

JAWAD SYED

Employees' rights and industrial action in China*

There was only one lawful trade union in China – the government-controlled All-China Federation of Trade Unions (ACFTU) – which acted as the federating and representative body of all local union organizations. According to China's Trade Union Law, enterprises with 25 or more employees could form an Enterprise Trade Union (ETU), which operated as a component of the Chinese Communist Party (CCP)-led ACFTU. If the number of employees was fewer than 25, they could establish a basic-level trade union committee. Foreign-invested enterprises (FIEs) in China were also subject to all provisions of the Trade Union Law.

If an ETU was formed, the employer was required to contribute 2% of its employees' wages to the ACFTU, which was intended to support employee welfare and ETU activities, such as staff education, protecting enterprise and state property, technical renovations, and vocational training outside of work hours. However, ETU management was typically decided by company leadership, raising concerns about potential employer influence over union operations.

A 2012 report published by the Brussels-based International Trade Union Confederation criticized the lack of union autonomy in China. The report alleged that many local unions were effectively controlled by factory managers, with their officials directly or indirectly appointed by the central government. This tight government and organizational control often limited unions' ability to advocate for workers' rights, contributing to a growing trend of workers organizing and striking independently.

By 2016, industrial action in China had expanded beyond the manufacturing and construction sectors, traditionally the pillars of China's economic growth, into the retail and service sectors. Many labour disputes arose due to increased layoffs across various industries.

The wave of industrial action was particularly evident in Guangdong province, where 412 strikes were recorded in 2015. In January 2016, Chinese authorities detained seven labour activists in Guangdong, accusing them of "inciting workers to go on strike" and "disturbing public order." Nationwide, the total number of strikes surged from 1,379 incidents in 2014 to 2,741 in 2015.

Government data indicated a rise in labour disputes, with the Ministry of Human Resources and Social Security reporting 1.56 million registered cases in 2014, a 4.1% increase

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compared to 2013. Cheng Zhenqiang, a lawyer representing one of the detained activists in Guangdong, stated that while the crackdown was linked to China's economic downturn, the authorities had long been wary of non-governmental organizations (NGOs), particularly labour rights advocacy groups.

Questions

1. What role does the All-China Federation of Trade Unions (ACFTU) play in labour relations, and how does it differ from independent trade unions in other countries?
2. Why has industrial action increased in China, and what are the key drivers behind worker unrest?
3. How does the Chinese government respond to labour disputes, and what impact does this have on worker rights and business stability?