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## **China and Vietnam: the transition from “official” to “real” unionism**

*Isidor Boix and Fernando Rocha*

**I**nterest in the evolution of organized labour in China and Vietnam can be explained by the geographic, demographic, economic and political dimensions of one of them — China — and also by the peculiar history of both countries in their current evolution from a system of centrally planned economy towards their integration in a global market economy. This evolution, in which trade unions could play an important role, is contradictory, *inter alia*, because of the formal permanence at least of the political structures created from the revolutionary processes that developed their current states, which is causing increasing labour and social unrest in both countries.<sup>1</sup>

China has been considered in the last decade as the “world factory”, but it also has become an important “world market”. For its part, Vietnam is playing an increasing role in the global industrial structure as a pole of attraction in Southeast Asia based on the still low labour costs in the country, although the country is currently facing accelerated production growth and

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<sup>1</sup> As an example: the wave of strikes that occurred in 2010 in China in different factories of transnational corporations or, more tragically, the suicides of workers caused by the harsh working conditions in factories like Foxconn. See TRAUB-MERZ, R. “Wage Strikes and Trade Unions in China – End of the Low-wage Policy?”. Friedrich Ebert Stiftung. Berlin, June 2011; ZHANG, X.; WANG, X., and ZHU, X.: “The economic analysis of current strikes in China”, *World Review of Political Economy*. Vol. 2, n.3, Fall 2011, pp. 371-384; SCHWEISSHELM, E. *Trade Unions in Transition. Changing industrial relations in Vietnam*. Friedrich Ebert Stiftung, Vietnam Office. September 2014; ANNER, M. “Labor Control Regimes and Worker Resistance in Global Supply Chains”. *Labor History*. Vol.56, n.3, 2015, pp 292-307.

the increasing quality of production along with a remarkable political stability.

A conceptual reference for the present paper is the notion of “real” unionism as the “social organization” to be given in every moment of the working class, thereby understanding organized labour as an “association of interests” of the employees. The particular relationship of workers with the means of production and their owners or managers generates common interests and the need for their joint defence, leading to define the union as “organization of solidarity” or “organized solidarity”. Against this background, this paper is aimed at critically addressing the process of transition currently faced by the labour movement in China and Vietnam. This is a process that is occurring in an increasingly connected world, and whose development seems to be irreversible.

The analysis carried out relies on two main sources of information. First, the direct experience of one of the authors through his visits to different factories of the garment industry in China and Vietnam, proportioning a valuable empirical knowledge of the working conditions and the relation of the workers with their unionism, the “official” and the “real”.<sup>2</sup> Second, the findings of a research project that addressed the the conditions of life and work and industrial relations in some of the more important industrial parks in Vietnam.<sup>3</sup> This information is complemented with data and documents obtained from the official political and union sources, with news published in both countries, and also with some bibliographical references.

The content of the article is structured as follows: first, the role of the “party” as a hegemonic political and social subject at the official level in both countries is addressed. Second, the paper analyses the role of trade union organizations in a context of increasing openness of the economy to global

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<sup>2</sup> These factories are integrated in the value chain of the Spanish companies INDITEX and MANGO. Isidor Boix visited these factories as member of the international department of the Spanish trade union “Comisiones Obreras” CCOO. Specifically, he made eight trips to China and four to Vietnam. The last reports of these visits can be found (in Spanish) in: [http://www.industria.ccoo.es/comunes/recursos/99927/doc245349\\_China\\_-\\_2015\\_Una\\_nueva\\_aproximacion\\_sindical\\_-\\_VII\\_-.pdf](http://www.industria.ccoo.es/comunes/recursos/99927/doc245349_China_-_2015_Una_nueva_aproximacion_sindical_-_VII_-.pdf) and: [http://www.industria.ccoo.es/comunes/recursos/99927/doc248343\\_Vietnam\\_2015.pdf](http://www.industria.ccoo.es/comunes/recursos/99927/doc248343_Vietnam_2015.pdf).

<sup>3</sup> The project *Strengthening Workers’ Rights and Representation (SWORR)* was funded by the European Commission and was carried out between 2012 and 2015 by a partnership including different trade unions and academic institutions from Vietnam and Europe. Fernando Rocha, the other author of this article, was involved in some phases of this project. The basic information can be found at <http://sworr.ies.gov.vn/>.

investments and markets. Third, the legal regulation and development of collective bargaining is analysed. Fourth, we undertake an overview of the evolution of living conditions, followed in the next section with an analysis of strikes in both countries. The article concludes with some final thoughts for future debate.

### **1. The Party as the only official political and social subject in societies with developing market economies**

The affirmation that China and Vietnam can be considered as “market” societies is highly controversial. The argument, however, that the “market” dimension is increasingly relevant may certainly be posed, at least on the economic level, in both countries.<sup>4</sup> Nevertheless, in spite of the increasing insertion of both countries in the global market economy there is a particular condition of their national legal frameworks that affects market performance, and more specifically, relations between different social and political groups. For example, the existence and social function of the “single party” and also, in general terms, the “single-trade union”, are marked characteristics of these countries.

In both countries, the Communist Party is, following the pure Stalinist tradition, the real unifying power of society in all areas of organization, both administrative and social, guaranteeing their cohesion (political, cultural, administrative...). It also affects social relations and generates nuances in the market economy itself, especially in its translation into social organization, in form and content as well as in the synthesis of existing social contradictions. Their constitutions and union laws establish the primacy of the Party over social organizations (in China even over the legal system itself). Particularly regarding trade unionism, the single union must also necessarily follow the guidelines of the Party. Moreover, union leaders are integrated today in the leading bodies of the Party yet are always less relevant in these organs than in the union structure itself, which means the theoretical subordination of the Union to the Party.

Having said that, it is worth noting that this is a phenomenon with its own life, over which specific social and political realities no doubt have impact, as well as the changing world in an increasingly global economy. We have

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<sup>4</sup> However, there are still some points of controversy. For example, there is an ongoing dispute about the recognition for China of “market economy status” under the World Trade Organisation. See PUCCIO, Laura. *Granting Market Economy to China. An analysis of WTO law and of selected WTO members' policy*. European Parliamentary Research Service. November 2015.

perceived symptoms in this regard throughout our own relationship with both countries, and particularly with their trade union environments.<sup>5</sup> So, a necessary starting point of our analysis is a brief overview of the legal rules that highly affect the core of trade union activity in both countries, namely the freedom of union association and the right to strike.

The *Trade Union Law of the People's Republic of China*<sup>6</sup> establishes in the General Provisions that the All-China Federation of Trade Unions (AFCTU) and all the trade union organizations represent the interests of the workers, and also that they “shall observe and safeguard the Constitution, take it as the fundamental criterion for their activities, take economic development as the central task, uphold the socialist road, the people’s democratic dictatorship, leadership by the Communist Party of China, and Marxist-Leninism, Mao Zedong Thought and Deng Xiaoping Theory” (article 4).

The law also establishes that “the All-China Federation of Trade Unions shall be established as the unified national organization” (article 10). And it establishes a clear hierarchy in the union structure and its limitations, noting that “the establishment of basic-level trade union organizations, local trade union federations, and national or local industrial trade union organizations shall be submitted to the trade union organization at the next higher level for approval” (article 13).

It is worth highlighting that the right to strike is recognized neither by the Constitution nor by the Union law, after it was removed from the Constitution in 1982 under the argument that the Chinese political system had “eradicated problems between the proletariat and enterprise owners”. After the removal of the right to strike, article 27 of the Union Law establishes an alternative figure (quite shameful), the “work-stoppage”: “in case of work-stoppage or slow-down strike in an enterprise or institution, the trade union shall, on behalf of the workers and staff members, hold consultation with the enterprise or institution or the parties concerned, present the opinions and demands of the workers and staff members, and put forth proposals for solutions. With respect to the reasonable demands made by the workers and staff members, the enterprise or institution shall try to satisfy them”.

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<sup>5</sup> See BOIX, op.cit.

<sup>6</sup> This law was first adopted in 1950, then reworked in 1991 and later modified in 2001.

The *Constitution Of the Socialist Republic Of Vietnam*<sup>7</sup> establishes that “the Communist Party of Vietnam, the vanguard of the Vietnamese working class, simultaneously the vanguard of the toiling people and of the Vietnamese nation, the faithful representative of the interests of the working class, the toiling people, and the whole nation, acting upon the Marxist-Leninist doctrine and Ho Chi Minh’s thought, is the leading force of the State and society” (article 4).

Without opposing the primary position of the Party in society, the *Labour Code of Vietnam*<sup>8</sup> establishes that workers shall have among others the right to strike (article 5.f). This law also includes a specific and complex regulation of strikes and strike resolution that, if followed, would seriously limit the application of this right. Thus, it establishes that the strike “shall only be carried out in regard to interest-based collective labour disputes” (article 209.2), but not because of a dispute on the interpretation of a compliment of the law.

It also establishes a set of cases where strikes are illegal (article 215), for example, if: (1) the strike does not arise from an interest-based collective labour dispute; (2) the strike is organized for employees who are not working for the same employer; (3) the strike occurs whilst the collective labour dispute is being resolved or has not been resolved by the competent agencies, organizations or individuals in accordance with this Code; (4) the strike occurs in an enterprise in the list of enterprises provided by the Government in which strikes are prohibited; and (5) the strike occurs when the decision to postpone or cancel the strike has been issued.

There are also some relevant provisions concerning the procedures for going on strike. For example, strikes must be organized and led by the Executive Committee of the grassroots level trade union, or by the upper-level trade union upon the request of the employees in undertakings where the grassroots level trade union has not been established (Article 210). Also, it stipulates that “employees who take part in the strike shall not be paid with wages or other benefits as stipulated by law, unless agreed otherwise by both parties” (Article 218.2). Finally, it can be noted that “strikes are prohibited in undertakings which are essential for the national economy and in which strikes may threaten national security, defence, public health and public order. The list of such undertakings shall be provided by the Government” (Article 220.1).

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<sup>7</sup> Amended in 2013.

<sup>8</sup> Amended in 2012.

Despite such limitations, it should however be stressed that the legal recognition of the right to strike in Vietnam and union intervention in its development, means that the union is considered as an expression of the interest of one side of the labour relations dispute, that of the workers. Yet these rules in Vietnam are applied in very few cases and the vast majority of strikes in the country, as happens in China with the “work stoppages” are “illegal” or, at best, “non-legal”.

The formal conception of unions in both countries also contains ideas such as “it is a function of unions to educate workers”. And above all, the search for “harmonious solutions to conflicts” or “the common interests of the company and workers”, namely: it is not legally assumed that unions represent the interests of one of the sides in industrial relations, but they must play rather a role of “mediation”. In the interviews carried out in both countries with leaders of these unions, it also appeared that an essential function of the union — even the only one, according to some union officials — is to ensure “labour law enforcement”<sup>9</sup>. This mismatch between the legal framework and real life requires addressing what is the reality of trade unionism in both countries from the perspective of working conditions and their evolution, the organization of workers and trade union action, strikes included, with or without the tutelage of other social, political or administrative authorities.

Especially in China, regarding these kinds of considerations on the freedom of association and the right to strike, official opinion is that strike actions threaten to destroy the socialist regime. This official argument obviously contradicts international standards such as the 1998 ILO Declaration on Fundamental Principles and Rights at Work.

The situation in China and Vietnam may be compared historically with the statements made by Lenin in January 1921 in his controversy over the proposal of Trotsky, when the latter called for the militarization of trade unions. Lenin noted that the confrontation between workers with the Soviet government (the Party) was not only possible, but even necessary in some cases. The reason, according to Lenin, was that

the trade unions no longer have to face the *class* economic struggle but the non-class “economic struggle”, which means combating bureaucratic distortions of the Soviet apparatus, safeguarding the working people’s material and spiritual interests in ways and means inaccessible to this

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<sup>9</sup> These interviews were carried out by BOIX (see op.cit.).

apparatus, etc. This is a struggle they will unfortunately have to face for many more years to come.<sup>10</sup>

## **2. Trade unionism, its organization and action in the official structures and in the workplaces<sup>11</sup>**

The trade union landscape in China, according to the official data for 2014, is as follows: an economically active population of around 797 million people; 772 million employed people; and 280 million members of the AFCTU.<sup>12</sup> As for Vietnam, the official statistics give us the following figures also for 2014: an economically active population of 53.7 million people; 52.7 million employed people; and around 8 million members of the VGCL.<sup>13</sup>

Now, if we move the focus from the macro to the micro level, it is worth noting that many workers interviewed in Chinese and Vietnamese factories with a high rate of union density stated that they were not affiliated to those unions. Or, even so, they were unaware of their activity at the workplace. It can be said that it is really not possible to compare the above figures for China with those of the International Trade Union Confederation, which states a membership of around 180 million people; or with the World Federation of Trade Unions, with 90 million people.

This particular concept of “affiliation” is complemented by the system of union dues. It is formally a double fee: the one paid by each affiliate, and the one paid by companies directly to the union (2% of the wage bill, although with increasing difficulties in private companies). Around half of all paid dues are for the higher level structures and the rest for the “union” activity in the company, which are mainly for recreational activities and welfare programs. The affiliates are paid by payroll deductions in very few of the companies visited in both countries and were fixed at 1% of individual salary, but those observed were between 0.75 and 1.75 € per month in Vietnam and 0.3 € in China.

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<sup>10</sup> LENIN, V.I. *Collected Works*, 1st English Edition. Moscow: Progress Publishers, 1965, Volume 32, pp. 70-107.

<sup>11</sup> The analysis of this section combines the information provided by the official statistics and the trade unions, with the empirical data collected in the visits of one of the authors as a member of an international trade union delegation to factories in China and Vietnam.

<sup>12</sup> *China Statistical Yearbook 2015*. National Bureau of Statistics of China. And AFCTU for data on union membership.

<sup>13</sup> *Vietnam Statistical Yearbook 2014*. General Office of Statistics of Vietnam. VGCL National Review Conference, 2015.

It is worth noting that in most of the factories visited, the formal workers’ representatives said they do not negotiate salaries. Nevertheless, in recent years they began to comment that they “sometimes speak of wages”, although it was related to the proper application of the labour law. Regarding this issue, it is possible to suggest that there is rising trade union awareness in Vietnam compared to the situation in China.

Another key element is how the leading bodies of the trade unions are configured in the workplaces. In both countries, there are very detailed and complex rules, but they did not apply to any of the factories visited in China to Vietnam. There is a widespread practice of an alleged consensus that union functions in the workplace are performed almost always by technical or administrative workers, mostly managers or staff from the personnel department. Furthermore, in many cases the role of President of the Union is played by the chief of staff or the production manager. The members of such trade union bodies told us many times that for these functions middle management was usually chosen to lead. In a Chinese factory, where the union president was also the owner of the company, he told us that “he had been hired for both functions”.

It is important to note, in any case, some differences of degree between both countries: in China, notions of common interests or the simultaneity of the roles among the leading bodies of employers and employees is more extensive. These differences can also be noted with regard to the evaluation of trade unions. In China, trade unions state that these situations happen mostly because workers desire it. Furthermore, the leading body of the ACFTU explained to us without blushing that a “pilot project” was launched in Guangdong province, consisting of the application of a “new rule” that forbids the owner or manager of a company, or their relatives, to be “union leaders”.

These situations also can be registered in Vietnam, but there is an increasing awareness inside VGCL about the need for changing the representation procedures, and also regarding the improvement of skills training in order to engage in effective collective bargaining with foreign buyers and their suppliers.<sup>14</sup> In this regard, it is worth noting a recent experience held in this country in 2015. Specifically, it consisted of a meeting of union members of

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<sup>14</sup> Khanh, Do Ta. *SWORR Fieldwork Research: Synthesis Report*. Institute for European Studies, Hanoi, Vietnam. August, 2015; Ngọc Trần, A. “Vietnamese Textile and Garment Industry in the Global Supply Chain: State Strategies and Workers’ Responses”. *Institutions and Economies*. Vol. 4, n.3, October 2012, pp. 123-150.

textile companies from the north of Vietnam and suppliers for the Spanish company Inditex. The goal of this meeting, coordinated by the VCGL, IndustryALL, Global Union and the Vietnam Office of the Friedrich Ebert Foundation, was to launch a national Trade Union network of the suppliers of Inditex, which is planned to be created in 2016. The Vietnamese Trade Union Confederation, committed to this project, has assumed the challenge and the risk of promoting an effective representation of delegates for the participation in the national Assembly.

### 3. Collective bargaining<sup>15</sup>

The labour law in both countries establishes a set of provisions about the concept and procedures of collective bargaining at company level and, only in Vietnam, also at the sectorial level. The *Labour Law of the People's Republic Of China* (1994, articles 33 to 35) regulates the procedures for the negotiation of company-level company agreements, on matters relating to labour remuneration, working hours, rest and vacations, occupational safety and health, insurance and welfare. The law also regulates the relation between these agreements and the labour contracts, establishing that “the standards of working conditions and labour remuneration agreed upon in labour contracts concluded between individual labourers and the enterprise shall not be lower than those stipulated in the collective contract” (article 35).

The regulation of this topic in the *Labour Code of Vietnam* (2012) is significantly wider, including a specific chapter on “Dialogue at workplace, collective bargaining, collective bargaining agreements” (chapter V). There is a more detailed set up of procedural provisions but the most interesting issue, as noted above, is the regulation of collective bargaining at the sectorial level. In this regard, the law establishes a hierarchy between both levels of bargaining, with a prevalence of the sectorial over the company-level agreements.<sup>16</sup>

Against this legal framework, collective bargaining according to international standards and ILO conventions is practically non-existent.

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<sup>15</sup> See footnote 11.

<sup>16</sup> For example, it was established that “where the contents of an enterprise-level collective bargaining agreement or other regulations of the employer on the lawful rights, responsibilities and interests of the enterprise’s employees are less favourable than those stipulated in the sectorial collective bargaining agreement, the enterprise-level collective bargaining agreement shall be revised accordingly within 03 months from the date on which the sectorial collective bargaining agreement comes into effect” (article 881.).

Collective bargaining is widely regarded as a formality rather than the outcome of real negotiations between workers and employers. For example, in Vietnam “according to the VGCL informant, most workers do not know the contents of the active collective bargaining agreements (CBAs) in their companies. Some cannot even tell the difference between the CBA and labour contracts”.<sup>17</sup>

However, statistics provided by the trade unions highlight an important number of collective agreements. For example, in a meeting held in China in 2015 with the AFCTU, we were told that in 2013 2.4 million collective agreements covering 300 million workers were registered, with a target of coverage of 500 million workers by the end of 2015.

The findings of the interviews carried out in China and Vietnam, and the analysis of the contents of some company-level company agreements, shows a similar pattern in both countries. Thus, what is called a “collective agreement” is that which has been formally signed by the union leadership and the directors of the company and its contents usually consist of a brief reference or transcription of the existing legislation on minimum wages, working hours, quoting social security laws or in some cases references to a supplemental question, such as to the price of the litter in China, or to the parking a bike in Vietnam. In some few cases, there were also provisions related to a bonus, but never to issues such as work organization, a bonus system or trade union rights. It is worth noting that these situations of little real collective bargaining can also be found in virtually all the countries with a presence of the production chains of the global garment brands. At the same time, it is fair to recognize the potential advantage of China and Vietnam regarding the number of such “collective agreements”, as they can be starting points for an effective collective bargaining.

In Vietnam, there are sectorial collective agreements; the first was signed in 2010. It has a limited coverage, affecting around 100 companies and around 100 thousand workers in the garment industry. In spite of this low coverage and of the reduced scope of its contents, it is worth highlighting at least two points: on the one hand, because as noted above it is the first sectorial collective agreement at national level; on the other hand, because it links the regulation of strikes to collective bargaining, so it allows for the possibility of “national” strikes. The limitations of this agreement reflect those of the trade union itself, whose sectorial organization is still very weak compared

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<sup>17</sup> Fair Wear Foundation. *FWF Country Study Vietnam*. 2015, p.25.

to its territorial and local structure. These limitations are also evident in the ignorance of this agreement by the union leadership in Ho Chi Minh City, as well as by executives and unions of the companies we visited.

The national textile federation and the Vietnamese Confederation affirmed their willingness to extend the effectiveness of the sectoral agreement while developing its contents, both in relation to salary and to issues related to working conditions, particularly working time. Also, they noted the importance of linking the sectoral collective agreement to the Code of Conduct and the company agreement of Inditex with IndustryALL.

#### **4. Evolution of working and life conditions<sup>18</sup>**

Over the last 10 years, living conditions in China and Vietnam have had a remarkably similar evolution, assuming in both countries major improvements, but with significant quantitative differences between them. Thus, in China the minimum wage – which differs regionally – rose from 30-65 € per month in 2006 to 250-300 € in 2015. In Vietnam, they improved from 36 € in 2009 to a range between 90 and 130 € in 2015. However, these are minimum wages for the formal economy with a difficult implementation in the underground economy.

The actual remuneration of an employee at the garment industry, as tested in production chains of the big brands of clothing, were between 100 and 140 € in 2006 in China, and came to be between 270 and 500 € in 2015. In Vietnam, actual remunerations evolved from 46 to 80 € in 2009 to 200 to 300 € in 2015. All this for an extended regime of working hours, including additional hours, which has hardly evolved over the years and remains between 2,300 and 3,000 hours year.

It was also noted that there was a certain evolution in living conditions in Chinese factories: in 2006, living quarters with bunk beds for workers in large factories away from urban areas could host from 8 to 10 people in spaces of 3.8 meters and 10 to 12 berths (the “surplus” served to deposit the goods of the working poor); in 2015 they were destined for 5 or 6 people. It was also possible to observe some increase in televisions in such spaces, as open windows to the world through the chains that censors allowed to “invade” the country.

The audited figures on wages coincide with the official statistics of both countries regarding the evolution of living conditions and poverty. It should be added, however, that this progress has occurred in parallel with the huge

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<sup>18</sup> See footnote 11.

increase in inequalities, so that China is today one of the most unequal countries in Asia. This is expressed by an indicator such as the Gini index: thus, according to some sources this indicator has increased from a value around 0,35 in both countries at the end of the twentieth century, to a value of 0.38 in Vietnam and 0.46 in China in 2015.<sup>19</sup>

In particular, international institutions have remarked that the current process of industrialization and the consolidation of a growing industrial labour force have favoured many people from rural areas who have escaped from a situation of monetary poverty. However, the results of empirical studies show that this process is not without contradictions due to high insecurity and harsh working conditions that characterize industrial jobs; in fact, in many cases there has been a return of workers, especially of women, to rural areas of origin.<sup>20</sup>

It is possible to point out that the above noted evolution of living conditions in both countries has been influenced among other factors by the global struggle for “decent” work, the direct assumption of that objective by political and social organizations in each country, and the influence of the Codes of Conduct and Framework Agreements signed by the multinationals who buy in both countries. Nevertheless, some relevant differences can be found again between China and Vietnam, regarding the trade unions’ approaches on the concept of decent work.

For example, in China the ACFTU has so far claimed to be outside of the Global Framework Agreements in the country<sup>21</sup> and has established a Code of Self Conduct, almost copied from that first drafted in the BSCI<sup>22</sup> textile sector (although we found that its existence is ignored by both entrepreneurs and ACFTU structures in the companies or territories). In Vietnam, by contrast, the VGCL has considered that the implementation of the Global Framework Agreement with Inditex can help improve working conditions in

<sup>19</sup> Statista (<http://www.statista.com/>) for China, and World Bank for Vietnam.

<sup>20</sup> Cerimele, Michela. SWORR Project. *Female Internal Migrant Workers at Thang Long Industrial Park. A Qualitative Case-Study*. Author: Dr. Michela Cerimele, University of Naples L’Orientale. March 2015.

<sup>21</sup> In the last two trips with official meetings, the ACFTU stated that the application of these agreements is “under consideration”. They have not yet accepted our suggestion to consider a protocol for implementing the Code of Conduct of Inditex, linked to the Global Framework Agreement with IndustriALL Global Union.

<sup>22</sup> Business Social Compliance Initiative, commitment to corporate social responsibility promoted by major multinational European industry and distribution whose first approaches were criticized by European and international trade union movement for its lack of transparency.

the sector of clothing and footwear and has raised the question of the application of sectorial collective agreements mentioned above. Based on these approaches, we are working to advance unionization through its implementation and monitoring the Union Network Inditex suppliers in the country, which is a global pioneering experience in the trade union organization of subcontracting chains.

### 5. The strike<sup>23</sup>

The positive evolution of living conditions in both countries has undoubtedly been influenced by the policies of the respective governments, whose anti-crisis policies since 2008 have included among other measures increases in minimum wages, aimed to boost its domestic market by increasing purchasing power. In parallel, it is possible to ask about the influence of industrial action carried out by both the “official” and real unionism, and particularly of strikes. Once more, some differences can be found between the two countries.

Thus, in China there is as noted above an “official voluntary ignorance” of the phenomenon of strikes. The very statistics of the Ministry of Public Security shows, however, an increasing social unrest in the country, from 74,000 conflicts in 2004 to 200,000 in 2012.<sup>24</sup> In Vietnam, official figures show an increase in the number of strikes in the past decade, from 147 in 2005 to 293 in 2014. This rising trend is also corroborated by the findings of the academic research, which has highlighted that Vietnam has witnessed more strikes than any other Asian country in the last decade, in spite of its vibrant economy.<sup>25</sup>

The strike movement in China was very active in 2010, especially in the automotive industry. Also, this year and the following were marked by strikes in the electronic, gas and electric sectors. The comments and evaluations taken in the field during our visits, particularly with the delegation of the ICEM<sup>26</sup> in July 2010, suggested a conscious tolerance on the government side about these strikes. In April 2014, one of the most

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<sup>23</sup> See footnote 11.

<sup>24</sup> It is worth noting that different reports warn about the underestimation of the extent of social unrest in China in the official figures. See for example GÖBEL, Christian and ONG, Lynnete. *Social unrest in China*. Europe China Research and Advise Network. London, 2012.

<sup>25</sup> KAXTON, Siu; and CHAN, Anita. “Strike Wave in Vietnam, 2006–2011”. *Journal of Contemporary Asia*. Vol. 45, n.1, 2015, pp. 71-91.

<sup>26</sup> International Federation of Chemical, Energy, Mine and General Workers' Unions, currently integrated in the IndustryALL Global Union.

important strikes in the recent history of China occurred. In the town of Dongguan, Guangdong Province a strike of two weeks broke out with the participation of the vast majority of the 45,000 workers of the Yue Yuen Industrial Holdings factories. This is a Taiwanese company based in Hong Kong, considered the largest producer of sports footwear in the world that works for Nike, Adidas, Timberland, Puma, Crocs and others. The main reason for this conflict was that the company did not pay the social contributions according to the real wages (around 350 € per month), but according to the basic wages of the region (around 200 €). The company also did not pay the “funds for housing”, and there were also problems of schooling for many workers’ children as a consequence of the regulation of migration.

The strike was developed with major demonstrations and an occupation of the workplace. In the little information we have on this conflict,<sup>27</sup> there is a brief reference about an attempt to mediate by the official ACFTU union, which was rejected by the strikers. Some strike leaders were arrested on charges of “public disorder”, “obstruction of road traffic” and “spreading false news”, but they were quickly released. Finally, the government forced the company to pay the contributions, and it also accepted a wage increase of about 30 € per month. Some media compared the significance of this strike with that registered in the automotive sector in 2010. In June 2014, *China Daily* (the official English-language newspaper) reported that the Fujian arbitral tribunal had ruled in favour of workers after a strike of two weeks. The newspaper highlighted that “so far the courts and arbitral authorities did not support the positions of the workers if they defended their rights to strike”.

As for the strikes developed in Vietnam, it is interesting to address one experience that took place in 2015, as we could test in our last trip to the country. In early April, a major strike broke out in a footwear company in the area of Ho Chi Minh City. It was the Pou Yuen company, Taiwanese-owned, with 90,000 workers who produce shoes for Nike, Adidas and other brands. The reason was the draft amendment of the regulation in the country of retirement benefits for which hitherto existed a complex formula that allowed collectability, in a single or in instalment payments before retirement age (60 for men and 55 for women) if they had contributed a sufficient number of years (20 according to some documentation). The strike lasted a week and it included different actions such as the occupation

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<sup>27</sup> Basically provided by the Association Press.

of the workplace and street demonstrations with no serious incidents. The workers returned to work when the government pledged to reconsider the issue.

We could see the impact of this strike in the factories we visited by interviewing workers and trade unionists, and also employers. There was a first remarkable fact: talking of “strike” was no longer a taboo subject. Quite a few workers said they knew of the strike and its essential content (retirement benefits); also, they said they heard of the strike both on “radio and television” and in “meetings in the union”. In one of the companies visited, workers indicated that they had made a 2-day strike for the same reason, concurring with that of Pou Yuen. This was recognized by the governing body of the union. They explained how it happened: during lunch in the canteen someone said he had seen on the internet about how the strike was proceeding, and they decided to join immediately. Almost no one returned to their job. Union leaders of the company met with their managers and claimed that there should not be any sanction, letting the workers go home, and that they would report on the subject, so that the next day they could provide explanations. The next day the workers went to work, but did not start waiting for such information. A local union leader, along with those of the company, explained the reasons for the strike and the government's commitment to reconsider the issue. The workers decided to continue the strike the second day, and the company accepted the proposal of their return to their homes. The following day, employees resumed work, and the two days of strike were considered as holidays.

In this company the union leaders indicated that there was also a strike in other places, but its development was more complicated by the absence of trade unions or trade union initiatives in them. During our stay, *Vietnam News* included several references to the meeting of the National Assembly that was taking place and on possible amendments to the law on Social Security 2014 Article 60, which had motivated the strike. This was the only recent conflict commented on our visit to the factories. In one, we were told that “until 2009” there had been some conflicts because “prices rose more than wages”.

A few days after our last stay in Vietnam, the Vietnam press reported on a 6-day strike carried out by 1,100 workers in a garment factory. Based on information from the union of the town, the press noted that, as a result of the strike, the company accepted a wage increase, the construction of a parking lot for motorcycles and measures aimed to ensure safe water in the company. The newspaper added that workers also demanded rest on

Sundays and an end of the working day on Saturday at 4:30 p.m. The resolution of these demands was still pending.

To conclude: it is possible to affirm that strikes are increasingly assumed as a normal fact related to the development of industrial relations in Vietnam. On the contrary, talking about this topic is still almost a taboo issue in China.

## **6. Final remarks: reform or rupture**

The Chinese and Vietnamese labour movements are definitely in a transition phase, and even under strain in a context of the implementation in both countries of the market economy and its integration into the global world economy. There are now processes of union action that go beyond official political and union structures. Against this background, it would be very audacious to establish any certainty about the future developments of these phenomena.

Clearly, a new unionism is emerging in both countries, but it is still risky to predict whether it will lead to the marginalization of the existing structures, or if the result will be an integration of the new union leaders arising from the current mobilizations and strikes into the union offices of the current ACFTU and VGCL. It remains to be seen what role unionists might play from such processes. The capacity of the Vietnamese official unions seems greater to integrate new union leaders arising from trade union action.

It seems clear in any case that part of the current “union” structures will lead to management, outside of union action, to try to manage the great resources that have accumulated with the “union dues” paid for years by companies. Another element influencing the development of this transition will surely be the understanding that the role of trade unionism is necessarily different in a planned economy, based on the public ownership of the means of production, of one that it is taking hold through the already advanced privatization processes or new private equity investments, national or foreign, in a “market economy with its own traits”. This is a highly relevant issue in Vietnam given the current involvement of the country in negotiating free trade agreements, including the Agreement between the United States and Vietnam and the Trans-Pacific Agreement. Both agreements pose significant challenges, because if on the one hand they recognize the role of trade unions, on the other they strengthen the unilateral power of transnational corporations of foreign capital on the legal regulations related to living and working conditions in the country.

The labour movements of Chinese and Vietnamese, based to a greater or lesser extent in the current official union structures, will undoubtedly play an important role in the future unionism, responding to the current global labour crisis, and consciously taking its integration into the global working class. The incorporation of the working classes of both countries to the global trade union movement will be definitely a new opportunity to address the current crisis, broader than just an economic crisis, and that translates into a crisis response capacity of national and supranational institutions including trade unions. This is leading to a global debate about the need to “rethink”, “reinvent” or “renew” the trade unions.<sup>28</sup>

The necessary construction of a global trade unionism, integrating labour movements that organize the working class in all areas and at all levels, must also consciously assume the existence of interest not necessarily common in such areas and levels, and at the same time try find a synthesis in all of them. The immediate future of the labour movements in China and Vietnam can play an important role in this scenario with one condition: to organize and represent in a real way the working classes of their countries.

Therefore, the relationship of global trade unionism with new labour movements under construction in China and Vietnam constitutes a matter of obvious interest. There is now, in the most diverse areas of world trade unionism, a debate on this issue that occasionally emerges with remarkable intensity. From these pages, we wish to emphasize its importance, contributing with our analysis to this process of the transition from official to real unionism, and our hope for its success.

### **Further reading**

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<sup>28</sup> See for example in the European context: BERNACIAK, Magdalena; GUMBRELL-MCCORMICK, Rebecca; and HYMAN, Richard. *European trade unionism: from crisis to renewal?* European Trade Union Institute, Report n° 133, Brussels, 2014.

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