

# Conflict and mobilization under China's 'One country, two systems': the 2013 dock strikes in Yantian and Hong Kong

Xuebing (Jack) Cao, Keele University

[x.cao@keele.ac.uk](mailto:x.cao@keele.ac.uk)

25.01.2019 EMAR Seminar

# Why the two strikes?

- Significance: important part of contemporary Chinese labour movement
- Similarity: seaport industry; same year; close
- Ownership: fully or partially owned by HPH

So: Is there any link between the two strikes?

Does the HK-mainland border matter?

Implications to the study of industrial conflict?

Co-author: Dr Christ Chan, City University of Hong Kong

# Labour conflict in China

- The surge of collective labour disputes: official statistics regard collective disputes as those with more than 10 workers but not typically strikes: 9,314 (2010) to 10,446 (2015)
- No. of strikes: 1,379 (2014) - 1,701 (2018) [clb.org.hk](http://clb.org.hk)
- Recent change from manufacturing to service/construction industries; weaker publicity
- Highlighted incidents:
  - 2010 Honda strike – the most prominent protest so far
  - 2010 Dalian strike wave, 70 companies
  - 2014 Dongguan Yuyuan strike 40,000 workers
  - 2018 Jasic campaign for unionisation

# Towards a conflict resolution mechanism?

- Most part of China: ineffective official dispute resolution
- Collective bargaining is not formally recognized: a lot happened due to strike pressures (Pringle 2011)
- Official trade unions (ACFTU) do not mobilize workers to protest or negotiate: lack of representation and bargaining power
- Majority strikes are spontaneous organised by workers and suppressed by authorities
- Short-term solution: union participated bargaining
- Labour NGOs have been active but now been silenced
- But outside the mainland: Hong Kong has a very different industrial relations system

# What is 'one country, two system'?

- A political framework leading to the handover of Hong Kong from UK to China in 1997
- 1984 Sino-British Joint Declaration and 1990 HK Basic Law promised HK's legal system will remain the same for 50 years after 1997 (Fosh 1999)
- HK takes a unique way of life following its conventional capitalist, British rules while (mainland) China keeps as a socialist state (So 2011)
- HK: a high degree of autonomy running its **own political/social affairs** including regulatory framework on work and employment (Wong 2004)



# Industrial relations under 'two systems'

	<b>Trade unionism</b>	<b>Industrial relations climate</b>	<b>Industrial conflict</b>
Main-land	Single union, Lenninist, unitary, Party & management linked	Tight control, no promotion of collective bargaining	Large increase after 2010 especially in Guangdong, but most strikes are suppressed or settled quickly
Hong Kong	Multi-unionism; free, independent for association but weak labour movement, policy hostility towards unions	Relatively quiet, ambivalent government attitude, pro-business legal system	Strikes not very frequent but from time to time break out

# Literature on strikes in China

- Extensive literature, but **lacks consensus** in framing the nature of mobilization & control
- Strike workers' bargaining power (Chan 2009, Chan & Hui 2014, Pringle & Meng 2018)
- Workplace injustice (Pun & Chan 2013; Lee 2007)
- Authoritarian state-labour relations (Howell & Pringle 2018)
- Transforming towards collective employment relations (Chang and Brown 2013)
- Weak legal protection, dysfunctional unionism & weak state intervention (Gallagher 201; Friedman 2014)
- Marxian class struggle framework (Chan & Pun 2009), labour process & factory despotism (Smith & Pun 2009)

# Research rationale

- Conceptual fragmentation unhelpful for apprehending the nature, process and resolution of strikes in China
- Lack of comparative understanding on strikes (exceptions incl. the cases on Vietnam & China)
- Research aim: to advance the comparative understanding of industrial conflict by analyzing two dockworkers strikes in Guangdong and HK
- Purpose: to evaluate the reason, mobilization process and resolution of two most conspicuous waterfront disputes in recent Chinese history:
  - 2013 Yantian International Containers Terminals (YICT) dispute
  - 2013 Hong Kong International Terminals (HIT) strike
  - Managed by the same HK firm, Hutchison Port Holdings (HPH)



# Hong Kong and Yantian ports





Yantian  
port



Hong Kong  
port

# Research questions

- To what extent is the 'one country, two systems' framework for the nature of conflict and mobilization in the two trikes?
  - What triggered the strikes and how were dockworkers mobilized?
  - How did the strikers take on the management and how were the disputes resolved?
  - What was the role of trade unions during the strikes?
  - Are there any parallels, variances and connections between the two strikes?

# Conceptualizing dockworkers' strikes

- Strike proneness: is it still the case?
- Culture approach: strike proneness, strong occupational identity and community spirit → strong bargaining power & solidarity (Kerr & Siegel 1954; Miller 1969)
- Critique: culture is not quite influential (Bechter et al. 2012), since strikes are often derived from changing management practices that threaten the residual pay and working conditions (Edwards 1977)
- A much more complex, challenging environment for the contemporary seaport industry around the world: globalization, casualization, containerization & automation (Blyton & Turbull 2004; Schwarz-Miller & Talley 2002)

# The nature of industrial conflict

- Strike literature lacks consensus (Kaufman 1982)
- Social cohesion & order (Godard 2011), membership (Hodder et al. 2016), strike leaders (Darlington 2006), collective behaviour (Ross & Hartman 1960)
- Industrial relations: result of constant capital-labour confrontation (Godard 1992)
- Materialistic analysis (Edwards 1992); mobilization (Kelly 1998) are particularly conducive
- Hyman's (1984) account for **rational social actions**: striking workers recognize the genuine deprivations of rights/benefits as legitimate reason to strike

# Mobilization and workers' rational action

- Mobilization approach instrumental in explaining the transforming process of strike: grievance converted to actual actions (Williams 2010)
- During the mobilization process, **injustice, social identification and leadership** are key steps for successful transformation through collective actions (Kelly 1998)
- Even with non-union, injustice and subsequent worker struggle are still the key to understand strikes (Kelly 1998)
- **Strikes are example of rational and purposive labour action** (Hyman 1989)

# Research method

## Yantian

- 10 semi-structured interviews
- 3 workplace union officials and 7 workers who participated 2013 strike

## Hong Kong HIT

- Participant observation during the 2013 strike
- 12 semi-structured interviews with union officials and striking workers

## Comparative case study

- Secondary evidence: documents, social media, news report, research papers

# Background: Yantian port & YICT



**Yantian International  
Container Terminals**  
盐田国际集装箱码头

- The world's biggest container single-site
- East coast of Shenzhen, close to Hong Kong.
- YICT: joint venture of Shenzhen government and Hutchison Port Holdings (HPH in Hong Kong, one of the biggest container port operating firms in the world)
- The most profitable container port in China, and the best in HPH globally
- 2300 own employees + 2-3000 out-sourcing workers
- Operation is controlled by HPH – rare in China, with local authorities overseeing labour relations
- Union and Party branch onsite as part of the management team



# Yantian strike 1-2 September 2013

- Started in the morning of 01/09/2013 and lasted 36 hours
- Several hundreds of crane operators and loaders (1/3 workforce) asking for improving low pay and strenuous working conditions (2-3000 yuan [£300] monthly rise)
- Involved with the first direct-elected workplace union in China's seaport industry
- Quick intervention by the local government and official union -  
- negotiation was then undertaken as union stepped in to be intermediaries for negotiation
- Settlement: workers were offered few hundreds extra monthly benefits or subsidies

# Conflict and mobilization in YICT

- Demand: resume housing allowance, wage rise
- Mobilization: few 'agitators', spontaneous, individualized, informal
- Disruption: serious; whole port operation halted
- Trade unions: official union was brought in after the strike broke out to represent workers; local union federation was involved too
- Management: cooperative with the State
- Government: pressure to end strike asap

# Yantian dockers



# Background: Hong Kong International Terminals HIT



Hongkong  
International Terminals  
香港國際貨櫃碼頭

- The world's top 6 container site
- Heart of Victoria Harbour in HK
- HIT controlled by tycoon Li Ka-shing, who also own HPH managing Yantian operation
- The most profitable container port in China, and the best of HPH globally
- 3500 own employees + 2000 sub-contracted workers
- Most company workers Federation of Labor Unions; some company workers and most contract workers are affiliated to Hong Kong Dockworkers' Union (to Confederation of Trade Unions CTU)

# HK HIT strike 28 March – 6 May 2013

- Union (HDU) initiated
- Main grievance: low pay, real wage increase lower than inflation, deplorable and dangerous working conditions, long working time, round-the-clock shifts
- Striking dockworkers' demand: pay rise 20%, formal recognition of HDU's bargaining position, pay parity between company and contract workers, and annual review of wages
- Started with 100, then 400, over thousands workers
- Massive social movement supporting strike
- Government intervention slow and reluctant
- Settlement: 9.8% pay offer

# Conflict and mobilization in HIT

- Demand: wage rise (10 years stagnation); working time
- Mobilization: out-sourced crane operators -> dockers union → most dockers:
- Disruption: partial disruption but quite substantial
- Trade unions: two union camps: mobilizing/negotiating vs. interrupting/preventing
- Management: anti-union
- Government: pro-business



Hong Kong dockers





## Social movement unionism



# The effect of the 'two systems'

## Mainland China

- Strike is not encouraged or tolerated by both gov., no effective CB → Yantian dispute was quickly solved
- Rigid social environment → non-union, isolated protest
- Gov. strict control of media across GD-HK border → not easy to for strike activists from two ports to be connected

## HK

- Free market economy → collective bargaining, gov. passive intervention
- Strong public campaign → popular social movement
- Low union density but some unions and CB are independent; strikes better tolerated → the lengthy strike relied on extensive public support; resolved by CB

# Comparing reasons and processes

	Injustice	Rational social action	Mobilization	Social identity
HK	heavy workload, unrealistic reward; working time	Planned by unions for strike and bargaining; successful campaigns to get public support	Leadership in several unions; public support based as effective social action	Union member identity
Yantian	workload; education allowance (pay)	Spontaneous and individualistic actions, self mobilization	Activists not union cadres (not identified); no public support	Same group for fair wage

# Reasons for strike

- Both were triggered by workplace injustice: workers' grievance against unfairness and job dissatisfaction
  - Yantian: housing allowance deduction
  - Hong Kong: low-pay, working conditions
- In contrast, there was management's ignorance of workers' demand, and the port operation company's substantial profitability
- Sense of injustice was converted into protest

# leadership

- Both strikes were led by some organizers who made effort to call on, organize and maintain the strike activities; they are strategically important
- But formal vs. informal
  - YICT: few less known agitators started but later were taken over by union – collective non-union voice became alternative to unionism (Kelly1998)
  - HK: clear union leadership in all levels to lead the protest and collective bargaining, making the campaign more organized and strategized, although clash of unionisms

# Mobilization

- Mobilization was assisted by the perceived social identity that strengthened their morale during strikes
  - YICT: unfairly paid colleagues
  - HK: union members
- But in different levels and ways
  - YICT: informal mobilization; borrowed official unions' power and oriented by their policies; could only lasted short period of time
  - HK: formal mobilization, strategic, use of labour movement (other unions) and social force (public donations and support); had a strong, more influential impact on the lengthy strike and sustained negotiation

# The proximity of rational social action

- The degrees of rationality of strike vary:
  - Yantian: started with some primary actions but not guided by clear leadership or strategy; were forced to rely on official unions they did not fully trust
  - HK: typical union-led strike with multi-union negotiation; designed by union hierarchy, systematically mediated by union meetings, supported by social forces
- But: similar logic of social action
  - Triggered by workplace injustice
  - Mobilized by organizers/leaders
  - Resolved by a process showing power relations

# How are the two strike alike?

- Hong Kong: a lengthy, union-led dispute assisted by a social movement
- Yantian: a short, non-union, sit-in strike with gov. determined to pacify any social unrest

## **Similarities:**

- Profitable companies denying workers' welfare in the first place; but workers gained by the end
- Persistent workplace injustice, grievance accumulation, and leadership mobilization (union & non-union)
- Dockworkers' strong structural bargaining power derived from the strategic location of their workplace within the global shipping industry

# How relevant is 'one country, two systems'?

- Can influence the appearances, length, union role and public support of strikes
  - No direct link between the two strikes
  - HK: the longest in history; typical bargaining
  - YICT: partial mobilization and negotiation, temporary
- However, there is **insignificant impact** of the 'two systems' arrangement on the nature of strikes
- Whatever the system is, there is an inevitability of the management-labour conflict embedded in the capitalist production



# Conclusion

- The 'one country, two systems' arrangement didn't change the fundamental course of the two strikes
- But the two events have comparative implications
- Industrial conflict is not fully influenced by types of social system, but relevant to accumulated management denial of workers' demand in previous conflict (Hiller 1969)
- The overall pattern of mobilization, institutional environment, social action & public reaction all played a key role in shaping the strike process and resolution
- Patterns of management-labour conflicts are the key for analysing rational social actions such as strikes