

LABOR REVOLT AT HONDA CAR FACTORIES: THE POWER OF STRIKERS IN CHINA

SUMMARY

In 2010, labor unrest swept through China as migrant workers—laboring far from home, for low pay, and in poor conditions—began to realize the power they had to force their bosses to meet their demands. On May 17th, at Honda's Nanhai transmission factory in Guangdong Province, workers Tan Guocheng and Xiao Lang hit the emergency stop buttons for their assembly and production lines. Hundreds joined them in stopping work. The assembly department was so essential to production that the entire plant shut down in a few hours!



A few days later, negotiations began around a wage increase of RMB 800 per month, a roughly 50% increase for most workers. This was an unusually "offensive" demand since most strikes in China at the time were about money owed to workers or unfair treatment. The workers had leverage in this case: Honda's four assembly plants in China relied on the Nanhai factory. By May 24th, Honda was forced to shut them all down.

Negotiations repeatedly broke down, and each time workers resumed the strike with growing numbers. By May 31st, the strike was losing momentum but was reignited when management's strikebreakers physically assaulted workers protesting at the gates. Now at a crisis point, higher-ranking government officials took over the negotiations, with outside legal counsel coming in to assist the workers, settling for a wage increase of RMB 500. While less than they had wanted and without getting full union restructuring, the workers' escalation of tactics during negotiations achieved unprecedented results.



The Nanhai strike resulted in reorganization of the factory-level, government-run union, and sparked a chain reaction of strikes at Honda plants in China, all resulting in higher wages. This was a turning point for labor organizing in China, with workers going on the offensive rather than only making defensive claims for benefits or conditions they were already entitled to. The success rippled out, and in 2011, there were more than 1,000 large-scale strikes across China.

ISSUE

Low pay and poor working conditions in Honda factories in China

WHO

Workers at the Nanhai Honda transmission factory, most in their late teens or early 20s

WHERE

Foshan, Guangdong Province, China

GOALS

A 50% pay raise, better working conditions, and restructuring of the government-run union

STRATEGY

To cost Honda money by shutting down operations through a series of actions, forcing them to meet worker demands

TARGET

Honda officials, All-China Federation of Trade Unions (ACFTU) officials

OPPONENT(S)

Honda management, ACFTU management, Chinese government officials



TACTICS & RESPONSE BY OPPONENT

The actions took place over roughly three weeks:

- Initially, hundreds of workers walked off the job after Tan Guocheng and Xiao Lang hit the emergency stop buttons for their assembly and production lines.
- Factory management set up suggestion boxes, promising to consider worker demands within four days. Workers agreed to resume production for this time period.
- Management, the government-run union officials, and worker representatives agreed to negotiate. As usual, the government-run union sided with management in negotiations.
- When the talks broke down, workers resumed the strike. With organizer outreach, about 300 people were now striking at the gates.

- Management fired Tan and Xiao, causing the strike to surge.
- The strike forced Honda to shut down its four assembly plants in China that relied on Nanhai for parts, giving the workers a growing sense of power.
- Workers added new demands, including calling for reorganization of the union that was not serving their interests.
- Several times, management offered a very low wage increase. Each time, this reinvigorated the strikers.
- Management attempted to divide workers and force them to sign agreements to stop the strike.
- The strike numbers began to decrease.
- Management brought in strikebreakers who assaulted workers. This escalated the strike again.
- Workers wrote an open letter that was widely published in Chinese media and on websites.
- Higher-ranking government officials took over the negotiations, settling the dispute.

When the number of strikers was low, the risks of severe punishment were high, in the beginning and whenever the strike began to wane. When their numbers were high, the risk was much lower. As the workers themselves stated, management couldn't fire all of them. The actions they took—walking off the job—were concentrated at Nanhai, though the strike sparked other labor actions at other factories, dispersing the actions overall.



Source: Reuters

PLANNED OR SPONTANEOUS?

The strike was partially planned. Worker Tan Guocheng had the idea to strike and fifteen or so workers talked about a plan one night in front of the factory. Before that, a few conversations had happened on shuttle buses to and from work. Many said they were afraid to strike, but Tan said he and co-organizer Xiang would lead by hitting the stop buttons and fifty or so people agreed ahead of time to follow. For most, the initial strike was spontaneous as assembly workers went through other departments, encouraging a growing crowd to join them.

ISSUE FRAMING

Workers framed the issue in terms of poor pay and working conditions. The backdrop was a growing debate among some government officials and economists that workers both deserved higher wages for their part in China's economic boom and also needed

more income to play their part in the country's economic growth. Most workers did not set out to build a movement, though. They simply wanted fair pay and a middle class life.

LEADERS, PARTICIPANTS, ALLIES INCLUDING ELITES

- Led by co-organizers Tan Guocheng and Xiao Lang, until they were fired
- Factory workers participated and organized
- Chang Kai, a well-known labor scholar from Beijing, joined worker representatives in the final negotiation as their legal counsel. Zeng Qinghong, head of the Guangzhou Automobile Group, was also a mediator at this stage.

Source:nytimes.com



Tan Guocheng

MEDIA & MESSAGING

There was international coverage and Tan and his team alerted Chinese news media, giving the strike national attention. While a ban on domestic coverage followed, as with the worker suicides at Foxconn, the reporting was unprecedented before the ban.

OUTCOMES

- Regular workers received a wage increase of RMB 500, a 24% increase, bringing their monthly wages to above RMB 2,000.
- Underpaid interns saw a 70% increase in wages to more than RMB 600.
- The strike catalyzed additional strikes at other Honda parts plants in China, all ending in higher wages, as well as more than 100 strikes at other auto and electronic factories in the Pearl River Delta.

While the initial strike did not fully change pay or union structure, there were several important long-term impacts. The wave of strikes resulted in the reorganization of the factory-level union, including the direct election of ordinary workers to union leadership posts. However, the activists were eventually pushed aside and unions reverted to a less assertive role. After 2010, labor disputes and collective action surged in China, with more offensive, rather than defensive, demands. In 2011, there were 1.27 million labor dispute cases and over 1,000 large-scale strikes. Also, on many occasions, the union officials began siding with the workers instead of management.