Will Chinese ICT workers unite? 
new signs of change in the aftermath of the global economic crisis

Yu Hong

Yu Hong is an Assistant Professor in the Annenberg School for Communications and Journalism at the University of Southern California, Los Angeles, USA.

ABSTRACT
This paper contextualises and assesses the escalation and evolution of labour activism during the 2008 global economic crisis in China. It argues that both new incentives and new impediments to labour activism have arisen in the midst of broader changes in the labour market, the official trade union, and regional production networks. The recent trend of spatial and technical restructuring of China’s ICT sector, as induced simultaneously by capital’s self-initiated transformation of the modes of accumulation and by the governmental need to sustain China’s economic growth, is likely to generate a sizeable reshuffling of labour markets and to reconstitute working-class experiences across regional, industrial, and educational segmentations.

Introduction
In the thirty years of China’s path of re-entry into the global market economy, China has prioritised a foreign capital-driven, export-oriented, and labour-dependent mode of ICT development. Mesmerised by the Western information revolution, the Chinese state regards information and communications technology (ICT) as a crucial springboard to access new technology and capital and, ultimately, to gain a strong and profitable foothold in the transnational market system. Throughout the 1990s and early 21st century, transnational corporations and major suppliers in the ICT sector built up or teamed up with labour-intensive production facilities based in China. They were encouraged to do this by China’s preferential policies and pre-existing cheap land and labour (that could considerably reduce the cost of export processing operations) and were also attracted by the potentially huge domestic market. As Hart-Landsberg and Burkett have pointed out, China has become a major offshore destination for US and European corporations. Meanwhile, in the Asia-based and US-oriented production network, China has become ‘a processor of manufactured components imported from neighboring countries and the final production platform for the region’s increasingly important extra-regional export activities’ (Hart-Landsberg & Burkett, 2006:13). As of 2008, foreign-invested ICT enterprises accounted for over 80% of the industrial totals of income and export (Xiao, 2008). Meanwhile, China’s dependence rate upon external
markets, in the ICT sector, was as high as 60%’ (Ministry of Industry and Information Technology, 2009).

This foreign capital-driven and export-oriented mode of industrial development has left a lasting imprint on China’s ICT labour market. Up to 2008, in China’s ‘high-tech’ ICT sector, the bulk of ‘knowledge labour’ was comprised, nevertheless, of peasant-based, semi-skilled, and mainly female assembly workers. Contrary to its ‘high-tech’ image, China’s ICT sector was still dominated by manufacturing operations and manufacturing workers. By the end of 2007, 6.75 million out of the total of 7.77 million employees hired by larger-scale ICT enterprises were in manufacturing industries (Ministry of Industry and Information Technology, 2008, February). Not accidentally, this labour-intensive sector had tapped heavily into China’s reserve armies of cheap rural labour, especially women workers. According to a 2007 statistical report, electronics and electrical equipment manufacturing industries, following the construction industry, were the second largest magnet for rural migrant workers. In 2006, approximately 13.5% of the rural mobile labour force was integrated into this sector; rural migrant workers constituted half of the workforce in electronics and electrical equipment manufacturing (Research group, 2007). Because of rural labour’s disenfranchised status in urban areas, the peasant-based ICT workforce suffered from harsh working conditions and below-minimum wages.

This makeup of the labour market has a bearing on working-class subjectivities. My 2007-2008 field research, conducted in the Yangtze River Delta, shows that not only did ICT workers have, at best, volatile identification with the ICT sector; they also had an ambiguous awareness of their working-class identity. Although there were many other reasons, this ambiguity stemmed partially from workers’ inability to support meaningful personal and family development in the city and partially from their continuing dependence upon their rural social and economic resources, including their land. Most women workers envisioned themselves going back to the countryside after they reached the suitable age for marriage. Nevertheless, workers unmistakably expressed a heavy dose of grievances about their underpaid toil and hurt dignity. This everyday mentality would lead to collective agitations when working conditions became intolerable. In recent years, the frequency and scale of labour activism among migrant workers have kept growing, not least because of China’s deepened process of capitalisation, urbanisation and industrialisation.

Meanwhile, in the spirit of easing unemployment pressure in the short term and creating a skilled peasant-based workforce for industrial upgrading in the long term, the state has poured money into secondary vocational education. To meet its aim of pursuing an ICT-driven economic development path, in particular, the Ministry of Education pledged to expand secondary vocational education in the fields of computer applications, computer numerical control, electrics and electronics, automobile repair and construction (Wu, 2004; Computer and Microelectronics, 2004). Apart from China’s willingness to take over more relocated upstream productions, China’s rising labour costs have propelled the mechanisation of the production process, which creates growing demand for formally-trained workers, even though, at the beginning of China’s opening up, Chinese factories successfully attracted huge volumes of contracts
by taking capital-intensive automatic systems out of the production process and reintroducing a greater role for labour (Harvey, 2005:138).

The expansion of secondary vocational education contributes to the fuller proletarianisation of peasant workers, but so far it has also intensified the fragmentation of the ICT labour market. According to my previous research, in comparison with ‘traditional’ peasant workers who left school earlier, rural youth who graduated from secondary vocational schools or technical colleges tended to have higher expectations of their urban experiences. Not only did many of them resist the prospect of having a permanent working-class job, but they often internalised the ideology of ‘market-determined meritocracy’ and aimed to go beyond the production line to become white-collar or managerial professionals (Sargeon, 2001:53). This carefree and optimistic attitude, however, proved to be wishful thinking when they found themselves being disadvantaged in China’s overcrowded labour market, being entrenched in a factory environment, and subjected to the identical process of capitalist exploitation as other manual workers.

Existing scholarship has convincingly shown that, despite reckless capitalist encroachments, labour contention, as a political force, has counter-instinctively been contained, diluted, and segmented. As Ching Kwan Lee observed, any workers’ ‘legitimacy challenge is primarily local’ (2007:229). Elizabeth Perry attributed the limitations of ‘the social composition, territorial reach, and endurance of individual protests’ in contemporary China to constrained and isolated forms of social organisation (Perry, 2008:206-210). Zhao and Duffy also pointed out that Chinese workers lack the ‘communicative and organisational linkages necessary to develop a collective self-understanding and to struggle in a coordinated and effective manner’ (2007:230-231). This raises the follow-up questions: Will the attempt to shift to a technology- and capital-intensive mode of flexible production, as spearheaded by the ICT sector, impede any wider expression of labour resistance? Or, will China’s further integration into the global market economy and its deepened industrialisation and urbanisation overcome the momentous obstacles against working-class formation? And is it possible that the escalation and evolution of labour activism witnessed during the ongoing 2008 global economic crisis can be viewed as a special time frame?

I situate this paper within an expanding body of literature on knowledge workers in communication studies. Viewing labour as constitutive and active agents of the restructuring of the global economy facilitated by communications technology, Mosco and McKeRcher have asked the seminal question ‘whether knowledge workers of the world will unite’. Along with other scholars, they have focused on the ‘extent and effectiveness of labour convergence at the international level’, within an ongoing effort to understand the broader and changing global political economy (Mosco, 2008:111). This political economy perspective on knowledge workers overlaps with and contributes to China studies of popular contention in many ways. As Tarrow has argued, on the topic of China’s popular contention, future research should pay attention to: first, the linkages between economic development and protests; second, the growth of transnational contention; third, policy reactions to popular contention, and fourth, the possibilities for and obstacles to greater ‘aggregation of contention’ (Tarrow, 2008:6-7).
Because tens of millions of Chinese industrial workers, as Zhao and Duffy (2007) succinctly point out, make up the backbone of the global information economy, whether Chinese ICT workers will unite domestically and internationally is a question of historic and political-economic significance. Although this question cannot be fully answered, it is important, as a first step towards a tentative evaluation, to examine recent cases of labour activism. Following bits and pieces of information about labour actions in the aftermath of the global economic downturn, this paper tries to trace new features of labour activism and to make sense of recent episodes of labour activism within broader changes in the labour market, the official trade union and regional production networks.

**High-tech flexible production**

In the aftermath of the 2008 global economic crisis, the collapse of export markets and the downturn in foreign investment made China's ICT sector 'one of the most ill-affected industries' in the first four months of 2009 (Ministry of Industry and Information Technology 'Spring report,' 2009). It is not surprising that China's ICT sector was deeply affected by the ongoing global economic slowdown. A number of interconnected structural problems, including global overproduction, domestic under-consumption, dependence upon low-wage labour, and dependence upon export markets as the sole driver of economic growth, have long plagued China's ICT sector. In competition with other low-end and export-dependent producers, Chinese firms have to continuously suppress labour costs below the growth of productivity in order to remain competitive. As Hung Ho-Fung succinctly points out, China's export competitiveness has been built upon 'long-term wage stagnation' (Hung, 2009:16). Low-wage production does not only cause widespread labour tension but also hampers the formation of wage-based consumption demands, which would otherwise drive economic growth when export demands are slack.

In recent years, the Chinese leadership has repeatedly expressed concerns about the economy, reliance upon low-end and outward-looking manufacturing capacities. In view of this, what specific steps in the field of labour and employment have been taken to keep up China's economic growth? Will China walk down the path of flexibilisation of labour relations and adopt more aggressive efforts to cut costs, or will the country create more formal employment in order to re-invigorate the domestic working-class market and ultimately reduce the country's – and even the whole region's – dependence upon the unsustainable trade deficits of Western markets? So far, the state has adopted a mixed range of measures in the field of labour and employment. China's new Labour Contract Law, effective in 2008, for example, not only requires employers to sign written contracts with every employee but also protects long-serving employees from dismissal (Wang et al., 2009:487). According to Haiyan Wang et al., this labour policy reform – as a landmark policy in China's self-initiated shift towards a new economic structure – will 'raise wages, boost domestic consumption, and thereby reduce reliance on foreign investment as the sole source of China's economic growth' (Wang et al:487).

However, to put the legislation into a broader context, the challenge for the new contract law to reverse – or even to moderate – the state-headed, capital-driven, and
over ten-year trend of flexibilisation is daunting. As Hung argues, the entrenched urban interests of the coastal export-processing regime constitute a structural obstacle to any large-scale rebalancing effort that could potentially benefit the peasant and worker communities (Hung, 2009:8). While non-state enterprises, including foreign-invested enterprises and private enterprises, have pioneered the flexibilisation of employment to reduce labour costs, the Chinese state also takes initiatives to promote this trend (Zeng et al, 2006:5). The Shenzhen Municipal Government was the first in the country to legalise, in 2002, the practice of ‘rented labour’. Not only does this practice save enterprises some managerial costs; it also frees them from in-house labour conflicts. According to official statistics, what the government calls ‘jobless people’, and nearly 70% of laid-off state veteran workers, have entered the flexible employment sector – as temporary employees with or without a contract or as ‘rented’ labour (Zeng et al, 2006:6). Depending on how it is calculated, informal employment could range from 45% to 80% of total national employment (Chinese Academy of Social Science, 2005).

Falling outside the trade union system, flexibly-employed labour, mostly peasants-cum-workers and laid-off veteran workers, are the most vulnerable to unjust employment treatments (Zeng et al, 2006:29-30).

Often, flexibilisation is pitched as a measure of necessity to promote economic efficiency and to ease the pressure of unemployment. Although there is no solid evidence to prove a causal relationship between flexibilisation and an improved employment rate, this assumption is nevertheless widely accepted by Chinese policymakers (Zeng et al, 2006:6-7). Therefore, this measure was once again adopted during the global economic downturn. To start with, as foreign investments and export demands slumped, exported-oriented firms, under slack market conditions, closed down, halted, or reduced production and, as a result, laid off employees on a large scale. As of August 2009, nearly 16.5 million people were jobless due to the global crisis, including 9 million urban residents, 3 million college graduates, and between 4.5 and 5 million rural migrant workers (Chinadaily, 2009b; Batson, 2009). In the face of this severe unemployment situation, the Chinese state called upon export-oriented firms to pacify employment relations. However, the government-recommended measures, targeting a number of badly-affected industries including the ICT sector, have ironically provided justifications for further flexibilisation of labour relations.

Indeed, the likely collapse of the export-oriented growth model seems to have horrified the state, which resulted in the suspension of its rebalancing efforts and the resumption of a number of export-promotion measures, even though the state had tried from 2005 to boost domestic consumption by increasing the disposable income of peasants and urban workers (Hung, 2009:19). In 2009, after allowing firms in trouble to delay the payment of social security contributions and to lower the four-item social security rates (Inner Mongolia Office, 2009), the Ministry of Human Resources and Social Security, along with the All Chinese Federation of Trade Unions (ACFTU), further issued an official instruction to establish a ‘tripartite collective consultative procedure’. Through the (presumably democratic) consultative procedure, firms in economic trouble were allowed to hammer out emergency plans, including flexible employment, flexible working hours, flexible compensation, and compulsory on-
the-job training (Ministry of Human Resources and Social Security, 2009, no. 18). In May 2009, the Shenzhen Municipal Bureau of Human Resources and Social Security announced the introduction of ‘flexible working hours’ and ‘mixed rates of working hours’. By the 19th of May, nearly one thousand enterprises had already obtained permission to implement the new system (Chuizi, 2009b). This new measure gives capital more freedom over the use of labour power. Even before the decree was issued, delayed pay, unpaid insurance, and even skipped pay, had frequently taken place, according to the official report (Ministry of Human Resources and Social Security, 2009, no. 18).

As Anita Chan has succinctly pointed out, ‘an independent trade union movement could be sparked by any sudden downturn in the economy or a major social upheaval’ (Chan, 2006:299). Although the state’s repressive communication system has rendered the struggles of Chinese manufacturing labour largely invisible (Zhao & Duffy, 2007:244), the official statistics, though often underestimated, reveal a dramatically heightened level of labour contention during the global economic downturn. The cases of labour contention and labour arbitration in 2008 increased spectacularly, by 98% from the year earlier and, again, in the first half of 2009, shot up by a further 30%. (Xinhua, May 2009). In 2009, Guangdong, Jiangsu, and Zhejiang, the three leading regions in China’s ICT-driven and export-dependent mode of economic growth, witnessed respectively 42%, 50%, and 159% increases in labour troubles (Ye, 2009). Most of the labour disputes were caused by job losses, disruption of employment relations, and delayed compensation (Xinhua News, 2009a).

ICT workers were among the first groups to feel the brunt of the economic slowdown. After the onset of the global economic downturn, Chinese ICT workers at numerous locations protested against worsened working conditions. For example, in 2008, an IBM subcontractor based in Dongguan, Guangdong, experienced a chain of labour contention, including hundreds of cases of labour petitions initiated by workers, four cases of suicide, and several cases of small-scale labour strikes (Chuizi, 2009d). In June 2009, over 5000 workers in a German-invested cell-phone manufacturing enterprise in Shenzhen went on a two-day strike against increased production volumes. Indeed, with several regional export-processing industrial clusters having come into being in China, the new generation of peasants-cum-workers has gradually formed its own social ties (Chuizi, 2009c). Chan and Ngai have observed that the collective actions of migrant workers often spiral out from their working and living habitats of dormitories and communities. Despite continuing intra-class diversity, migrant workers’ collective actions in recent years are increasingly armoured with ‘a discourse of workers’ rights’ and have created ‘a broader sense of workers’ networks’ (Chan & Ngai, 2009:287-292). It is unclear, however, whether these ICT workers consciously spread and replicate labour struggles across enterprises and regions.

It is noticeable that the efforts to expand a flexible labour market have, in recent years, been tied to China’s initiatives to expand and upgrade the market economy. As Schiller observes, to sustain China’s economic growth, China has invested major efforts on ‘expanding and integrating the national market in order to pump up domestic demand’ instead of ‘working in principle of social justice’ (Schiller, 2008:113). Among
those technocratic steps, attempts to create a national market economy rest upon the idea of fully integrating China's peasants-cum-workers into the process of market development. At the end of 2008 and in the wake of the global economic crisis, for example, the state injected one billion Yuan to strengthen the building of secondary vocational education schools in China's central and western regions and another three billion Yuan for school renovation in rural areas (TendersInfo, 2008). This attempt to quickly vamp up secondary vocational education in rural areas and interior provinces underscored the state's social engineering ambition to redefine the spatial structure of economic growth in the long term (Ministry of Education, 2009b). How effectively this buildup of local labour pools will facilitate the redistribution of industrial development and help expand a wage-based and nationally-integrated domestic demand is uncertain, but recent industrial development has confirmed the restructuring trend. In 2008, the revenue growth rates of ICT manufacturing in central and western regions considerably overtook that of eastern regions, and the slowdown rate of the former caused by the economic downturn was correspondingly lower than the latter (Ministry of Industry and Information Technology, 2009b).

Furthermore, as the official target of China's economic development shifted from 'fast and good' to 'good and fast,' the most frequently-suggested, panacea-type solution is to demand, as Burkett and Hart-Landsberg observe in a different context, the upgrading of the technical level of production with an increase of 'human capital formation' (Hart-Landsberg & Burkett, 2006:16). In recent years, to enhance corporate leverage over the labour market, many labour-intensive factories in coastal regions have replaced manual labour with machinery (Zhong, 2009). In tandem with the corporate drive, the state also launched, in 2008, a fund for ICT-based technological renovation of traditional sectors; in 2009, the first batch of funding for medium and small enterprises was released, with funding priority given to the textile industry, light industry, and electronics and information industries (Ministry of Industry and Information Technology, 2009a). In this context, the state-led expansion of secondary vocational education was designed to meet the corporate demand for formally-trained workers suitable for flexible high-tech production. By any measure, the task of shoring up vocational education is likely to have a long-term impact on China's labour market. During the Eleventh Five-Year Plan period, secondary vocational schools graduated over 15 million students and technical colleges graduated over 11 million students. By 2010, the enrollment of secondary vocational schools will have reached 8 million people, equivalent to the size of all academic secondary education; the enrollment of technical colleges was also expected to account for over half of the total higher education enrollment (State Council, 2005). Alongside education reform on the supply side, the state also demanded that corporate employers on the demand side strictly follow the 'vocational training first and employment second' procedure and stated that employers who hire untrained labour forces will be penalised (State Council, 2005).

The orchestrated shift to a more capital- and technology-intensive mode of flexible production is by no means a merely technical transformation, but would also implicate labour relations (Hutchison & Brown, 2001:16). Although the 2005 State Council decree called for a gradual improvement of the socio-economic status of formally-
trained skilled workers, technical upgrading, so far, has further tilted the balance away from formal employment towards flexibilisation. Trained for high-tech flexible production, student workers are channeled in a standardised flow through secondary vocational schools and, then sent in batches to electronic firms to become cheap, temporary contract workers (See Hong, in press). In the light of the outbreaks of labour shortage in the coastal export-processing zones resulting from the state's progressive abolition of agricultural taxes in 2005 (See Hung, 2009:17), vocational schools, a labour market institution designed to formalise flexible production, represent a concession to the demands from coastal urban elites for export competitiveness.

In the global economic downturn, many electronics factories have subcontracted their labour-intensive operations to interior regions in order to reduce labour costs, especially the cost of employing formally-trained technical workers (Zhong, 2009). In 2009, Intel announced a restructuring plan that involved closing down its packaging and testing factory in Shanghai and relocating those operations to its factory in Chengdu, Sichuan. In August 2009, up to 500 employees at Intel's factory in Chengdu staged a one-day strike to protest against wage differences between locally-hired workers and those relocated from Shanghai. Not only did this strike feature the collective involvement of technical school graduates and college graduates (China Labour Bulletin, 2009), the protest against location-based income differences could also be seen, as Sargeson observed in a different context, as a consciousness-raising mutual education about workers’ shared interests (Sargeson, 2001:64).

Furthermore, as implied by the Intel incident, the trend of spatial and technical restructuring of the ICT sector is likely to reshape the new generation of peasants-cum-workers. First, labour fragmentation does not necessarily impede, but could rather ignite labour contention; the worsening situation, to a certain degree, may arouse the working-class consciousness among otherwise 'elitist' workers from technical colleges and secondary vocational schools. Second, initiatives to upgrade the technical level of production, which have been focally implemented in the ICT sector as the panacea for renewing China's global competitiveness, may ironically serve as the catalyst for labour conflicts. Third, the escalating mobility of working-class populations, especially the large-scale return of migrant workers to their hometowns induced by industrial relocation, may dissolve the constraints upon labour activism produced by the 'cellular' structure whereby groups work in isolation from each other in different regions and industries.

**Labour unions: anachronistic institutions or seed germs?**

Since China's re-entry into global capitalism – primarily through its export-oriented manufacturing industry, China's labour forces have been socially reshaped through a range of ongoing processes, operating from the level of the household, through labour markets to the politics of production and the role of the state in regulating various facets of social reproduction’ (Taylor, 2009:441). The state, particularly the official trade union, is central to the social construction of Chinese labour forces. With its inherited contradictions, the official trade union has been trying to stay relevant in the market economy. However, making too many or too bold reforms is as undesirable as making too few or too late reforms. As Anita Chan has implied, the dilemma of trade union...
reform is the double-edged danger of becoming an institution of either anachronism or ‘seed germs’ (Chan, 2008).

By the end of 2008, the number of peasant workers had reached 225.4 million nationwide, with over 140 million working in locations other than their home towns (Ministry of Human Resources and Social Security, 2009b). Meanwhile, over 70% of Chinese employees were working in non-state enterprises (ACFTU, October 2009). By any measure, peasants-cum-workers in non-state enterprises have become the backbone of China's economic growth; in this regard, the ICT sector is both typical and pioneering. However, despite the huge numbers of peasants-cum-workers being subjected to urban-based hyper-exploitation, the ACFTU, the official trade union system, has failed to catch up with the capital-driven reconstitution of the Chinese working class. The absence – or weakness – of trade unions and the lack of organisational traditions among peasants-cum-workers have been noted by labour scholars as, at least partially, explaining the relative weakness of labour activism.

Since China's economic reform, the ACFTU has tried to stay relevant amidst the epochal power drift towards the market logic of capital. As Feng Chen has observed, trade unions' dualist roles, acting both as a state apparatus and as a labour organisation, mean that trade unions cannot challenge the state's economic priorities but have to adapt workers to the state's labour and economic policies (Chen, 2003:1012). However, in order to pacify class tensions and avert crisis situations, the ACFTU has staked out a claim to a broader territory for its interventions in recent years, including representing workers' interests, mediating labour disputes, and pre-empting independent labour organisations, whilst remaining within the state-sanctioned avenues (Chen, 2003:1008).

In the face of neoliberal offensives throughout the 1990s, the ACFTU's top leadership focused its energy on crafting labour-related legislations. Yet, as Anita Chan points out, local trade unions have little concept of ‘activist trade unionism’ and, therefore, only play minor roles in helping workers in litigation (2006:290). With weak lower-level trade unions, poor enforcement of the labour law has subsequently been a big problem. As early as the 1994, the Labour Law of that year had already laid down maximum working hours, but it is a widely known secret that countless export-processing enterprises around the country have been openly violating this rule, often with local government acquiescence. Again, the 2008 new Labour Contract Law – with its decree on permanent contracts for long-serving employees – was collectively preempted by ICT firms, including Huawei, the most successful and visible indigenous ICT firm, when it forced veteran employees to resign and to re-apply for their positions before the law was passed (China Youth Daily, 2009). Nevertheless, it cannot be denied that the new labour laws have created an opening for legal activism; an increasing number of labour NGOs and legal specialists have filled the operational gap. Thanks to the rise of such a nascent civil society in the labour arena, the consciousness of migrant workers' labour rights is soaring (Chan, 2006).

The state has also opened some institutional space for a role for unions in labour disputes. In 1993, the state established an arbitration procedure for labour disputes to adjust capital-labour relationships. This procedure demands that labour disputes – the ones that cannot be settled by the corporate arbitration committee – are passed to the
Governmental Arbitration Committee, composed of trade unionists, representatives from the Department of Human Resources and from the Macroeconomics Administration Department. While more and more discontented workers turn to the arbitration procedure, this legal form of labour activism tends to involve only ‘individualised’ and ‘reactive’ claims to redress injustice – not ‘proactive collective’ claims (Chan, 2006:288-289). However, labour arbitration is undoubtedly becoming more collective in nature. 2008, in the aftermath of the global economic downturn, witnessed a surge of collective labour disputes, with each case on average involving twenty-three people (Xinhua, May 2009).

After the 14th National Congress of Chinese Trade Unions in 2003, for the first time, rural migrants were recognised as ‘new members of the Chinese working class’. The trade union has also tried to reach out and incorporate migrant workers into the rank and file and to create workplace trade unions in non-state enterprises. This top-down initiative is a tactical response to numerous, sustained and visible labour protests by the new generation of peasants-cum-workers. In regional industrial clusters, ICT workers have unmistakably engaged in non-union collective actions. Uniden, a Japanese-invested cell-phone manufacturer in Shenzhen, for example, underwent five large-scale labour protests between 2000 and 2005. Starting in 2000, Uniden workers were already demanding the establishment of ‘our own labour union to protect our legal rights as a disadvantaged social group’. Not only were worker representatives fired by the corporation every time, but the requests for unionisation in the following labour protests were all suppressed (Chuizi, 2009a).

The global economic crisis and the ensuing wave of labour contention gave the ACFTU and the higher leadership more direct incentives to expand union branches. In 2009, Cun Chunlan, Vice President of the ACFTU, warned of ‘overseas antagonistic forces taking advantage of the economic downturn to penetrate into the group of migrant workers’ (Coolloud, 2009a). Starting in 2008, the ACFTU began to require, in accordance with the Trade Union Law of 1992, the establishment and registration of any basic-level trade-union committee with a membership of twenty five or more with the district trade union (Workers’ Daily, 2009b). In 2009, lower-level trade unions continued to expand their membership by targeting migrant workers in small-scale and non-state enterprises (Workers’ Daily, 2009b). Faced with large numbers of jobless and returning migrant workers, the ACFTU also issued an urgent instruction to prevent the loss of membership (Workers’ Daily, 2009a). As of 2009, the official statistics claim that nearly 50% of China’s peasants-cum-workers were union members (ACFTU, 2009).

Although the ACFTU is the largest trade union in the world, critics have long noted that its biggest problem is the absence of the right to organise (Chan, 2006:289). In recent years, recognising that reactive union interventions cannot avert grassroots collective resistance, the ACFTU has started to engage with the right to organise in a top-down approach. In 2007, the ACFTU started to promote a ‘proactive, employee-oriented, law-based, and scientific’ notion of rights protection. Collective contracts, collective consultation, and the Staff and Workers Representative Congress were considered to be the major institutional means to adjust capital-labour relationships (Zhang, 2007). In 2008, the new Labour Contract Law further legalised region-wide and industry-based collective contracts (Zhang, 2009). The Workers’ Daily, in response,
published a series of editorials on collective contracts, with an emphatic urge to shift from reactive poverty relief to active rightful claims (Wang & Li, 2008). Then, in 2009, the ACFTU issued an instruction on ‘actively carrying out sector-based collective bargaining efforts’ (Yi & Le, 2009).

In view of the growing non-union collective labour contention during the economic crisis, collective bargaining, and especially the ACFTU-initiated ‘joint agreement’ movement between capital and labour, was meant to contain violent social disruptions. In the ‘joint agreement’ movement, the ACFTU demanded that enterprises avoid job cuts and wage cuts and, most importantly, follow the procedure of collective consultation before making job reduction decisions. Meanwhile, under the banner of ‘cross the river in the same boats and pull together in times of trouble’, trade unions at different levels also launched propaganda campaigns to educate employees about how to ‘correctly understand the current economic situation’ (Xinhua News, 2009b). Wielding corporate-oriented and paternalistic language, the ACFTU largely played a reactive and pacifying role. The invigorated efforts to establish the tripartite consultative procedure, which involves workplace trade unions, were pragmatically introduced at a convenient time to facilitate the implementation of flexibilisation plans, as mentioned above.

The formalistic actions of the ACFTU, however, planted the seeds for grassroots labour activism. First, enterprises were required to obtain consent from workplace trade unions through the tripartite consultative procedure before hammering out emergency plans. Although this, presumably democratic and equal, procedure often existed only on paper, workers had occasionally been seizing the initiative to transform progressive policies into practices. Second, although the indoctrination of market values appeared to hinder the formation of radical working-class consciousness, workers under specific conditions could tactically use these values to fight against corporate exploitation (Sargeson, 2001). Turning the conventional, capital-oriented view – in which labour was seen as the obstacle to profit-making – upside down, workers educated their employers about the crucial importance of a stable and cooperative labour force for sustainable corporate success, especially in the context of the crisis.

In April 2009, 7,000 workers organised a strike at MASSTOP, a subsidiary of a Taiwan-based high-tech corporation in Dongguan, Guangdong, to protest against worsened working conditions and wage cuts. According to the management of MASSTOP, before they deducted hourly rates in February 2009, the factory had obtained consent from the Staff and Workers Representative Congress, following a government permission to set up ‘mixed rates of working hours.’ However, worker representatives reported that the rate deduction was a unilateral decision and that the management’s claim that ‘over 50% of the employees had endorsed the management decision’ was fabricated. At the end of March, worker representatives even took the initiative to contact the Dongguan Bureau of Human Resources and Social Security, but only to find that the bureau had never granted this permission to MASSTOP (China Labour Net, 2009a). So, in March, a small-scale protest took place.

During the large-scale protest in April, workers wrote a petition letter to Taiwan executives. In this letter, workers deployed corporate discourse and market logic to
bid for better treatment. Speaking from the corporate perspective, workers, in the letter, complained about poor management in the mainland factory and pointed to an ensuing violation of the Chinese customs law, which reportedly caused ‘a damaged public image of the corporation’ and led to ‘strengthened government surveillance over the corporation’ (Cooloud, 2009b). By presenting themselves as responsible and concerned members of the corporation, as Sargeson observed in a different context, workers laid claim to being part of ‘that mythical rational economic community’ (2001:64). In their request to Taiwan executives to pay more attention to the managerial issues in the mainland factory, workers related their working conditions to the corporation’s long-term development.

Although this protest, strengthened by the support of a regional labour network (discussed in the next section), forced MASSTOP to revoke the rate deduction, the action was nevertheless effectively contained after nineteen workers were dismissed from their job positions. In general, the risk of legal and economic penalties has clearly discouraged workers from making claims or creating ties beyond firm-based grievances. Indeed, there has been a vertically-orchestrated effort to contain and segregate labour struggles. In 2007, the National Congress passed the Emergency Response Law, which lays down the principle of ‘preventing the escalation and spread of conflicts’ and ‘controlling the development of emergencies’ (State Council, 2007). In the spirit of this rule, once labour disputes break out, local authorities often try to induce workers into arbitration. Meanwhile, the authority often uses police forces to block the factory and prevent workers from going public. If a public demonstration is inevitable, the authority will use force to break up the crowd (China Labour Bulletin, 2009). As Ching Kwan Lee and Yuan Shen point out, ‘the state’s repressive stance towards cross-workplace mobilisation, but relative tolerance towards cellularised protests steered workers from lateral organisation’ (2009:9).

**Regional networks as external incentives**

In the light of these impediments and incentives to labour activism inside China, what happened to the China-centered and Asia-based production networks when the US market slumped? Was there any intra-regional or inter-regional collaboration among labour organisations based respectively in Taiwan, Hong Kong, and the mainland? And did Chinese workers in this sector become more outward-looking in terms of collective actions? With 60% of Asia’s intra-regional exports being intermediate goods, and with China being the final-processing centre (Ahn, 2004:20), Asian countries are strongly interconnected through the supply chain and are collectively dependent upon foreign demand. As a result, when Western demand slumped during the ongoing global economic downturn, Asian countries collectively felt the brunt: Taiwan’s exports shrank in the last quarter of 2008 by 42% and its industrial production declined by 32%; shipping traffic in South Korea’s Pusan Harbor dropped by 40% in March 2009; Japan also had its first annual trade deficit in almost 30 years (Klein & Cukier, 2009:1-2).

Certainly, globalisation has left a defining impact on the nature and practice of labour struggles. Previous studies show that the 1997 Asian Financial Crisis, for example, provoked immediate responses from Asian workers and activated their pre-
existing capacities for self organisation (Hutchison & Brown, 2001:18). Likewise, in 2009, Vietnam reportedly cracked down on union leaders and labour activists (Klein & Cukier, 2009:8); Hong Kong workers, including telecommunication workers, took to the street to protest against job cuts and reduced working hours (Sinn, 2009; Lee, 2009); the Taiwan Semiconductor Manufacturing Company witnessed the first large-scale labour contention in its twenty-year history and would become the first unionised Taiwan high-tech factory in 2009 (Economic Daily, 2009). Because the ongoing global economic downturn, which shook up the global capitalist system, intensified the shared vulnerability of workers across borders, the situation has further encouraged transnational labour activism.

In the aftermath of the 2008 global economic crisis, labour in Taiwan, Hong Kong, and the mainland have faced the same string of challenges. While calling on wage earners’ collaboration to ‘pass the difficult period,’ corporations, often in league with governments, have, one after another, implemented offensive measures to further cut back on labour costs, including expanding informal employment and transferring labour-intensive operations to cheaper locations. In a sweeping offensive across the region, communication workers have stood ready to defend their shared interests. Labour struggles in different parts of the regional production network, have not only added fuel to each other’s struggles but have also lent to one another their own relative strength. The recent WINTEK protest maps out a transnational network of labour activism and also reflects the broader geopolitical logics of global capital.

The Taiwan-based high-tech corporation, WINTEK, reduced wages and cancelled allowances from November 2008 and, then, in December, unilaterally started a wageless holiday and laid off nearly 600 Taiwan workers, including about-to-be-retired veteran workers and pregnant workers, all of which actions were justified in the name of the global economic crisis. In February 2009, around 100 former workers staged a protest over the government’s failure to stop WINTEK from laying them off and demanded an investigation. Clearly, the tension escalated. In April 2009, the WINTEK bargaining team, along with the National Federation of Independent Trade Unions (NAFITU), finally started to launch a publicised protest against the corporation’s employment practices.

It was no accident that, on the mainland, in the same month, nearly 7000 workers organised a strike in MASSTOP, a subsidiary of WINTEK based in Dongguan, Guangdong. Although MASSTOP was economically sound enough to carry out new construction and to have a fully utilised manufacturing capacity, it applied to the Dongguan Municipal Bureau of Human Resources and Social Security for ‘flexible working hours.’ Claiming to have received this permission, the corporation reduced overtime compensation rates and cut back on food subsidies, without the consent of the Staff and Workers Representative Congress. The labour struggle commenced in the beginning of 2009 and finally broke into a public protest in April, which even caused traffic congestion on a major road.

The NAFITU quickly responded to the actions of its mainland counterparts, although it is unclear whether mainland workers were aware of their overseas collaborators. Along with Hong Kong-based labour organisations and nongovernmental
organisations, the NAFITU launched an Internet-based global campaign against WINTEK in April 2009. On June 8, 2009, Students and Scholars Against Corporate Misbehaviour (SACOM) further launched a global signature campaign in protest to be presented to the board of directors at WINTEK’s annual conference. Impressively, the campaign gained support from a wide network of labour organisations, including the Hsinchu Confederation of Trade Unions, the Migrant Workers Trade Union of Korea, the Hong Kong Women Workers’ Association, and China Labour Net. Through Internet campaign websites, this labour coalition called on the Chinese, Taiwanese, Indian, and South Korean governments to carry out a thorough investigation of WINTEK and to stop all kinds of investment-related land and tax benefits.

In this kind of network-powered labour opposition, labour organisations in Hong Kong and Taiwan are often fulfilling the function of disseminating information about labour disputes in China. Hong Kong, with its claims to global city status, has been a neoliberal pocket in China where not only are labour protests tolerated but new labour coalitions can be formed (Constable, 2009:162). In Taiwan, since the end of martial law in 1987, trade unions have grown considerably, and young leaders are often willing to engage in industrial disputes to assert their members’ legal rights (Frenkel et al, 1993). What is notable is the central involvement of overseas middle-class knowledge workers. Students & Scholars Against Corporate Misbehaviour (SACOM), for example, is among the first batch of organisations to publicise labour events in China (Voice of Germany, 2007). Embedded in the hubs of the Asian regional economy, urban professionals and university scholars understand the logic of capital and are aware of their precarious social and economic status, shared with China’s working-class people. The Chinese University of Hong Kong Employees General Union, for example, was established in 2002 to resist the school’s efforts to freeze and cut wages, which dated back to the 1997 Asian Financial Crisis (Chen & Tan, 2009).

Apart from drawing strength from the transnational network of labour organisations, the coalition also put pressure on WINTEK’s global corporate clients, including Apple, Nokia, HTC, and Huawei. After negotiations with WINTEK had dragged out fruitlessly for months, the labour rights group took their campaign to Apple, the most high-profile corporation in the world. ‘We want to go through Apple to put pressure on WINTEK,’ said Wei-li Chu, secretary-general of the NAFITU (Adams, July 17 2009). As Jay Mazur, President of the Union of Needletrades, Industrial, and Textile Employees and Chair of the AFL-CIO International Affairs Committee, pointed out in a different context, because transnational capital is spreading and coordinating its economic operations across the globe, today’s unions need to keep up with the movement of capital and, in particular cases of labour activism, labour unions ‘must have an accurate picture of the company’s entire global structure to pressure effectively its vulnerable points’ (2000).

The network-powered labour opposition has achieved concrete results. In April, Dongguan-based MASSTOP was forced to halt the introduction of flexible hourly rates halfway. Meanwhile, the overtime rate was returned from 1.5 times to twice the regular rate (Li, 2009). On June 14, 2009, Huawei announced its plan to reduce its orders from WINTEK as a form of punishment (China Labour Net, 2009b). In July, the Hong Kong-
Based SACOM congratulated the NAFITU for establishing a new workers’ union at WINTEK’s Youth Plant in Taiwan (SACOM, 2009).

However, these transnational initiatives, however, failed to conjure a concomitant, systematic pressure on mainland manufacturers. In June 2009, the mainland corporate association of the TFT-LCD industry formed a delegation to attend Taiwan’s International Computer Exhibition. With a purchase plan worth US $2.2 billion, the delegation, including nine mainland manufacturers of household electronics, claimed that the mainland would acquire as much as Taiwan could produce. When the NAFITU brought the WINTEK dispute to the delegation, its secretary general dismissed the case as ‘irrelevant’ (Zhu, 2009).

With thousands of manufacturing enterprises of a variety of ownership types based in the mainland as its members, the corporate association represents an expanding constellation of suppliers and customers and therefore maintains a symbiotic relationship with Taiwan-based global contract manufacturers. Apparently, without a strong domestic labour force to resist the corporate will, it is impossible to press numerous, less well-known manufacturers in China to comply. Although in recent years the ACFTU – the only legitimate labour union in China – has taken several high-profile yet self-serving outreach initiatives, including an ‘ice-breaking’ meeting with a US union coalition in 2009 (Chinadaily, 2009a), its vertically-integrated and state-monopolised structure, fortified by orchestrated media censorship, means that the official trade union still has the capacity to shield itself from undesirable and inconvenient demands for alliance from the outside. Indeed, the Chinese model of authoritarian capitalism – along with the generally passive and self-preserving official trade union – is central to the suppression, segmentation, and decentralisation of regional labour struggles.

Conclusion
This paper does not only examine some new features of labour activism but also explores a number of political-economic developments that inform these new features. As Anita Chan has pointed out, tracking new signs of change may inform us of what lies ahead in Chinese labour activism (Chan, 2005:1). In the course of widespread and almost infectious labour contention, Chinese ICT workers in recent episodes of labour activism have been creating ties, albeit maybe nascent, hidden, and short-lived ones, inside the enterprise and beyond. As China’s conflicted relationship with global capitalism deepens, the recent trend of spatial and technical restructuring of China’s ICT sector, as induced by the need to sustain China’s economic growth, is likely to generate a sizable reshuffle of labour markets and, thereby, to spur collective labour contention across regional, industrial, and educational segments. However, it is too soon to say whether this growing trend of labour contention will converge into a concerted labour movement.

The severe vulnerability of the economy (reliant as it is upon low-end export manufacturing) became increasingly apparent during the 2008 global economic crisis. Developing a high-tech ICT sector – according to China’s Eleventh Five-Year Plan and the National Long-Term Guideline for Science and Technological Development of 2006-2020 – rests upon the idea of prioritising human capital formation in
software, microelectronics, animation, and information service industries (Ministry of Education, 2007). In the aftermath of the global economic crisis, the State Council set the goal of creating over 1.5 million new jobs in the electronics and information industry in the 2009-2010 period, including nearly 1 million jobs for college graduates (State Council, April 14 2009). By 2015, vocational schools and technical colleges were expected to train 1.2 million practitioners and generate 1 million new graduates for the software & information service outsourcing industry (Ministry of Education, 2009a). Thus, in the foreseeable future, information workers in non-manufacturing industries will increase proportionally, but the implications of this important trend for labour activism are too early to predict.

New openings and impediments both inside and outside China – induced simultaneously by capital-driven transformations of the modes of accumulation and by governance-related initiatives – also make the prospect of labour activism less clear. On the one hand, rising and persistent labour struggles in various forms have pressed the Chinese state to ‘redefine its stance’ toward labour issues (Lee & Shen, 2009). Not only did the Chinese state aim to integrate the new generation of peasants-cum-workers into the rank and file, but the recent ACFTU-headed collective bargaining initiatives also aimed to exhaust workers’ needs for non-union collective actions or autonomous organisations. On the other hand, keeping up with the geopolitical logic of capital flows, network-powered global labour communities have helped to expand the scope and linkages of labour activism. In many cases, mainland workers, like their overseas counterparts, have consciously utilised communication tools to disseminate information and to garner domestic and overseas support. In the WINTEK case, MASTSTOP workers submitted their petition letters to online media visible to overseas activists. Yet with government censorship and with limited Internet access on the mainland (See Zhao & Duffy:233-234), the network-powered and Internet-based labour coalition has probably had a limited impact beyond the immediate issues in contention. What is certain, though, is that, given China's special position in the Asia-based production network, the Chinese state, now hosting both bureaucratic and transnational capital in its world-class ICT manufacturing powerhouse, not only has to contain growing labour contention from the new generation of ICT workers, but also has to regulatchie grassroots outreach initiatives and to prevent the outward-looking sector from becoming a nodal point for transnational labour collaboration.

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