

China's factory workers finding, and flexing, their muscle

As the number of working-age laborers dwindles, dissatisfaction with low pay and brutal hours has grown. Big companies are beginning to offer pay increases to stem the anger.

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By David Pierson, Los Angeles Times

Reporting from Beijing — They are the engine behind China's decades-long economic miracle: factory workers earning meager wages to ensure that the nation's exports are sold at unbeatable prices.

But a strike at Honda Motor Co. and a rash of worker suicides at one of the world's largest electronic-components plants in recent weeks have highlighted the challenges China will face as it continues to rely on cheap labor.

Experts say younger factory workers, having grown up in a time of relative prosperity, will find it increasingly difficult to accept low pay and grueling work hours the way previous generations have.

China's rapidly aging population also is expected to boost labor's leverage as the number of working-age Chinese dwindles to about half its current portion of the population by 2030.

Labor shortages already are being reported in many export-driven coastal provinces because of rapid development in China's interior. Several provinces and major cities such as Shanghai have had little choice but to raise minimum wages.

"Most of the workers born after 1980 have a better awareness of their rights," said Liu Kaiming, an expert on migrant labor and executive director of the Institute of Contemporary Observation. "They will choose where to work and ask for better salary."

That's exactly what happened May 17, when nearly 2,000 workers at a Honda parts factory in the southern city of Foshan walked off the job to demand higher wages. About 600 of the employees were interns receiving credits for work experience as part of their school curriculum.

Assembly lines were resuming production Tuesday as workers contemplated management's offer of a 24% pay increase that would bring monthly salaries to about \$281, or 1,910 yuan, said David Iida, a Honda spokesman in Torrance.

"There have been some negotiations going on, and it appears that they are going smoothly. They are resuming production and it looks like the situation is resolved," Iida said.

His account conflicted with an online report in the China Daily newspaper that said production remained idled Tuesday.

A day earlier, dozens of uniformed Honda employees clashed with members of the All-China Federation of Trade Unions, an umbrella organization whose state-sanctioned leaders are largely ineffectual in representing workers' interests.

The new wages will be more than double China's minimum for the region, Iida said.