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# Global Crisis Adds to Surge of Labor Disputes in Chinese Courts

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BEIJING — Chinese court officials say they are struggling to handle a surging number of labor dispute cases that have arisen in part because of the global financial crisis, according to a report on Wednesday in China Daily, an official English-language newspaper.

The number of labor disputes brought to court also has grown as the Chinese government has sought to improve workplace conditions and make workers more aware of their rights. A rash of factory strikes this year, most notably at [plants](#) that [make parts](#) for Japanese automobile companies, has cast a spotlight on working conditions in manufacturing hubs along the coastal provinces.

China Daily reported Wednesday that statistics from the Supreme People's Court showed 295,000 labor dispute cases brought to court in 2008, an increase of 95 percent from the previous year. That statistic is slightly higher than the 280,000 that Chinese news organizations had previously reported.

The figure in 2009 was 318,600, and it was 207,400 in the first eight months of this year, China Daily said.

"A lot of enterprises, especially export companies, are unable to satisfy workers' requirements for higher wages," Sun Jungong, a spokesman for the Supreme People's Court, said at a news conference, according to China Daily.

"Some enterprises tend to ignore the protection of workers' rights in order to maximize profits and minimize labor costs, with illegal unemployment and violations of employees' legitimate rights being common," he added.

In early 2008, the Chinese government enacted two laws — the Labor Contract Law and the Law on Mediation and Arbitration of Labor Disputes — that did much to raise worker awareness, even if strict enforcement was lacking, scholars of Chinese labor issues said. The first law tries to guarantee contracts for full-time workers, while the second law is intended to streamline the system of arbitration and lawsuits.

In late 2008, many low-margin manufacturing companies in the coastal provinces shut down. Provincial governments had wanted to clear out some of these companies anyway, and their demise was accelerated by the global financial crisis, which had dealt a blow to exports from China. The wave of factory shutdowns, coupled with rising worker awareness from the laws enacted that year, led to the surge in labor dispute cases.

Foreign scholars of Chinese labor law say the government could help stem the flood in court cases by allowing truly independent labor unions that could better address worker grievances. At the moment, only the government-run union, the All-China Federation of Trade Unions, with more than 170 million members, is permitted. The union has close ties with management.

China Daily reported that on Tuesday the Supreme People's Court issued its third judicial interpretation since 2008 about hearing labor dispute cases in order to try to "better safeguard workers' rights and to balance the bilateral interests of the employers and employees."

The interpretation gives several conditions under which courts must accept labor lawsuits. These include when disputes arise after the restructuring of a company and when an employee demands overtime pay that is due.

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