

## THE GLOBAL IMPERATIVE

By Jenny Wai-ling Chan

# CHINESE WOMEN WORKERS ORGANIZE IN THE EXPORT ZONE

CHINA'S ECONOMIC REFORMS SINCE THE LATE 1970S HAVE BROUGHT ABOUT AN UNPRECEDENTED surge in internal rural to urban migration. Most transnational corporations in Hong Kong, Taiwan, South Korea, Japan, the United States, and Europe, and their subcontractors, recruit millions of peasant migrants, in particular unmarried and young women, to work in export-led Special Economic Zones (SEZ). Limited educational opportunities, especially for females, the lack of village employment prospects, and low prices for agricultural prod-

ucts are some factors that have pushed young girls in their late teens, and the unemployed in general, out of their villages. Some rural women also aspire to escape arranged marriages, familial conflicts, and patriarchal oppression. Still others want to widen their horizons and to experience modern life in cities.

The Fifth National Population Census of China (2000) estimated that the number of internal migrant workers in cities was over 120 million people.<sup>1</sup> Economic migrants have

moved from interior provinces like Hunan, Hubei, Guizhou, Sichuan, Jiangxi, and Anhui, to the southern and coastal provinces where the SEZs are located. These migrant peasant workers moved, either short term or long term, away from their registered place of residence without a corresponding transfer of official household registration, or *hukou*. As a result, unlike permanent city residents, they have been deprived of government-subsidized housing, education, employment training, medical care, and



social welfare. Migrant workers, women in particular, mostly concentrate in labor-intensive light manufacturing industries such as apparel, electronics, shoes, and toys, and low-end service sectors.

In 2000, China accounted for 21.6 percent of the world's textile and garment exports. By the end of 2002, textile and garment industry exports reached US\$61.69 billion, according to The China National Textile Industry Council in 2003.<sup>2</sup> When the decades-old Multi-Fiber Arrangement (MFA) was phased out on January 1, 2005, more than 2,000 textile and clothing categories were freed from export ceilings. In the first quarter of 2005, Chinese apparel and textile imports by the United States rose by more than 60 percent over 2004.<sup>3</sup> By 2008, when member nations of the World Trade Organization (WTO) further eliminate the "safeguard quotas"—special quotas that limit the annual growth of selected categories by 7.5 percent so as to minimize domestic market disruption—China will likely soak up 50 percent or more of global textile and apparel production.

## WORKING CONDITIONS IN THE GARMENT FACTORIES

**G**UANGDONG PROVINCE IN SOUTHERN coastal China is the largest production base for Chinese garment exports.<sup>4</sup> In 2004, of the US\$60.6 billion that China attracted in Foreign Direct Investment—a 13.3 percent rise—Guangdong alone absorbed a record US\$10.1 billion, according to China's Ministry of Commerce in 2005. Guangdong has seen a fast increase in its population to over 110 million persons, making it the most populated province in a country of 1.3 billion people. Transient rural migrant workers make up more than 31 million persons.

But what are the working and living conditions like for these workers in the major garment export factories?

The Chinese Working Women Network (CWWN) was set up in 1996 as a membership-based, nonprofit non-governmental organization (NGO) with the mission of promoting improvement in the lives of Chinese migrant women workers, and developing feminist awareness among them.<sup>5</sup> CWWN conducted research in 10 small-to-medium sized garment factory dormitories in Shenzhen, Guangdong. Its reports on women workers' wages, working hours, and occupational health reveal labor conditions that are punitive and exploitative.<sup>6</sup> The workforce of each factory ranges from 50 to 200 people, over 70 percent of whom are female workers responsible for sewing—young girls in their late teens, and middle-age married women. The smaller factories are mainly owned by small subcontractors, who are mainland Chinese of Guangdong and neighboring coastal provinces. The larger supplier factories for major international brands are funded by Hong Kong and Taiwan investors.

Chinese labor laws stipulate that a five-day working week should not exceed 40 hours, and overtime work must be limited to a maximum of 36 hours a month. But in reality, an average work day lasts between 12 and 14 hours, seven days a week. To cope with the increasingly just-in-time production schedule, workers are often required to work nonstop until the next morning. In extreme cases, they are forced to work for 48 hours, behind locked doors and wired windows. Total working hours in a week can thus add up to between 90 and 110 hours. The most shocking case was that of a subcontracting garment factory which prohibited its workers from taking a day off in a six-month

period! While some garment workers do want to work beyond legal limits, they too find it difficult to get a rest day during peak season or when a rush order is being met. Most foreign-

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owned export enterprises house their workers in dormitories close to factories, which ensure their round-the-clock availability.

Under such pressure, women workers suffer from a variety of occupational illnesses that include menstrual disorders, back pain, headaches, deterioration of eyesight, fatigue, and respiratory problems. The situation is compounded by poor ventilation and sanitary facilities on the shop floor. The weaker girls sometimes faint right next to their sewing machines, and this is common especially during the hot summer. Workers are often treated abusively by management—they are shouted at and called names, and bathroom visits are highly restricted. In serious cases, they are physically and sexually abused by line leaders and the foreman.

There is often no provision for paid sick leave. This is because, to cut costs, most small-to-medium-sized garment factories do not contribute to the social insurance fund that is mandatory under the law. Paid maternity leave, also required by law, is likewise out of the ques-

tion. Workers are heavily penalized if they fail to give a model answer to factory auditors, and monetarily rewarded for the “correct” answer. For instance, when inspectors ask about working hours, workers are expected to respond that they work a standard eight-hour workday, with overtime of not more than three hours a day.

The biggest problem that almost every interviewed woman garment worker has complained about is the illegal wage rate and the below-subsistence income. Between May 1, 2004 and 2005, the minimum monthly wage standard of the Shenzhen Special Economic Zone<sup>7</sup> was 610 yuan (approximately US\$73).<sup>8</sup> The

legal minimum wage is set annually by the local government, and overtime pay is set at 150 percent of the normal rate on regular working day, 200 percent on weekends, and 300 percent on statutory holidays. In terms of an hourly wage, this works out to 3.51 yuan. Overtime hourly payment on weekdays would be 5.3 yuan, and weekend overtime, 7.01 yuan per hour. Thus, the average worker in small factories who has to work 13 hours a day all year round should, by taking into account the specific piece rate of the factory—which must be commensurate with the minimum wage set by the Shenzhen government—earn 1,916 yuan in a 400-hour working month. However, she earns only around 500 to 800 yuan a month. There are two main reasons for this: first, while most of the garment factories follow a piece-rate instead of a monthly-rate system, the piece rate is illegally low. Second, the piece rate is never made transparent to workers. The wage slip declares a lump sum, which is not broken down into specific components. But fines and deductions such as food and lodging are clearly

spelled out, which can amount to 150 to 200 yuan a month. Workers can barely afford the cost of living in big cities like Shenzhen. They told CWWN that their general economic needs require a wage level of about 800 yuan a month (approximately US\$100).

In recent years, some of the better factories have invited CWWN to conduct training and labor education programs. In these factories, the skilled women workers can earn 1,000 yuan a month. But overtime work is also illegally imposed on these workers, and total working hours are pretty much the same as in smaller workshops.

A majority of surveyed garment workers are not provided with labor contracts. This is a clear infringement of labor law in the Shenzhen SEZ. Moreover, the right to social insurance—the central insurance fund contributed to by both employers and employees at the city level—is not available to them. This is because their employers have neither established a lawful employment relation with them through labor contracts, nor participated in the government-regulated insurance scheme. If workers suffer work-related injuries they will probably encounter great difficulties in making medical claims.

The Shenzhen government cannot be counted on to enforce labor laws stringently. To promote economic development and to attract foreign capital (especially following the decentralization of central government power in the 1990s), the Shenzhen government is deliberately lax in supervision, and in return, receives generous taxes from company profits, and bonuses from prosperous enterprises. Quite often, local officials are also investors in the bigger enterprises, and sometimes accept

bribes from smaller factories to issue production safety certificates.

Factory owners and managers argue that pressure from clients is also to blame. A manager of a big garment factory in Dongguan, in Guangdong province, described to *The Financial Times* the pressures caused by social compliance rules and the practice of global lean retailing:

*We are under enormous stress, customers place late orders, they change their orders part way through manufacturing and they pay their bills late. At the same time they ask us to provide better training for our staff, better health and safety and better accommodation. We just cannot do it all.<sup>9</sup>*

Corporate codes of conduct are yet to be fully implemented in major economic zones of the Pearl River and Yangtze River deltas, in South-east China. Double bookkeeping, the practice of covering up genuine factory records

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by faulty ones, is common. The Chinese manager of a large factory that supplies garments to multinational corporations in the Pearl River Delta economic zone in Guangdong, confessed to *The Financial Times* (April 21, 2005) that the workers' time cards and salary statements were faked to meet the clients' codes of conduct. A team of six employees are assigned to prepare the forged documents, which are "a perfect

match” for the foreign buyers’ requirements. This is merely one example among thousands. More importantly, this clearly points to the limits of factory audits.

## LABOR ORGANIZING FOR WORKER RIGHTS

**B**UT A PORTRAYAL OF WOMEN GARMENT workers as docile and passive is misleading. Accounts of labor insurgency in official statistics of arbitrated labor disputes, and other studies about strikes and protests, show that migrant workers have been increasingly taking collective action to fight for their legitimate interests. “Workplace mobilization” in a single workplace rather than across factories is a predominant mode of organization, according to studies by sociologist Ching Kwan Lee.<sup>10</sup> Ngai Pun’s 2005 book *Made in China: Women Factory Workers in a Global Workplace* also documents the subtler ways in which

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women workers resist their exploitation on a daily basis. Pun describes daydreaming at the workplace, for instance, as a psychological escape from repetitive, meaningless assembly-line work.

Over the past nine years, CWWN has

worked on the frontline of the fight for worker rights, collaborating with workers and other NGOs. Some of its major projects are outlined below.

## WORKER EDUCATION PROJECTS

**T**HE CWWN CENTRE IS LOCATED IN A large industrial town in the Bao’an District close to the Shenzhen International Airport, in Guangdong province. It has a full-time staff of eight people, supported in their work by progressive government officials of the local Health Department, academics at the mainland-based Sun Yat-sen University and Shenzhen University, legal professionals, medical practitioners, and college students. The homely Centre provides migrant workers a cultural and physical space away from the factory and dormitory. It offers workshops on labor law and occupational health and safety, conducts seminars on workplace sexual discrimination, and provides training on rural reintegration for women migrants returning to their homes. These programs, and a range of cultural activities, are very popular among the workers.

In 2000, CWWN launched a Mobile Van Project jointly with the Guangdong Prevention and Treatment Center for Occupational Diseases. By May 2005, it had rapidly expanded and transformed into a Mobile Bus Project to reach out more effectively to hundreds of thousands migrant workers in Shenzhen and the Pearl River Delta economic zone in Guangdong. The Mobile Bus is equipped with books, magazines, a television set, video and broadcasting facilities, and basic medical checkup equipment.

Moreover, there is adequate room inside for small group discussions and individual counseling. The staff offers information and free literature on labor and gender rights, and health issues.

CWWN also conducts similar group discussions in the women's dormitories, which its staff visits on a weekly basis, late in the evenings. Spurred by these efforts, workers have run campaigns to improve their living and working conditions, with some success. For example, some worker leaders drafted complaint letters and held signature campaigns at their dormitory, to pressure the management to answer their demands, which included paying them the basic wage and overtime wage according to the prevalent law, sick leave, maternity leave, paid holidays, the provision of hot water for bathing in winter, drinking water facilities on each floor of the dormitory, and so on.

### **WORKPLACE DEMOCRACY: FORMATION OF WORKERS COMMITTEES**

**T**HE FUNDAMENTAL FAILURE OF THE CURRENT monitoring system practiced by most transnational corporations and giant retailers like Wal-Mart is that workers' participation is conspicuously absent throughout the drafting and implementing of the codes of conduct. In 2004, CWWN along with two partner organizations created worker committees in two factories to promote a worker-based monitoring model at the workplace level. The size of a Workers Committee varies with the number of employees in a factory, and is generally between 12 and 14 persons, i.e. a ratio of one com-

mittee member to 30 workers. The nomination and election process is an open and democratic one in which a secret ballot is cast by every single worker during working hours.

The workers are trained in labor rights and ways to monitor codes of conduct in their work-

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place. The workers then conduct factorywide elections to select their own representatives for the committee. The committee examines whether their factory conditions are in compliance with local labor laws and codes of conduct. CWWN conceives the Workers Committee as an alternative institution to the top-down official trade unions governed by the All-China Federation of Trade Unions (ACFTU).<sup>11</sup>

One of the biggest challenges for CWWN has been to provide the Workers Committee with continuing support. CWWN's trainers found that often workers are yet to be involved in key decision-making processes that directly affect them, such as working hours and overtime payment. Their negotiating power vis-à-vis the management on everyday production matters needs to be strengthened, and the training curriculum updated to take account of their input. Between mid-2005 and 2006, CWWN intends to collaborate with two experienced Hong Kong-based labor NGOs in the hope of setting up a third Workers Committee in a

Shenzhen-based 200-worker sportswear factory producing for Reebok.

## POLICY ADVOCACY

**C**WWN SEEKS TO BUILD THE CAPACITY OF migrant workers to engage in policy making. For instance, in the areas of wage policy and citizenship, migrant workers

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are powerless in making their voices heard. No matter how long they have been working in cities, migrant workers have no rights as citizens

because, thanks to the government-controlled household registration system or *hukou*, they cannot register in the cities they moved to. They are regarded as temporary workers, not permanent urban residents. When they get older and are no longer "useful enough" to their bosses, they are terminated. Almost the only choice left for them is going back to their villages. CWWN is organizing workshops for migrant workers and policy-makers on the relation between population policy and contemporary rural-urban disparity.

Migrant women workers sharing a collective identity are forming an emerging new force in Chinese society. CWWN envisions crafting a movement from the bottom-up for the millions of migrant workers who form the backbone of its booming export economy, and it does so by training workers and local organizers, and building international labor solidarity. ■

### Notes

1. Other estimates of Chinese migrant workers nationwide range between 100 and 200 million persons (Lavelly 2001:3). This variation is explained by the varied definitions of "migrant workers" adopted by the government and non-state organizations, which take into account the temporal and spatial dimensions of internal rural-to-urban migration (See also Liang and Ma 2004; Gaetano and Jacka 2004).

2. The China National Textile Industry Council was established in 2000 as the arm of the central government responsible for the nation's textile industry. It publishes yearbooks and development reports on the textile and garment industry in mainland China.

3. International Trade Statistics of the Commerce Department of the United States (quoted from the *Los Angeles Times*, April 20, 2005). By specific category, U.S. imports of apparel products from China in the top four categories rose between 300 percent and 1,500 percent in the first quarter of 2005, compared to the first three months of 2004 ("U.S. Begins Safeguard Proceedings on Clothing from China: Temporary Quotas

Can be Imposed on Some Imports, the Commerce Department of the United States Says." The Bureau of International Information Programs, U.S. Department of State, May 4, 2005. <http://usinfo.state.gov>).

4. In addition to garment outputs, the share of leading industry groups in Guangdong include electronic and telecommunications, electric equipment and machinery, petroleum and chemicals, food and beverages, and building materials (*Guangdong Statistical Yearbook* 2004).

5. CWWN is online at <http://www.cwwn.org>. The Executive Committee of CWWN consists of labor organizers, feminist activists, community service professionals, university professors, and students. It is elected annually by the members. Committee members and other members are volunteers. A team of eight frontline staff based in Shenzhen, South China, are experienced organizers from Hong Kong, and former mainland migrant workers.

6. These conditions are described in detail in Ching-kwan Lee's 1998 book, *Gender and the South China Miracle: Two Worlds of Factory*

Women, and Anita Chan's *China Workers Under Assault: The Exploitation of Labor in a Globalizing Economy* (2001).

7. The Shenzhen Special Economic Zone (SEZ) in Guangdong province, established in August 1980, was the first SEZ developed by the Chinese Government to attract foreign capital. According to the Shenzhen Public Security Bureau, the population of Shenzhen city rose to a record 12.01 million by the end of June 2005. 85.76 percent, or 10.3 million people, are immigrants who do not have permanent local residency under the household registration policy. They are mostly young female rural migrant workers from all over the country.

8. The rate of exchange with the U.S. dollar is 10 Chinese yuan to US\$ 1.2 (as of May 1, 2005).

9. "Code of Conduct Implementation in China: Laying a False Trail," *The Financial Times*, April 21, 2005. "Lean retailing" means the ordering of "smaller and smaller quantities... and more often by the week instead of by the season" (Ross 2004: 22). Giant retailers and brand corporations dictate the production, financing, and shipment cycle for supplying manufacturers at the low

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end. Domestic and offshore factory workers are marginalized.

10. Sociologist Ching Kwan Lee (2003 and 2005), based on her ethnography, argued that migrant workers of foreign-invested enterprises in South China tend to mobilize their resources at the workplace level during labor conflicts, for example, to get their back wages or to protest against unjust dismissal. As long as their claims are legitimate under the law, and confined to fellow workers of one single factory, the local and central governments are tolerant of their collective action.

11. The official union, the All-China Federation of Trade Unions (ACFTU), is too weak an institution to protect Chinese workers' rights. It is influenced heavily by the Communist party-state. Moreover, the official unions at different levels are often controlled directly by management (Lau 2003; Tan 2000; Chan 1998). Some scholars, however, have an opposite view. There are some pro-labor ACFTU officials at the local levels. Their efforts in pushing for labor law amendments and publication of cases of labor abuses are recognized.

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