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With Concessions, Honda Strike Fizzles in China

By KEITH BRADSHAW

ZHONGSHAN, China — A strike at a [Honda](#) auto parts factory here in southeastern [China](#) collapsed on Monday morning, as Honda's hiring of hundreds of replacement workers on Sunday prompted most of the strikers to return to work.

More than 100 strikers held a rally outside the factory on Monday morning, watching silently and despondently as replacement workers and former strikers filed through the factory gates. A factory manager with the voice of an auctioneer counted off the minutes until the morning shift started and exhorted the strikers to return to work, using lines like, "We won't give your job to the new workers if you come in now."

In the last five minutes before the gates closed, all but half a dozen strikers went back into the factory, stricken looks on their faces. Some strikers had stayed home from the rally, and may have lost their jobs.

The factory raised wages and benefits, although the increase fell far short of what the strikers had demanded.

Some members of the factory's council of workers, chosen by the workers to represent them when the strike began on Wednesday, have gone into hiding, fearing retaliation, while others have returned to work in an effort to continue seeking a better deal.

It was unclear on Monday how many longtime workers had lost their jobs to replacement workers. The factory was severely understaffed before the strike because it had not raised wages, workers said.

By mid-morning on Monday, Honda was dismantling the recruitment tent next to the broad avenue near the factory, after apparently concluding that it had a full complement of replacement workers and former strikers.

But there were signs of further labor difficulties in the factory among strikers who had gone back inside. Two of these former strikers said in text messages and a phone call that employees in some factory departments were refusing to work while seeking further details from management on wage and benefit concessions.

A Honda spokesman did not reply to numerous phone calls and [text messages](#) on Sunday and Monday.

It is also too early to tell whether the apparent resolution of this strike — somewhat higher wages but lost jobs for some strikers — will set a pattern elsewhere as labor unrest spreads. Workers in the industrial southeast of China and elsewhere have been turning a labor shortage to their advantage by demanding better pay and working conditions.

But the Honda Lock parts factory here can run on lower-skilled, less educated workers than the Honda transmission factory in Foshan, a two-hour drive to the northwest. A strike at the Foshan factory brought the company's auto-assembly operations in China to a temporary standstill — and the regular work force there was lured back to their jobs with reportedly much larger wage increases than Honda is offering here in Zhongshan.

Replacement workers and returning employees here are receiving 11 percent higher pay and a 33 percent rise in allowance for food and housing. The combined increase in wages and benefits was considerably less than the near doubling of wages alone that the strikers had sought. Even so, the improved compensation — wages of \$152 a month and an allowance of \$59 a month — was enough to make the jobs attractive to replacement workers.

City governments, which depend on taxes and other revenue from factories, play an important role in maintaining labor peace.

Honda Lock, a subsidiary of Honda in Japan, owns 65 percent of the factory here. The other 35 percent is held by Xiang Suo, a business owned by the municipal government.

Honda advertised on television for replacement workers and hired employment agencies to help find them, a factory recruiter said. Young men and women showing up at the factory gates looking for work said that they had heard about job opportunities through word of mouth or had met factory managers who walked through the nearby shopping mall seeking workers.

Striking workers had held a rare protest march on Friday, chanting slogans as they walked down the main road of an industrial park, many of them smiling with an almost euphoric sense of unity.

By midday on Sunday, four Chinese recruiters wearing white jump suits with bright red “Honda Lock” logos had set up a recruitment tent for replacement workers at the side of the avenue, about 10 yards from where the riot police had stood.

The strike could help Honda end up with a younger work force with fewer family obligations to distract them. Most visitors to the tent were enthusiastically welcomed by the four recruiters.

The strikers here had wanted to match the raises of up to 50 percent, to as much as \$234 a month in addition free dormitory housing, reportedly obtained by workers at a transmission plant in nearby Foshan nearly two weeks ago. But they appear to have miscalculated on an important point. Transmission plants are highly automated operations that require skilled employees. The transmission factory workers in Foshan mostly have the Chinese equivalent of community college degrees in subjects like mechanical engineering.

By contrast, the factory here assembles door locks, rear and side mirrors, and other low-value products. One recruiter at the recruitment tent said that Honda only required a junior high school education for applicants.

Honda is still trying to lure back strikers, however. A large sign at the factory gates said that last Wednesday through Saturday, the days when the factory was closed because of the strike, would be counted as paid work days. Management also offered double pay for hours worked on Sunday, Monday and Tuesday, as the factory tries to catch up.

Striking workers who do not return by the end of the day on Tuesday will be dealt with according to national labor laws, the factory notice said. The laws allow the dismissal of employees who do not show up for work.

A young woman who came to the factory gates looking for work on Sunday said that she had traveled two hours by bus after hearing by phone from a friend that Honda was hiring and offered better working conditions than many factories.

“I can’t stand the 12-hour shifts at other factories,” she said. “Here it’s only eight hours.”

The crumbling of the strike shows that employers and the authorities retain powerful options in the face of rising labor unrest.

Honda’s ability to find replacement workers by offering only somewhat higher wages shows that many in China are still earning the minimum wage — which is set locally and is around \$130 to \$150 a month in big coastal cities — and are happy to change jobs for a little more money.

Strong economic growth has fueled demand for factory workers. Yet the total population of young Chinese has leveled off because of tightening enforcement through the 1980s and 1990s of China’s “one-child policy.” And even fewer young Chinese are available for factory work because more are going to university instead.

But laws and social norms still favor employers. There is little stigma associated with strike breakers and scant sign of worker solidarity in what remains officially a communist country.

Asked what would become of the strikers, several replacement workers shrugged and said they did not know.

The strike activist at the mall said that he had nothing against the replacement workers, either. The new employees are trying to make a living, he said, adding that “they don’t know me.”

The Chinese government’s willingness to help a Japanese company replace Chinese workers with strike breakers could stir anger in China if it became widely known. Some hostility toward Japan still simmers in China as a result of atrocities during World War II.

The strike here has particularly touchy historical overtones. Zhongshan is famous across China as the hometown of Sun Yat-sen, who overthrew imperial rule in China in 1911 and had a socialist-influenced vision of China's future in which workers would play a valued role.

But the breaking of the strike may not become widely known in China. After allowing nationwide television and newspaper reporting of the early days of the transmission plant strike, Beijing authorities have imposed severe restrictions, without explanation, on the ability of the domestic media to report on labor unrest.

Hilda Wang contributed reporting.