an equal footing over working conditions and treatment. Protecting workers' rights presupposes respecting the equality of workers and employers, ensuring that both parties are bound by a contract, and that both parties are involved in the process of making the contract - from the beginning of the negotiation to the negotiation, to the signing of the contract and the protection of both parties from infringement of the contract. Unfortunately, to this day, the Chinese government has failed to encourage a good contractual spirit in society, and this has led to difficulties in implementing the government's subsequent labour policies.

China expects to start a new phase of social reform with common wealth. But the experience of the past four decades of reforms also reminds us that we must not overlook those whose rights have been sacrificed, intentionally or unintentionally, in result-oriented reforms. When Deng Xiaoping accelerated reform and opening up in the early 1990s, "development is the hard way" was operationally understood to mean that economic development was prioritised over workers' welfare. As a result, Chinese workers have been objectified as "costs" to be counted and "prices" to be paid in accidents during China's ambitious reform process. Workers have always endured as silent tools, without any say in the process of reform and opening up, and are the group that has benefited the least from the reform and opening up.

Despite the official rhetoric of shared prosperity, the situation for most Chinese workers has not changed much. Workers still toil hard every day to earn a decent wage, many protest bitterly to get the money they deserve but are owed for no reason, and many others have jobs that erode their health and even their lives on a daily basis.

The 18th National Congress of the Communist Party of China (CPC) in 2012 set the goal of "two hundred years" for Chinese society. The second 100 years refers to building China into a rich, strong, democratic, civilised, harmonious and beautiful modern socialist power by 2049, the 100th anniversary of the founding of New China. The CPC is full

of confidence in achieving this goal, and the goal of "common prosperity" in recent years has also demonstrated this ambition. However, when we look back at the encounters and struggles of Chinese workers over the past decade, the serious systemic problems that have been exposed have been reminding policymakers that, in the midst of the frenzied struggles, it is worthwhile to pause and reflect on how to resolve the huge existing contradictions as soon as possible, so as not to allow them to pile up and explode in the foreseeable future.

Short-sighted policies and workers who lie flat

China has accumulated a large number of socio-economic problems over time as a result of its rapid development, as evidenced by the 2020 census data. China's population now stands at 1.41 billion, but over the past decade, the country's population growth rate has fallen to its lowest point since the founding of the nation, with only 5.38 per cent growth; the total fertility rate for women of childbearing age fell to 1.3 in 2020, and it is predictable that within a decade the country's working-age population will decline even further as ageing increases.

The Chinese government is of course aware of the looming demographic crisis and has tried to find a solution: on 31 May 2021, the Political Bureau of the Central Committee announced that it would implement a policy that allows one couple to have three children, along with supporting measures. But many young people have dismissed the policy as a non-starter, as the financial burden on their families is a reality, and they can't even afford to get married, let alone have more children. Xinhua's microblogging account launched a poll entitled "Are you ready for the three-child policy? Of the 31,000 people who voted, about 29,000 chose "not at all". The tweet was quietly deleted about an hour later.

China has gone from a tough family planning policy of "lead down, flow down, just don't let them be born" and "I'd rather have a river of blood than one overbearing child" to a "gift" policy of opening up to three children. "The government expects the people to give birth to a lot of children as if the floodgates were opened, but the result is likely to be a great disappointment to the policy makers. One of the key reasons is that these top-down decrees, which are taken for granted, are simply out of touch with the reality. At the other end of the spectrum, the reasons behind why the general public do not want to have children are closely related to the pressure and insecurity of work, from white-collar workers in the cities to migrant workers in the cities.

From this, we can see that there are inevitable flaws in the approach of governance which simply treats the head when there is a headache and treats the foot when there is a foot sore. Only when the people have a stable and promising future can there be stable socio-economic development.

Taking this a step further, China's current social security and healthcare systems are already in jeopardy, and demographic shifts will inevitably put more pressure on society. A report by the Chinese Academy of Social Sciences predicts that the current balance of the national basic pension fund for urban workers will be negative for the first time by 2028, and that the pension fund reserves will decline rapidly thereafter and may deplete the cumulative balance around 2035. In response, the government has proposed delaying the retirement age and considering extending the minimum contribution period for pensions from 15 to 30 years. These measures may alleviate some of the pressure on pension funds in the short term, but in reality they only push the crisis into the future. While China's current platform

economy continues to grow at a rapid pace, the average worker has very little social security, as employers generally do not sign formal labour contracts with their workers. As this situation continues, the crisis in China's pension fund will continue and the depletion is likely to get worse. In fact, who wouldn't be willing to make longer-term savings plans for their families if workers had a decent wage and their companies took the initiative to pay social security?

Those younger, more educated middle-class white-collar workers are also finding that their growth prospects are severely limited. Workers in the tech sector have always earned relatively high salaries, but they have had to endure extraordinarily long working hours, more often than not at the expense of their lives and health. However, Chinese tech companies have consistently ignored workers' demands for work-life balance and basic health rights, leading more and more of them to leave this increasingly "inward-looking" competition. 2021, the buzzword in China is "lie flat". Those who choose to "lie flat" are content with less income, refusing to work overtime and taking more time for themselves.

For the CCP, which views workers as productive, this trend has alarmed policymakers, as it challenges the long-promoted value of selflessness and dedication at work, and the "model workers" who have been promoted as typical have long since fallen from grace. Those "model labourers" who have been promoted as typical have long since fallen off the pedestal. On the other hand, lying down also runs counter to an important direction of the government's economic development policy in recent years: stimulating domestic consumption. If thousands of people choose to lie flat, consumption will be downgraded and the economy will stagnate.

With the transition of economic development from manufacturing to services, the unstable and insecure economy of odd jobs has become the trend, and the space for protests by the workers' movement is shrinking. However, Chinese workers still suffer from many injustices and a great deal of pent-up discontent, which have not changed and have no avenues for resolution. Even if the large-scale collective protest strikes of the 2010s no longer exist, workers can at least use "lying down" as a form of passive protest. This is something that government policy cannot support, because "lying down" essentially stems from despair at the loss of expectations for the future. If the government continues its condescending and arrogant policies, even if collective protests by workers were to disappear from the land, the countless number of desperate "flat-layers" would not contribute to China's sustainable development.

Labour rights and the workers' movement

On a foggy day in January 2021, a group of striking taxi drivers in Xianyang, Shaanxi Province, parked their vehicles end to end on the side of the road and unfurled a red banner demanding that the government rectify the operating market, stating that they were "resolutely defending property rights". This is just one moment in the drivers' two-year struggle to end the "tyrannical terms and conditions" with the local transport company and to get the right to manage their own taxis. On the same day in Dezhou, Shandong province, workers staged a sit-in to protest against unpaid wages at a state-owned construction company. One worker posted on a social media platform asking, "No one cares about the unpaid wages of migrant workers?"

We have included more than 14,000 incidents over the course of a decade. These two protests, which took place on the same day in Xianyang and Dezhou, are just the tip of the iceberg. Collective action by workers, large and

small, has become a regular feature of Chinese society over the past two to three decades. These events are a constant reminder that despite the Chinese government's policies to boost the economy and improve labour relations, workers continue to struggle to secure their most basic rights.

In a series of reports on human rights, China has cited economic development and the accompanying "general improvement in living standards" as evidence of "an overall improvement in human rights". When these documents refer to workers' rights, they all emphasise that "Chinese workers enjoy the right to equal employment and choice of occupation, the right to remuneration for their labour, the right to rest and leave, the right to protection of labour safety and hygiene, the right to vocational skills training, the right to social insurance and welfare, the right to seek redress for labour disputes, and other labour rights as stipulated by law. labour rights."

But the workers' movement we documented presents another side of reality, namely that despite China's economic growth and modernisation, and despite the fact that China's constitution and laws claim in their text to guarantee workers' basic rights, corporate management has always been emboldened to violate workers' rights and interests. In this section, we look at four industry-specific cases of labour disputes, through which we see four systemic issues that have prevented real and lasting progress on labour rights. We also review general trends in the changing nature of labour disputes over the past decade, including changes in the geographic distribution of workers' collective action and the changing nature of workers' work in digitally driven consumer markets.

It is important to note at the outset that we are not attempting to provide a complete picture of all labour movements in China, and that the Chinese government has stopped publishing annual statistics on "mass incidents" since 2008. Based on some of the collective action statistics that China used to publish, we estimate that only about 5 to 10 per cent of the cases actually occurred. In addition, we cannot confirm the authenticity of all the information we have included, but we are basically confident that the basic facts of the incident, such as the date and location of the incident, and the demands of the workers, are true and reliable.

In addition, there are some limitations to our data. For example, information on the identities of the workers involved, especially gender, is more difficult to collect, and therefore difficult to provide the information needed by those who want to conduct labour research in this area. The reader is also reminded that gender is closely related to issues such as retirement planning, family planning, childcare, social security, etc., and therefore the limitations of the data include the difficulty of presenting issues related to workers such as gender.

Changing Patterns of the Workers' Movement

Over the past decade, we have documented the workers' movement in different regions and industries, presenting a socio-political and economic picture beyond the official narrative, and foreshadowing the future evolution of the workers' movement

Firstly, there has been a marked change in China's economic composition and development model - from a continued reliance on low-cost, export-oriented manufacturing for more than three decades to the rise of service industries based on internet platforms such as online shopping and food delivery. As a result, there has been a growing

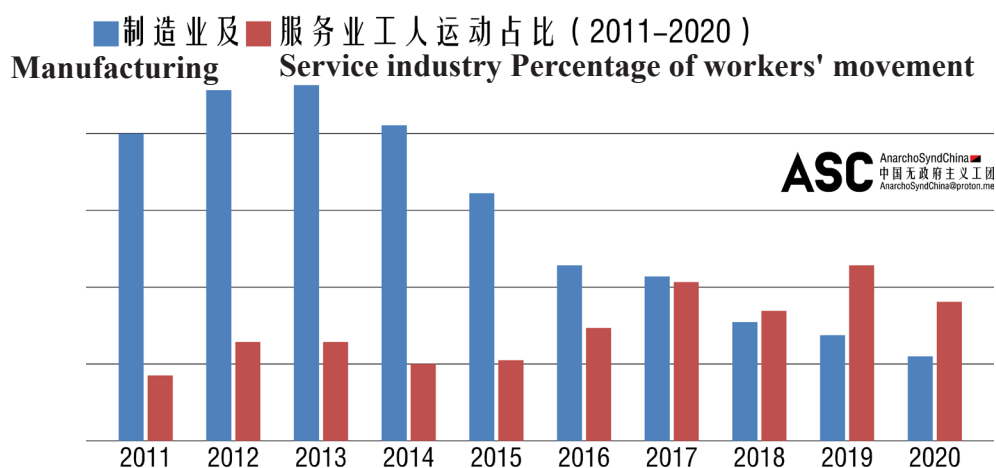
number of labour disputes in service industries ranging from healthcare and catering to banking and finance, to transport related to freight drivers and the like. 2021 On 25 January, within days of the aforementioned workers' protests in Xianyang and Dezhou, hundreds of nursing staff at a hospital affiliated with Yan'an University in Shaanxi Province launched a sit-in demonstration demanding that the hospital increase wages and pay for the employees' pensions, medical insurance. That same month, couriers at Best Company in Hebei Province went on strike because their bosses owed them wages, leaving tens of thousands of undelivered expresses piled up outside warehouses undelivered. It can be seen that while labour disputes in the traditional manufacturing industries are still mired in the quagmire, labour conflicts in the emerging industries are also expanding in the form of new wine in old bottles.

Secondly, from the 1990s onwards, the urbanisation and economic development of China's inland areas such as Sichuan and Henan accelerated, providing a large number of labourers to the more developed coastal areas. As companies have expanded inland, labour disputes in these areas have skyrocketed in tandem. Once upon a time, Shenzhen was the epicentre of worker protests in China, but the situation has changed. In 2015, we documented 75 manufacturing worker protests in Shenzhen, accounting for 75 per cent of the city's total number of worker collective actions that year. But just two years later, in 2017, that number dropped to 22, and the share fell to half of the city's worker collective actions that year.

Finally, the traditional social structures associated with labour have been eroded, with people becoming increasingly isolated and fragmented in society. Coupled with the gradual aging of the first generation of migrant workers and the increasing precariousness of labour, social welfare systems, such as pensions, face unprecedented challenges.

Since 2000, factories have replaced the "kinship and regional ties" that workers once relied on, providing a natural field of solidarity. Once in places like Shenzhen, workers from Sichuan, Henan or other inland areas find that regional and ethnic differences no longer matter, as labour disputes become the ultimate common problem in the face of long working hours, low wages and poor treatment.

This situation has become increasingly evident over the past decade. With the rise of social media such as Weibo, WeChat, Jieyin, and Shutterbug, social media has constructed a new layer of relationships that is more prevalent than the traditional face-to-face connections between people.



Intensification of labour disputes in the service sector

At the beginning of the 2010s, the data show that workers' protests were more frequent among people with low-professional jobs in big cities, such as sanitation workers, cleaning staff, and shop and restaurant employees. But by the mid-2010s, protests had spread across the country across a wide range of industries, including hotels, bars and karaoke lounges, gyms, technology companies, banks and financial firms, medical institutions, kindergartens and other private educational institutions such as tutorials and driving schools; and even employee protests at golf courses and amusement parks, professional football teams, television stations, and local media organisations.¹⁴ In June 2014, workers at Chongqing Chen High School protested in the city of Chongqing. In June 2014, high school teachers at Chenjia High School in Chongqing went on strike to demand that the school pay their outstanding wages and maintain their "legitimate and equal treatment". In the same month, employees of China Mobile demonstrated at the Heze Mobile Company and the municipal government in Shandong to protest against unfair layoffs. In December, employees of the China Resources Vanguard Supermarket in Tangshan, Hebei Province, protested outside the shop, demanding that the company give them the same compensation for layoffs as employees of another branch. The workers' banner read : "CR Vanguard, give me back equal treatment!"

Prior to 2017, protests in the transport sector tended to be dominated by taxi drivers, with few couriers or takeaway delivery workers protesting. But over the past few years, the situation has shifted dramatically. The rapid growth of e-commerce has fuelled a massive growth in the economy of casual labour in food delivery and other courier services, with employment in this new sector skyrocketing. However, labour disputes have spread along with the industry's expansion, as its labour relations are more uncertain than those in traditional industries. e-commerce grew dramatically in China in the late 2010s. in 2019, e-commerce sales in China totalled \$1.9 trillion, more than triple the size of the world's second-largest e-commerce market, the United States. by 2020, China accounted for nearly 55 By 2020, China will account for nearly 55 per cent of the global e-commerce market.

As more and more people start shopping online, the demand for drivers from logistics companies is growing steadily, and will continue to do so even as the new global crown spreads in 2020. In addition, the government is addressing concerns about rising unemployment by encouraging the construction of community delivery sites and increasing the so-called "casual labour economy", a temporary form of flexible employment. In the first half of 2020 alone, Meituan, China's largest online food delivery platform, added 1.4 million new employees. A survey of these odd-jobs found that 30 per cent had joined the platform after losing their jobs from other industries, with a significant proportion holding at least a bachelor's degree, accounting for nearly 25 per cent of Meituan's 2.95 million odd-jobs.

The number of taxi driver protests has declined for a time since 2015. But the New Crown Pneumonia epidemic in 2020, which saw taxi revenues plummet but companies collect every penny of the fees, led to a significant spike in driver protests. In 2020, we recorded 116 taxi driver protests, double the 54 recorded in 2019. This trend is even more pronounced when we look at taxi drivers in the context of overall labour protests. in 2013, taxi driver protests accounted for around 15 per cent of the total, dropping to 8.2 per cent in 2016, and just 3.9 per cent in 2019, but by 2020, the figure rises back up to 14.5 per cent.

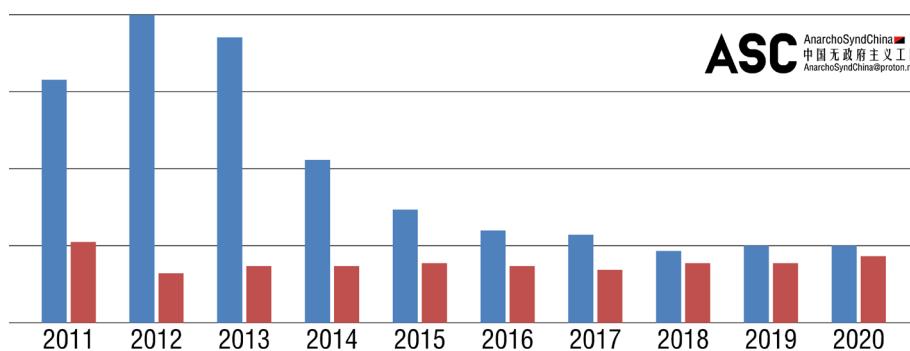
Strikes and protests by transport workers on Chinese App platforms have become mainstream since 2017. Platforms have been cutting costs to grab market advantage amid fierce industry competition, with unstable incomes and a harsh fine system leading to frequent worker protests. From January 2017 to December 2020, the Workers' Collective Action Map recorded 220 collective protests initiated by takeaways and couriers, accounting for around a third of all transport sector protests in that period. Delivery workers on app platforms such as Meituan and HungryMan have long faced ubiquitous labour rights traps, including shifts of up to 18 hours and penalties for late deliveries. Under the manipulation of algorithms, workers have no bargaining power, and even the platforms do not recognise labour relations at all after workplace injuries, leaving workers struggling to defend their rights.

In the next decade, China's economic structure will continue to see more changes, especially the shift in the centre of gravity of the industrial structure towards services and e-commerce, and more labour disputes are likely to focus on new types of flexible employment. This will bring a new set of challenges to labour relations and labour rights in China.

Regional variations in workers' actions

In the early 2010s, the majority of labour disputes in China were concentrated in the south-eastern coastal provinces, particularly the economic powerhouse of Guangdong. However, with the gradual shift of low-cost export-oriented industries to foreign countries, coupled with urbanisation inland, the overall proportion of worker protests in Guangdong has continued to decline.

■ 广东省及 ■ 第二高省份工人运动占比 (2011-2020)
Guangdong Second highest Province Percentage of workers' movement



Guangdong's labour movement of China's overall labour movement

Many low-end manufacturers in Guangdong have moved to countries such as Vietnam, Cambodia, Indonesia and Bangladesh in recent years as the cost of opening factories in China has risen and Southeast Asian countries have aggressively introduced favourable policies to attract multinational investment. However, a large proportion of manufacturers formerly headquartered in Guangdong have also relocated to inland China - a rush given the massive infrastructure development that began in the 2010s and the incentives offered by inland local governments to attract investment.

Electronics manufacturing giant Foxconn, which in its early days was based in Shenzhen and at its peak employed

up to 420,000 people, decided in 2010 to move its main production base from Shenzhen to a new factory outside Zhengzhou, Henan province. This factory, at the peak of its development in 2018, employed around 300,000 workers. Half of the world's iPhones come from the hands of these workers.³⁰ As manufacturers such as Foxconn move to the mainland, they are also transferring the same exploitative labour practices they used in manufacturing centres such as Shenzhen. The Zhengzhou factory, known as "Apple City", forces workers to work long overtime hours in violation of the Labour Law and employs a large number of temporary workers.

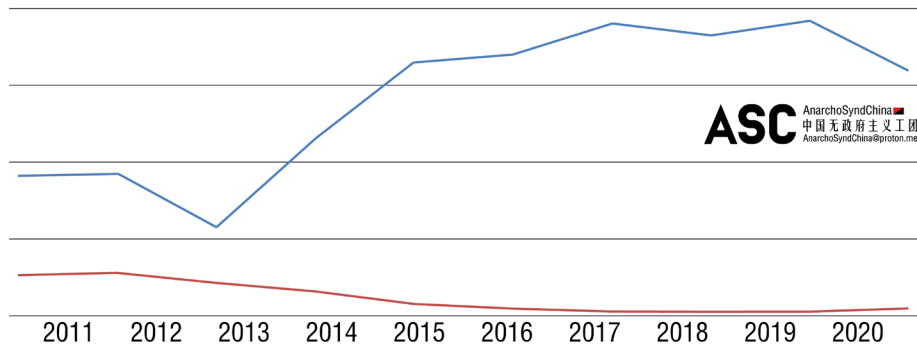
The boom in the inland labour market is not just due to the inward shift of manufacturing from the coast. Infrastructure development and rapidly advancing urbanisation have also continued to catalyse the rapid development of inland transport and services, attracting manufacturing firms to move inland from the coast. This is clearly reflected in our data. The data shows that the proportion of labour disputes in the service sector in inland cities has increased accordingly over the same period.

In Sichuan province, for example, about 41 per cent of worker protest actions recorded over the past decade took place in the construction sector, 34 per cent in services and transport, and only 15 per cent in manufacturing. Often anticipating prosperity from infrastructure spending, population growth and greater consumer demand, firms have recklessly expanded into new inland markets, which has led to a large number of service sector protests. Firms set up new subsidiaries in smaller inland cities, and when the speculative bubble burst, the firms fell into disarray. This often leaves workers in dire straits - with wages owed for months, job losses, and no money at all when the bosses run away. Of the 654 incidents recorded in Sichuan over the past decade, 75 per cent involved unpaid wages.

Changes in the nature of workers' organisation and resistance

After 2015, the service sector gradually replaced manufacturing as the largest contributor to China's GDP. This has been accompanied by an increase in the precariousness and discrete nature of the labour force, which has led to significant changes in the way workers organise and act collectively. Whereas previously manufacturing, mining and other industrial sectors typically employed large numbers of workers in fixed locations, one of the most obvious trends now is the marked decline in the number of large-scale protests. The most recent large-scale factory worker protest has been the April 2014 strike at Dongguan's Yuyuan shoe factory. At that time, 40,000 workers went on strike for a fortnight, protesting against low wages and the company's failure to pay social security. Since 2015, many large factories have closed or laid off most of their workers. Most of the remaining factories are more stable and profitable, as they can offer relatively reasonable wage levels, and there are fewer issues for workers to protest against. The decline in the number of protests involving 1,000 or more workers may be partly due to the fact that large-scale strikes and demonstrations were more likely to find their way onto social media than smaller protests in the first few years of the 2010s. However, a more important reason is that in the second half of the 2010s, the Government became more assertive in putting a stop to any collective action that threatened social stability and tarnished the image of the Communist Party.

■少于千人 ■多于千人的案例占比 (2011-2020)
Less than 1,000 Proportion of cases accounted for by 1000 people



ASC AnarchoSyndChina
 中国无政府主义工团
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One of the government's most prominent setbacks on labour issues occurred on 11 March 2016 in Shuangyashan City, Heilongjiang Province. At the time, Heilongjiang Governor Lu Hao was attending the National People's Congress in Beijing, while thousands of angry coal miners marched through the streets of Shuangyashan to petition for payment of wages that had been outstanding for more than two months by the Heilongjiang Long Coal Group. The group, a state-owned enterprise, was heavily indebted due to coal overcapacity. To add to the workers' anger, the provincial governor, Lu Hao, said in a public statement at the National People's Congress that the group "doesn't owe a single cent to its underground workers". The workers protested, in what was the largest protest at a state-owned company in years. The move forced the local government to demand that Long Coal pay all workers' wages. But the authorities also made it clear that this type of protest would not be tolerated, and on 13 March police stormed the workers' residence, arresting many of the miners who had taken part in the demonstration and releasing photographs of at least 75 wanted individuals. The logic of the central government's zero-tolerance strategy was to maintain a posture of severe punishment for "troublemakers" in order to intimidate other potential worker leaders and prevent collective protests in other areas.

After the Shuangyashan incident, the CCP Central Committee and the State Council introduced a new public safety measure, whereby all responsibility for large-scale mass events rests with the local government. In other words, the government had zero tolerance for mass incidents, and top local officials could be removed from their posts if such incidents occurred.

The late 2010s also saw a sustained crackdown on labour NGOs in Guangdong province. For a decade, these NGOs had ample experience in providing local factory workers with the specific skills needed for collective action. These NGOs succeeded in bringing employers to the bargaining table in several high-profile workers' rights cases, creating a new model of collective bargaining in practice while highlighting the absence of official trade unions in the defence of workers' rights.

The government's crackdown on traditional labour NGOs has left workers without the guidance and reliable support of professional resistance knowledge. As a result, more and more workers are turning to online organising, using a variety of communication software to protest. For example, in 2016 Walmart employees went on strike several times to protest against the company's change in working hours. The number of people who actually participated in

the protests in person was limited, but it is estimated that around 100,000 Walmart employees had access to the newly formed network of online support groups, which helped to alleviate the isolation of protesting employees as they struggled with their powerful employer. By organising online, it was as if everyone, even colleagues thousands of kilometres away, shared a common identity, faced the same difficulties and looked for common solutions.

Subsequently, in the summer of 2018, crane operators and lorry drivers adopted a similar strategy of resistance by organising nationwide protests against falling pay levels and deteriorating working conditions. In the same year, workers at Shenzhen Jiasi Technology Co. went even further by using social media to reach out to student groups and supporters. However, online organising can be risky, and there were a large number of arrests and detentions of Jiasi workers and their supporters. This is evidenced by the two subsequent arrests in 2019 and February 2021 of Takeaway Riders' ally Chen Guojiang.

Chan Kwok Kong is also known as the Riders' Union ally. He had established a large mutual aid network for delivery workers called the "Delivery Riders Union", connecting more than 14,000 riders. Chen Guojiang has released a number of videos calling attention to the rights of riders, exposing platforms' suppression of workers, criticising platforms' blatant violation of labour laws, and fining workers for late delivery, among other inappropriate practices.²⁰ In September 2020, Chen said he hoped that the authorities would set up a trade union-like organisation for takeaway riders, that it would be able to negotiate on behalf of the workers with the platforms on the issue of workers' treatment and that the local government would take the lead in regulating the takeaway industry. governments to take the lead in regulating labour standards in the takeaway industry, rather than allowing private companies such as Meituan and Hungry Mansions to squeeze takeaway riders at will. He was eventually arrested by officials in 2021. His arrest was a warning to online collective action. The official message could not have been clearer: no matter how inactive, closed-minded and out of touch with workers' demands the official's own trade union organisations may be, it is impossible to tolerate influential opinion leaders who are outside the official organisations to speak out for workers.

In fact, most worker protests are currently under-organised. Protests tend to be small (less than a hundred participants) and short-lived, and focus on resolving the specific dispute at hand. Protests are usually held in the hope of drawing society's attention to the plight of workers and for the government to intervene to deal with it, rather than direct dialogue and collective bargaining with employers or local authorities. Many workers no longer even hold real-life protests, but simply post appeals for help online, actions that often do little to resolve the incident.