

Young Workers Lead Growing Labor Unrest in China

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Photo: AP

Family members of Foxconn worker Ma Xiangqian protest outside a company center in Shenzhen in May. A series of suicides by Foxconn workers has brought attention to pay and working conditions at the electronics maker

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This is the VOA Special English Economics Report.

Factory labor built China into the world's third largest economy, after the United States and Japan. Now something else is building: labor tensions.

China bars labor unions independent of the Communist Party. But George Haley at the University of New Haven in Connecticut says labor unrest is common.

GEORGE HALEY: "This really isn't new. There has been a tremendous amount of agitation among workers for higher pay for years."

Disputes are especially common in the Pearl River manufacturing area in southeastern China. Companies there have resisted raising wages.

For years, millions of Chinese from inland provinces have flooded into eastern industrial centers. But young workers are increasingly dissatisfied with the pay and working conditions.

Inflation hurts, too. China's export-driven economy has been recovering from the worldwide downturn. The growth rate in the first three months of this year was nearly twelve percent. But China could raise interest rates to control growth and inflation. Prices rose in May at the highest rate in a year and a half.

Migrants also face added costs for services that were free in the past, like medical care and education.

The government does not report on migrant unemployment. But media reports say an estimated twenty million migrant workers returned home last year after losing their jobs.

Labor unrest in China takes different forms. Recent strikes against foreign companies have included suppliers for Japanese car makers Honda and Toyota.

In Shenzhen, at least ten employees at factories owned by Taiwan's Foxconn have killed themselves since January. They complained of long hours and low pay. Foxconn makes Apple iPhones and iPads and electronics for other companies. Foxconn has agreed to double basic pay to nearly three hundred dollars a month.

Foreign-owned companies generally offer the best conditions. But China business expert George Haley says cost pressures are high.

GEORGE HALEY: "So when foreign companies start negotiating with local Chinese suppliers, they really press hard on the prices offered by those Chinese suppliers."

Professor Haley says profit for the average Chinese company is less than five percent. The government has tried to get foreign companies to move factories inland, where pay remains low.

Some young workers in the south have organized protests using the Internet and mobile phones. What remains unclear is how far this can go before the government reacts to it as a threat.

And that's the VOA Special English Economics Report, written by Mario Ritter. I'm Steve Ember.

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