

WAL-MART WORKERS IN CHINA

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- 1) What has changed in the Chinese labor situation, the All China Federation of Trade Unions (ACFTU) and the international trade union movement's relationship with China?
- 2) The significance of the Wal-Mart trade union "phenomenon".
- 3) What is happening to these Wal-Mart trade-union branches?
- 4) What can we do as outsiders to help?

I. What has changed in the Chinese labor situation?

The answer is a lot has changed in the last 30 years. First is the fact that 30 years ago, when China had just started dismantling the socialist planned economy, it was completely inexperienced when it came to dealing with capitalism. In the past quarter century, the Chinese economy has been opened up to capitalism. Foreign governments, capitalists, business schools, in fact all players in all sectors have established strong relationships with China. They have been teaching China how to adopt a so-called competitive market economy, how to smash the previous lifetime employment guarantee in Chinese factories, and how to exploit unskilled labor. Millions of Chinese state workers have had to face massive down-sizing and unemployment in ways not dissimilar to what many American workers are experiencing right now in a major restructuring of the economy.

In this climate, the ACFTU had to adapt itself to a new economic structure and maintain its *raison d'être* of being relevant. This began in the early eighties when Deng Xiaoping granted the ACFTU a role to argue within the government for the protection of workers' rights, in the hope, already at that time, to maintain social stability. The first meaningful thing the ACFTU did in the late 1980s that I was aware of, was to fight to include in the Enterprise Law of 1988 the inclusion of Staff & Workers' Representative Congress in state-owned factories that has participatory rights at the workplace. Since then in the past twenty years the ACFTU has worked to pass a number of pro-worker laws, and has succeeded. The latest example is the passage of the Chinese Contract Law last year. Getting the new law passed involved a long struggle between the ACFTU on the one side and pro-capital Chinese bureaucracies, powerful domestic and international capital on the other. But the union leadership carried the day, and the new law has re-introduced some job security for the workers though

somewhat watered down compared with the first draft. The ACFTU should be given some credit for this.

In other respects, the image painted of the ACFTU as a useless trade union is generally true. It often acts as if it is no more than a government bureaucracy, and in many places across China the local union officials too often side with capital and management. The rule of thumb is that the higher the level in the national union structure, the better it is. The worst are the local unions in areas like Guangdong Province where unions below the city district levels are staffed by functionaries who have no idea of trade unionism and are in the pockets of foreign investors. But in a minority of cases there are also individuals or some trade union branches that have tried to use whatever space they can find to do their job in helping workers.

Grassroots labor activism has also changed. Twenty years ago, Han Dongfang emerged on Tiananmen Square speaking out for an independent trade union, and since the early 1990s has headed China Labor Bulletin in Hong Kong, earning the status as the sole representative of Chinese workers. Today, new developments have superseded this situation. By the end of the 1990s, dozens of home-grown labor NGO groups, equivalent to labor centers in the States, have mushroomed inside China. These engage in labor work, raise workers' consciousness, provide legal services to workers, help injured workers seek workers' compensation and represent them in courts, etc. In South China some were set up with the support of Hong Kong NGOs; some are registered as local Chinese NGOs; some as private businesses, some are not registered, operating below the government's radar screen. Most survive on a shoe-string budget, working very closely with workers, taking risks and struggling for the cause. They are particularly numerous in the Pearl River Delta. Their organizations usually contain a few staff members and some volunteers. They have no foreign language skills and can usually only communicate with the outside world via the help of Hong Kong labor activists. They have no resources to run an English-language website and that is why many of you may not know of their existence. But cumulatively in the past fifteen years their efforts have borne fruit. Migrant workers' labor rights awareness in the Pearl River Delta region has flourished. In fact, one NGO in Shenzhen was so effective in organizing workers that last year a staff member was almost hacked to death by gang members sent by local bosses. The point I want to make here is that much has changed in the last twenty years. Whereas twenty years ago it was necessary to do Chinese labor work in exile, today it is possible to for Chinese people to do labor work inside China.

In view of these new developments, some American trade unions began to review their non-engagement with China and with the ACFTU. Andy Stern had the foresight to begin an engagement with the ACFTU several years ago. He went about it on two fronts. Since 2002 he had begun making overtures to the ACFTU, urging it to target Wal-Mart in synchrony with the unionizing efforts in the United States. As Josie Mooney, the emissary of SEIU assigned to the task, said in January 2008 at a conference, she made herself into an “idiot savant”, seizing every single opportunity she had with the ACFTU to talk about the importance of organizing Wal-Mart.¹ Although Josie did not take credit for the ACFTU’s campaign to organize Wal-Mart, I believe that her several years of persistence did have an impact on the ACFTU’s decision in targeting Wal-Mart. While working from the very top, SEIU has also supported grassroots NGO work in Hong Kong and in Shenzhen.

Then last year, of course, there was the Change to Win delegation to China. Since you are all familiar with the new developments in the American trade union movement, I’ll move on to talk about the Wal-Mart Trade Union “phenomenon”. Why it is significant for the ACFTU and what is really happening to these Wal-Mart store union branches.

II. The significance of the WMTU “Phenomenon”

The expression “phenomenon” actually came from the Chinese press, which reflects its significance in China. In recent years the Chinese government under the leadership of Hu Jintao has made a public commitment to building what Chinese President Hu Jintao keeps calling a “harmonious society”. One of the greatest threats to this so-called “harmonious society” is growing workers’ unrest. To achieve the government’s political goals, ambitious targets have been set for union expansion into the private sector. In March 2006 central trade union authorities in Beijing declared a commitment to set up trade union branches in 60 per cent of foreign enterprises in 2006, and 80 per cent in 2007. I am sure you are shaking your heads as good trade unionists and saying this is not possible. Many thousands upon thousands of workplaces would have to be organized within a short period of time.

To initiate this effort, the ACFTU chose Wal-Mart as a principal target. There are a number of reasons. Wal-Mart is a huge player in the Chinese economy. Wal-Mart also happens to be notorious for its anti-union stance, particularly in

¹ Talk presented at the conference, “Imagining International Solidarity: Models for U.S. Labor Solidarity for Workers in Latin America and China,” University of Santa Cruz, 2 February 2008.

the United States. Setting up unions in Wal-Mart would provide a public relations tool for the ACFTU inside China, and improve the ACFTU's dubious international reputation. Perhaps Josie Mooney's persistence paid off: the ACFTU might have thought—why not go after Wal-Mart? Finally, Chinese politics since the days of Mao has always liked to use the model-emulation method. A successful campaign to unionize a famous company could serve as a model for the whole country.

However, the ACFTU soon found out that it was not that easy to crack Wal-Mart using the old time-honored methods of union branch building—which is to collaborate with management and to let management have a say in picking the “right” person to be union chair. The chair often is one of the managerial staff, or the department head of the human resources section, or a bureaucrat sent by the local government. But even then Wal-Mart resisted. Afraid of letting a potential Trojan horse through the door, I guess, or afraid of setting an international precedent, since Wal-Mart was fighting off unions everywhere else in the world. In the city of Nanjing, the local union made 26 visits to the Wal-Mart store manager, but was not even granted an audience with him. The rebuff from Wal-Mart management forced the ACFTU to experiment with a new way to set up unions: through mobilizing workers from below. Chinese trade union cadres are not trained to set up or run unions in this way – particularly not in an antagonistic anti-union environment. But Chinese laws actually make it very simple to establish a trade union from below, without management's cooperation. As few as twenty-five workers' signatures are enough to apply to the ACFTU to start a union branch.

The first dozen or so Wal-Mart union branches were all organized using “underground” grassroots tactics. The local unions approached workers after work hours outside the stores. In Quanzhou, the city trade union which successfully organized the first Wal-Mart store trade union actually rented a room close to the store to make organizing easier. These efforts culminated in secret elections of a union-branch executive committee and union chair. Several Wal-Mart store union branches were set up this way at night-time, and the next day, the city-level union would announce to Wal-Mart management that they had set up a union branch, with the needed 25 signatures. When suddenly union branches sprang up one after another in a matter of just two weeks, Wal-Mart became alarmed. Realizing what was happening Wal-Mart immediately became willing to negotiate with the ACFTU and signed a Five-point Memorandum in August 2006. This agreement was a compromise. Wal-Mart would allow union preparatory committees to be set up but with some management personnel participation.

This unionization method was a big step forward for the ACFTU. Unfortunately, though, after the Memorandum was signed the ACFTU no longer had to use this time-consuming clandestine method to organize, and it reverted to its old ways. Interviews with Wal-Mart store workers indicate that before the Memorandum was signed, members of union branches set up before that day had experienced the risk of joining a union, had been exposed to the idea that management is not union-friendly, and that union executive committees and office bearers should be democratically elected and accountable to their members. After the Memorandum was signed between Wal-Mart and the ACFTU, the process of establishing union branches, from above, became vulnerable to Wal-Mart manipulation, possibly with the connivance of pro-management local Party branches and trade unions.

III. What is happening to these Wal-Mart trade union branches?

My information comes from several sources:

- 1) Research by a labor NGO in Shenzhen at 3 Wal-Mart stores—2 of the 3 were set up before the Memorandum was signed in August 2006.
- 2) Research by the Beijing Trade Union Cadre Training School—all 3 stores all set up after the Memorandum was signed.
- 3) Chinese websites and blogs.

Work conditions at Wal-Mart generally adhere to the law but there are violations. All ordinary workers tend to be migrants from other parts of China. One attractive feature for the workers is that there is no delayed wage payments at Wal-Mart. Wage delays are widespread in this part of China in the manufacturing sector. The overwhelming problem facing Wal-Mart employees are the low salaries even by Shenzhen's low standard. In fact, the take-home pay is lower than most of the exploited factory production-line workers receive. Take one of Wal-Mart stores, the Buji store in Outer Shenzhen as an example:

Declining Real Value of Wal-Mart Wages (in Yuan) at Buji Wal-Mart as Subsidies are not adjusted for Inflation

Year	Official Minimum Monthly Wage	Base Monthly Wage (RMB)	Base Wage as % of Minimum Legal Wage	Housing Subsidy (RMB)	Bonus (RMB)	Wage Package (RMB)
2006	700	550	79%	400	200	1150
2007	750	675	90%	400	200	1275
2008	900	765	85%	400	200	1365

US\$1 = 8 yuan

In China each city or even a district of a city sets its own minimum legal wage for a 40 hour week. The minimum legal wage is adjusted annually against inflation. It is almost a universal practice in this part of China to pay migrant wages a so-called “basic wage,” which is exactly equal to the minimum wage. But the Buji store in Outer Shenzhen sets the base wage lower than the minimum wage, and instead pays the workers a so-called housing subsidy and a bonus that add up to 600 yuan. In reality this pay structure is illegal because Article 13 of the *Shenzhen Regulation on Employee Wages* stipulates that workers’ base wage must be equal to or more than the legal minimum wage, independent of any additional bonuses or subsidies. In Shenzhen there is no way anyone can survive on that base wage. The subsidy, which makes up a large component of the wage structure, should have been included as normal wage.

Wal-Mart has very good reasons to manipulate the wage package by allocating some 40 percent as subsidy. First, since the subsidy is a fringe benefit, there is no obligation to increase it each year to catch up with inflation. Wal-Mart does not violate the labor law in not adjusting its housing subsidy and bonus. Thus when the official minimum wage goes up every year Wal-Mart only adjusts the basic wage. This also helps Wal-Mart to avoid paying in full an employer’s contribution to its employees’ social security premium, which is calculated as a percentage of the worker’s wage. That means Wal-Mart gets away with only paying about half the social security premium.

A large percentage of the work force at the Wal-Mart stores is composed of casuals or part-timers who receive lower pay and no subsidies. In one of the three Shenzhen stores for instance, 440 workers out of 600 employees are

casuals and part-timers. Their wages are set a legal level, paid at 7.5 RMB per hour. They work an average of four to six hours per day, six days a week. They're rostered to work at busy times, and their work time changes from day to day. But as part-timers they do not get the so-called housing subsidies. It is only after working as casual or part-time staff for a year, before some of them were given the chance to sit for an exam for promotion to full-time status.

One part-time female employee at the Buji store complained that she works four hours a day, 30 days a month, but for this she was actually paid only 5.5 RMB per hour, which amounted to only 500 to 600 RMB take-home pay per month, even though she has only one day of rest each month. To make ends meet she took up several part-time jobs and found she rarely had any free time.

Of the two Shenzhen Wal-Mart stores that were set up secretly before the Memorandum was signed, one of them initially tried to do something for the workers. Three months after the union was set up, union activists were still trying to convince employees to join, arguing that joining a union could help them increase their wages. The union had also succeeded in seeking a 10,000 yuan injury compensation for two workers. As for the second store's union, it has not done anything. Based on an interview the secretive drive to recruit workers had not even been done properly by the district union. Some workers had only attended a free dinner in a restaurant organized by the union which told them about the advantages of joining the union, and then got signed up by someone else as a union member without even knowing it.

The third store, where a union branch was set up about a month after the Memorandum was signed, was a disaster. 16 workers there were interviewed, and those who said they were union members had no idea who the trade union chair was. Management told them that their union chairperson was in the Shenzhen Wal-Mart headquarters, and announced that those who wanted to join the union should go to one of the managers to sign up. None of them knew of any union activities or functions.

All of the three union branches at stores in Beijing that I have information on were set up after the Memorandum was signed between Wal-Mart and the ACFTU. They were set up by city district level union cadres who did not seem to have any conception of trade unionism. They went to the Wal-Mart store management, which assigned the human resource management department to help set up a trade union preparatory committee. So all in all, these unions did not function as unions.

In these 6 union branches, if there were any activities at all they were an outing, a sports event, and annual celebrations of festivals, with a distribution of festive gifts. Workers do look forward to these small gifts with anticipation, as their wages are so low and because state sector workers all got such gifts, sometimes in cash at festivals.

None of the workers who were interviewed had any awareness about collective bargaining. In Beijing, even the trade union cadre training school staff members did not see any urgency to bargain with Wal-Mart. When asked them about this last year, they became evasive, indicating that they had to wait for the ACFTU's instructions before they could do anything.

Wal-Mart tries to ensure workers are as little aware of the presence of the union as possible. In behalf of the union it is supposed to deduct a small trade union fee from the workers' wage package. Of the three trade unions in Shenzhen we did research on, only one union branch deducts 5 yuan from union members' pay packages every month, and this is the union that after having emerged secretly initially had continued to recruit members in the hope of strengthening itself in preparation to negotiate with management for higher wages. But in the other two unions, interviewed workers who claimed they were union members expressed surprise at the fact no union fees were deducted or collected. This appears to be a deliberate Wal-Mart ploy to downplay the presence of the trade union, indeed to expunge the idea of trade unionism from its workers' minds. This explains why interviewed workers sometimes were confused about whether there was a union or not, or what it has done or not done.

It can be concluded that except for one Shenzhen store union that had tried to act like a union, the other five that we have research field data on are inactive or largely under Wal-Mart management control.

Emergence of Real Trade Unionism

Fortunately there is a twist to this pessimistic scenario. A search of Chinese websites and web blogs reveals a mixed but encouraging story. The Chinese Wal-Mart employees who anonymously contribute blogs write that many of the Wal-Mart trade union branches are indeed under the control and manipulation of Wal-Mart management and sometimes local Communist Party organs, but not all of them. On the internet we have found discussions by Wal-Mart store employees about three union branches in which the membership has treated their union branches as their own and resisted being controlled by Wal-Mart

management or the district unions or Party committees.² One of these has been negotiating with management to remedy labor rights violations and to improve the income and work conditions of its members. Based on our web search, we cannot tell how many other branches may also be at the service of members, except that something good has come out of the Wal-Mart trade union phenomenon.

One of the three failed to sustain its independence. It is the Jiali Centre Wal-Mart trade union branch in Shenzhen, which had a secret union election in 2006. Based on blog postings, for a while this union was functioning with some independence, but the trade union chair had to resign (reasons unknown) and Wal-Mart management quickly moved in and replaced him with its own person without an election. In October 2007, some workers at this store posted blogs calling for help, “It’s over! It’s over! Come and save this Wal-Mart trade union!” It is likely that Wal-Mart was able to “re-conquer” the branch with the silent consent of the local Party, which had moved into the store to set up a Party branch in December 2006.³

A second union branch where members were struggling was the Hujing Store branch union in Shenzhen, which was also set up secretly. It was in fact the second store in China and the first in Shenzhen City to have a union branch. According to the blogs, the members were now trying to get rid of the trade union branch chair and the accountant whom they had elected. A few employees were in the midst of trying to organize an investigation committee and a signature campaign to get rid of the union accountant, despite encountering enormous pressure from Wal-Mart management during work hours. An interesting point to note is that, having elected their representatives, they were insisting that they be held accountable. The experience of electing union cadres of their own choice has arguably created a sense in their minds of ownership over the union branch, and a conviction that they have the right to dismiss these representatives when they do not live up to the expectations of their constituency.

A far more encouraging case has been the Nanchang Bayi store branch in the city of Nanchang, which set up in clandestine fashion in 2006. The chair, Gao

² “The Emergence of Real Trade Unionism in Wal-Mart Stores,” *China Labor News Translations*, May 4, 2008. Available at: <http://www.clntranslations.org/article/30/draft>. The two authors of this book chapter are the editors of *China Labor News Translations*.

³ *Luohu District Government Website*, “Party Branch Begins to Function: workers with party membership now have a home” (Chinese) (date unknown). Available at: <http://www.szlh.gov.cn/main/zfjg/jdbsc/lh/gzdt/41346.shtml#> [Accessed 11 August 2008].

Haitao, was elected by popular vote. Since then he has fought against Wal-Mart management over one issue after another. It is significant that he had studied law on his own while supporting himself by working at Wal-Mart part-time. In 2005 he passed a nation-wide exam in law but decided to stay on in Wal-Mart as a full-timer. His legal knowledge became his main weapon to fight against Wal-Mart.

Over one hundred comments in a web page, from Wal-Mart stores workers all over China, have supported him in this struggle, hailing him as a genuine trade union leader. Some suggested that he should organize and train the trade union chairs in all of the other Wal-Mart stores. Many address him respectfully as “Chairman Gao”, though he was not their union chair and was in fact just a young rank and file worker in one of the many stores. There were also suggestions for collective actions.

In two instances, Gao fought management against unfair dismissal of employees and succeeded. This was seen as so unusual by other workers that membership in the branch suddenly jumped from very few members to 500. For one of the two cases, Gao lodged an appeal to the district court and won the case in August 2008.

It became a pattern that whatever Wal-Mart management did to combat Gao at this branch, the city-level union seconded Wal-Mart. Time and again Gao had to seek help from the ACFTU in Beijing to issue instructions to overturn the city union’s decisions. Gao openly expressed surprise that different levels in the ACFTU structure hold different positions and lamented the stance taken by the middle levels of the union.

The comments made in the blogs bring out clearly that most workers in China do not totally dismiss the ACFTU. They can be disappointed and cynical about Chinese trade unions, but there is no mention of a desire to set up an independent trade union. When given the space to struggle against management through existing legal and institutional structures, if competent and committed leadership emerges they are willing to rally around it. These blogs have become important vehicles for self-expression, exchanges of information and ideas, and discussions about collective action.

Collective Bargaining between the ACFTU and Wal-Mart

This year for the first time, the ACFTU has suddenly launched a campaign to sign collective contracts with Wal-Mart. The first city union to have

successfully signed a collective contract was in Shenyang, in China's North-Eastern Liaoning Province. According to a news report, the bargaining was quite tough. The union presented to management a collective contract draft on May of this year. In the beginning management refused to negotiate, and there was a stalemate. In June the union's lawyer sent a letter to management again formally requesting "collective consultation". In early July Wal-Mart conceded that it would act in accordance with the law. Then after five rounds of "consultation" in mid-July the two parties held a formal collective consultation meeting. The highlights of the contract included issues that are most important to workers: labor awards, a wage increase, paid leave, social security, workers compensation and labor contracts. In the second half of 2008 there is be an 8 percent or more wage increase compared to 2007. There will be another 8 percent increase for 2009 based on 2008 wage levels. From now on collective consultation will take place in December of each year, and the Wal-Mart basic wage will be higher than Shenyang City's official minimum wage. A contract was then approved by the stores' Staff and Workers Representative Congress.⁴

The campaign was top down. It was preceded by a high-level ceremony between one of the ACFTU's Deputy Chairs and the Wal-Mart Headquarters Deputy General Director in June. In that meeting they agreed to a "win-win" bargaining situation.⁵ In Shenzhen, the Buji store trade union was reported to have signed a collective contract in behalf of 16 Wal-Mart store unions though it is unclear how one store union can sign contracts for other store unions. In any case, a 9 percent increase in 2008 and 2009 was stipulated in this contract. This falls short of the nation-wide 18 percent wage rise this year for the country's urban population, at a time of substantial inflation. Worse yet, since the Buji store is one of the three Wal-Mart stores we have been researching on, last week we got inside information that management announced to workers their wage increase would begin next year, not this year, which contradicts what was stipulated in the contract. Based on our own research on the non-performance of the Buji store trade union, one can easily imagine that the workers had anything to do with the collective contract reported to have been passed by the Staff and Workers Representative Congress.

The biggest disappointment in this collective bargaining campaign was the news that on Sept 17 Gao Haitao, the effective, rebellious trade union chair of

⁴ Yang Haifeng, "Wal-Mart signed a collective contract on wage increase etc.," *Huashang Chenbao* (Chinese Business Morning News), 15 July 2008. Available at: <http://nes.liaol.com/newspages?200807/2527492.html> [Accessed 11 August 2008]. Also see Tom Mitchell, "Wal-Mart in Pay Deals with Chinese Unions," *Financial Times*, 24 July 2008.

⁵ Xinhua News Agency, "The ACFTU urged Wal-Mart to sign collective contracts," (Chinese), 26 June 2008. Available at: <http://www.xinhuanet.com> [Accessed 11 August 2008].

Nanchang Bayi store, handed in his resignation. Unlike other store trade union chairs, he took the collective contract seriously, and tried to negotiate a better deal for the workers. This time, too, he had no support from the City trade union, and the ACFTU in Beijing did not intervene as it had previously. He failed in his effort and gave up in frustration. His store's collective contract was then signed by another Wal-Mart store trade union in the same city.

Conclusion

What can we conclude from this discussion of the Wal-Mart trade union branches in China?

First, the ACFTU, for its own reasons, initially achieved a breakthrough, organizing trade union branches without consultation with management. But having done this initially, it has not continued with it and is allowing the program to slide. Why? It is difficult to say. Lack of will? Being told to desist by the Communist Party? Or is it that the ACFTU in Beijing lacks the capacity to keep a grasp on all the branches all over China, which are under the jurisdiction of city trade union offices that come under the control of city governments? Or is it partly that local union officials have no idea of trade unionism? Is it partly a case of total inexperience in dealing with a seasoned die-hard anti-union company like Wal-Mart? Given the lack of transparency in China, we need to have access to more information before we can pin-point the most important reasons.

There are at least two positive developments—for one based on this study it is possible to conclude workplace unions organized secretly even by official local unions has given space for some workers to grab the opportunity to turn the unions in real unions. In the cases that we have information on, not all secretly organized unions could subsequently function as unions, but *all* unions that later struggled against Wal-Mart manage come from the first batch of secretly organized unions. In other words, if the ACFTU continued to use this method, a new crop of real unions would emerge.

The second positive development is that for the first time ACFTU staff openly discussed trade union organizing issues with foreign trade unions and the latter might even have had an impact; for instance with SEIU and CAW (Canadian Auto Workers Union).

Notably, though, it seems that the ACFTU structure is becoming decentralized. The chains of command seem to have weakened. For instance, in Guangzhou, the trade union chair works closely with Ellen David Friedman (former staff member of the National Education Association of Vermont), who is now training trade union cadres in China. On the other hand, on the down side, the ACFTU finally decided not to intervene in how the Nanchang City trade union handled the case of the excellent union branch chair Gao Haitao, leaving him in the lurch.

When it comes to the crunch, in collective bargaining, the ACFTU definitely did not see to it that good collective contracts were drawn up and implemented. Having set up guidelines and a model, the ACFTU has taken a lax position and let the different local unions come to deal with Wal-Mart on their own. Ordinary workers, who still have no idea about what a collective contract means, are left uninformed and uninvolved. In their names, they were supposed to have approved the contracts.

But note, as far as we are aware of the ACFTU does not prohibit those workers and union branches that want to stand up to Wal-Mart from doing so. So long as Chinese law states they can take a particular stance, they are able to, as Gao discovered during the past two years. All parties now try to use law to legitimize their behavior and pursue their goal. You use the loopholes, but you do not openly violate the law.

Overall, the Wal-Mart trade union phenomenon has had some important impact on the Chinese labor movement. What initially occurred when Wal-Mart was secretly organized received widespread publicity throughout China. That the ACFTU was able initially to organize democratically elected unions and to collectively bargain has been seen as a green light for some workers, who can see that they can now legitimately fight for these two rights legally. Indeed, in the past year, the Chinese labor movement in foreign-owned enterprises in China is on the cusp of entering a new stage. Some workers are demanding a right to set up unions through a democratic process. (Shenzhen garbage collectors; the Ole Wolff case in Yantai City, Shangdong province)⁶. Some others have fought to recall management-controlled phony unions (the Dongguan Nestle case). Some others have tried negotiating for higher pay (stories from NGOs), and of course, Gao Haitao tried to negotiate a better

⁶ “Workers Fight to Save their Union Activists: the Case of Ole Wolff (Yantai) Electronics Ltd,” *China Labor News Translations*, October, 2008, <http://www.clntranslations.org/>.

collective contract. Workers are testing their limits and as they gain more experience, these struggles will proliferate.

In this climate what can we outsiders do to help the movement in China? Overall, what we can do is quite limited, of course. The Chinese workers themselves have to be the ones with the heightened awareness to organize themselves to struggle for their rights in ways they think strategically possible. But the little we can do can help to quicken the process. You or your trade union can either work from the top with the ACFTU, do what Change to Win is doing -- trying to pass on experiences of how to set up unions and collectively bargain in the face of hostile capital. In China, an understanding within the ACFTU about union democracy and about grassroots organizing has not yet penetrated very far. This takes time to develop and mature. For some 60 years, the only experience the ACFTU has had involved the bureaucratic top-down style of setting up union branches.

For those who do not want to have anything to do with the ACFTU, they can work from the bottom and support the grassroots labor NGOs and labor activists. These are in need moral, financial, and technical support. The NGO staff, in my view, needs training in trade unionism and collective bargaining. This is because even with good will, they lack a broad enough horizon and experience. Finally, for those who choose not to engage in China either from the top or from the bottom, maintaining an openly critical stance towards the ACFTU can be helpful, when it is not of a hostile Cold War type. Constructive criticism from outside China, even when sharp, keeps the ACFTU on its toes by keeping the pressure up.

Whichever one of the strategies we use, one thing is clear, we need to keep close watch of the labor developments in China and not allow our ideology or bias cloud over our objective analyses.