

# Further strikes in China as economy slows

By John Chan  
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2013 has begun with a series of strikes in China. Employers are cutting costs and thus the pay, working conditions and benefits of workers, because the economy is slowing sharply amid faltering demand from Europe and America. The official growth rate for 2012, released last Friday, was just 7.8 percent—down from 9.2 percent in 2011 and the lowest since 1999.

Foxconn, the world's largest outsourcing electronics giant, has been hit by a stoppage in one of its suppliers, following numbers of tense disputes in its plants last year. According a report by Hong Kong-based Scholars Against Corporate Misbehaviour (SACOM), the latest strike over improved pay and conditions erupted on January 10 at the Jiangxi Xin Hai Yang Precision Components in Fengcheng, Jiangxi Province. The company employs 8,000 workers.

On the following day, more than 1,000 workers took to the street and blocked a main road near the factory. The authorities responded by sending out a large contingent of riot police to suppress the protest. According to the dissident *China Jasmine Revolution Web Site*, the police used water cannon and pepper spray to attack workers. Scores were injured and arrested. (Click here to see the photo of police confronting workers on the road)

Foxconn, which assembles electronic goods for Apple, Nokia and other global giants, issued a statement dismissing the incident as a “workplace issue”. Seeking to absolve itself of responsibility, Foxconn said it did not own the supplier, but wanted to see “our suppliers address their workplace issues in a responsible manner.”

These comments are a sham. According to SACOM, the conditions at this supplier plant were typical of those in Foxconn's own vast sweatshops. “The monthly basic salary of Foxconn workers is 1,300 yuan (\$US209). Workers cannot support themselves and their dependents from the basic salary. After

deductions for food and dormitory, the disposable income for workers is meagre.

“Apart from the low wages, workers are not respected on the production line. The soldering workers only receive a surgical mask once every two days. Sometimes, if the shop floor runs out of masks, workers only get one new mask per week. In the winter, the temperature in Fengcheng is as low as 3 degrees Celsius. Hot drinking water in the dormitory is limited. Furthermore, there was no access to hot water in the bathroom. As such, workers would only take a shower once a week. Only a few days ago, workers finally had access to hot water in the bathroom.”

Concerned not to embarrass Foxconn or its corporate clients, especially Apple, the state-owned media emphasised that the striking workers had returned to work. However, even the official news agency, Xinhua, had to refer to the appalling conditions in the plant. One worker interviewed said she worked 10 and a half hours a day and earned just \$349 a month. “The dorm conditions are rather poor, with more than 10 people sharing one room,” she added.

Just two days later, on January 13, workers smashed the factory kitchen at another Foxconn-related company, Fugang Electronics, owned by Gou Tai-chiang, the younger brother of Foxconn CEO Terry Gou. The plant, located in Guangdong province's Dongguan city, employs 20,000 workers making mobile phone parts. A thousand nightshift workers went to the dining area after finishing work to have breakfast, only to find the meals were rotten. Their pent-up anger exploded. (See photo of workers protesting inside the factory)

Last September, more than 200 workers in the same plant suffered food poisoning. Shortly afterward, in another tragic incident, a worker jumped to his death after being fired for visiting his sister who had returned from Taiwan. He had worked a 13- to 14-hour shift for

20 days without a break.

Foxconn first received attention around the world in 2010 following a series of suicides and attempted suicides produced by the military-barracks style regimentation of its workforce.

While Foxconn is a huge corporation with a workforce of around one million, its thin profit margins are being squeezed by the rising value of the yuan against the dollar and the growing pressure of giant Western corporations to cut costs. Companies like Apple, which control technology, brands and markets, can readily enforce their demands by threatening to shift suppliers to other cheap labour platforms such as Vietnam or Indonesia.

Labour unrest has not been limited to Foxconn. Workers at Jingshenghong Electronics, another Taiwanese company in Jiangxi province's Yichung city, followed the example of workers at Xin Hai Yang Precision Components. They stopped work over pay and blocked a major road on January 16-17. Workers complained that their base wage of 580 yuan a month was far lower than the local minimum wage of 730 yuan a month. The company has only agreed to lift their pay by 80 yuan. The strike ended due to fear of violent police repression.

On January 10, the entire workforce of 4,000 at former Hong Kong-owned Chung Tai Printing protested against the company's change of name, which affected their years of service and thus sick leave and other benefits. They were also protesting over other longstanding issues, including unpaid superannuation and overtime pay. The government has included the plant in a new real estate development zone and so the company is relocating. Local authorities deployed substantial numbers of police to prevent workers from taking their protest to the street. (See picture)

These strikes are a symptom of sharpening social tensions that will lead to wider social unrest as corporations, and governments at all levels, seek to impose further economic burdens on the working class and rural poor.

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