


It's Hard To See How the SEIU Fits the Chinese Model

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By Qiang Li

I read former Service Employees International Union President Andy Stern's "China's Superior Economic Model"  (op-ed, Dec. 1) and, as a labor advocate myself, I cannot see how he can think that China's model of economic development is superior to America's. The day Mr. Stern's piece was published, more than a thousand workers in Shanghai participated in a strike to protest an ultimatum they were given by management to move to another city or resign without compensation.

Chinese workers' interests have been undermined, or even ignored, in the pursuit of economic growth. Workers do not have the right to organize labor unions or to collectively bargain with factories for redress of grievances. Those rights, taken for granted by Americans, still have to be fought for every time workers at a particular Chinese factory have been pushed too far.

This is an inevitable byproduct of the Chinese development model that Mr. Stern lauds, since it relies on long-term economic planning at a high level of government. As a result, it is very hard for smaller, less powerful interest groups to have any attention paid to their concerns. Workers and their advocates are exactly the kind of constituency that this system fails.

As a result, China's workers are bearing the vast majority of the costs of economic development. Currently, there are more than 242 million migrant workers employed in factories distant from their hometowns. Most of them can only earn the local prevailing minimum wage. Because the minimum wage is not enough for workers to survive in the city—in Shanghai it is \$202 per month, while the average per capita income is \$870—they are forced to work about 100 hours of overtime a month. Mr. Stern should consider how much worse our society would be if American factory workers could only earn the minimum wage. Make no mistake, forcing wages down and hours up is a major part of the Chinese model for growth.

China's model has also led to a series of other social problems, including environmental degradation, a growing chasm separating the incomes of rich and poor and spiraling costs of living that make life harder and harder for average Chinese people.

I don't deny the achievements of China's rapid economic growth, but I cannot see how Mr. Stern can think that China's model of economic development is superior to America's.

Li Qiang
Founder and Director
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Why is China able to "plan" its economy? Because there is no room for dissent. The very tactics that are embraced by the SEIU here in the U.S. would never be allowed by the Chinese government. When was the last time Chinese workers were allowed to freely assemble in Tiananmen Square to protest unfair labor practices? Indeed, dissenting too loudly can lead to imprisonment and even execution.

Both tea party and Occupy Wall Street protesters condemn crony capitalism. However, crony capitalism pervades the Chinese system.

Before we condemn free-market capitalism to the ash heap of history, we must remember what other systems are already lying there.

Comments:

Rep. Joe Pitts (R., Pa.)
Unionville, Pa.

I agree with most of what Mr. Stern says in criticizing failed free-market policies, but the root cause of virtually no job growth is the fact that low interest rates, relatively low taxes paid (not rates), huge corporate profits and reasonable domestic demand are no match for the tremendous profits that are made outsourcing good paying jobs to extremely low-wage countries with extremely low tax rates. Companies today have every reason to continue to cut and not to hire. Companies are using this country to just sell things.

Additionally, the U.S. tax code encourages profitable American companies to shift their production overseas to further bolster their bottom line. This gutting of good paying jobs in America has been going on for 30 years.

If this country is to have a future, we must wrest control of these misguided policies and actions that benefit the elite few at the expense of the "bottom" 90% of this country. We must start fostering sectors of the economy that are strategically important, sectors that pay good wages and produce products that Americans need and want, or that we can competitively export to the rest of the world. Cutting expenses and running a tight ship should be everyone's goal, but without a strategic and vibrant job policy in this country, there is no way to turn this ship around by simply cutting spending or reducing taxes.

John Frain
Brooklyn, N.Y.

If America is indeed a free-market fundamentalist nation, it sure has a funny way of showing it. Federal, state and local governments combine to spend roughly 40% of GDP, and that doesn't count the cost of compliance with federal regulations.

In his eagerness to attack free markets, Mr. Stern has confused the mixed economy's crony capitalism with the real thing.

Ryan Young
Competitive Enterprise Institute
Washington

China will overtake us not because it has a centralized economy, but because it has moved toward a freer one. Meanwhile, we continue to stray far from a free economy. It was when we believed in a free market and limited government that we became the economic engine of the world and created a high standard of living and a large, vibrant middle class. If we want to spark and "lead this global revolution," we must return to what created it in the first place.

Natasha Gottlieb
Miami

Andy Stern appears to follow in the tradition of Lincoln Steffens in that he's "seen the future, and it works."

Thomas M. Michaels Jr.
Wilmington, N.C.

While I agree with much of what Andy Stern has to say, specifically the need to plan beyond and outside of the election cycle, I find it interesting that the former SEIU chief fails to mention the role that access to dirt-cheap labor has played in China's rise.

David Voloto
St. Louis

No bureaucrat or central planner told Apple to create the iPhone or Google to develop a search engine. These companies sprouted from nowhere and now employ thousands of people.

Rich Mirsky
Falls Church, Va.

There is a delicious irony in the SEIU's Andy Stern recommending following China's economic model, which expressly prohibits public employee unions. Maybe he is on to something.

Ken Nicolay
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