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BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION
HEARING ON CHINA'S STATE CONTROL MECHANISMS AND METHODS

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I would like to thank the Commission for the opportunity to share some of our experiences on this important subject. I will limit my remarks in the brief time I have to the impact of China's governmental policies on workers, which is the area of my expertise.

Let me begin with a personal experience. Ten years ago I got a job at the First Construction Company, a state-owned enterprise (SOE) in my hometown of Zigong City, Sichuan Province. In China, you normally become a member of the official trade union if you work in an SOE, and so I became enrolled in the local branch of the All China Federation of Trade Unions (ACFTU), the only union legally permitted in China. I remember it was a couple of days after my first day on the job when the manager called new workers to a meeting and explained that our team of 20 workers needed to have a union leader. Since I happened to be sitting next to the manager, he asked me if I would accept the position of union leader. I didn't object, and in this way I became a local leader of the ACFTU. As far as I know, this method of selection was used throughout the enterprise.

It did not take long for me to understand that the union functioned primarily as an administrative arm of the company. It organized athletic activities, gave out gifts on holidays, visited hospitalized workers and so on. It did not deal with any of the fundamental issues between workers and management. It did not provide a channel for resolving conflicts. It did not protect the legal rights of workers. And it practiced the most blatant kind of favoritism in allotting some of the real benefits that were available. It was also understood that if you protested these policies, you would probably get fired. After a while nobody went to union meetings. Workers just tried to get along as best they could. I eventually quit the job and started a small business with some friends. Since I had studied law, I also offered free legal advice to workers who were trying to redress grievances in their work places.

Deleted: work-places

Then something happened that changed my life, an event that occurred two days after the Spring Festival in 1997 that I witnessed. On that day a laid-off worker from the Salt Company in Zigong City attempted to burn himself in front of the municipal building. With a lighter in his hand, he poured gasoline around his body and up the steps of the municipal building. I can never forget his desperate face. Although his immolation was stopped by the police, this incident greatly affected me. I gave up my business and devoted myself to defending workers' rights.

This worker and his wife had worked at the Salt Company for 20 years. After being laid off, they couldn't find a job. Their debts piled up. They worried about being able to take

care of their child. They went to the union several times for help but the union did nothing.

The suffering of this worker is not exceptional. Millions of laid-off workers in China are facing the same problem. Some of them can find another job, but most cannot, especially women over 40. After losing a job in an SOE, a worker also loses medical insurance and pension.

Workers are not accepting this situation passively. Over the past ten years there have been numerous cases of workers appealing to the courts or demonstrating in the streets after being laid-off without legally entitled benefits by an SOE that had gone bankrupt due to the pressures of China's economic transformation policies. These protests often result in arrests of workers and their leaders who dare to challenge these injustices.

In March 2002 thousands of workers laid off by the Liaoning Provincial Ferro-Alloy Company took to the streets after two years of fruitless appeals to the provincial government, to management and the official trade union. As a result of the protest, two brave leaders, Yao Fuxin and Xiao Yunliang, were sentenced to jail for seven and four years respectively. According to his family, Yao has been physically abused in jail and his heart condition has not been treated properly. Xiao's family reports that he is going blind because prison authorities have not treated his eye disease.

There are numerous other cases like this, and with the Commission's permission I would like to submit for the record this list of workers who have been imprisoned for nothing more than insisting on the rights they are entitled to under China's own legal code.

Finally, let me say a word about the private, foreign invested enterprises (FIEs) that are driving so much of China's economic development today. As you know, these are the factories and companies formed by international capital, in many cases from the United States, or have business with US companies. The problems facing workers in these enterprises are somewhat different from the SOEs but no less severe.

In this case workers have a job, but the conditions they face on constitute a kind of slavery. Many of them are migrant workers, with limited legal rights. They make as little as \$60 or \$70 a month, working 14 hours a day, often times seven days a week, often exposed to dangerous chemicals. They live in small dormitory rooms shared with a dozen other workers. They have no medical insurance or retirement benefits, and employers often illegally withhold even the meager wages that are due. And of course they have no union that will take up their cause.

I know this is true because I experienced these conditions myself working for two years in several FIE factories in Guangdong Province.

But I would not want to leave you with the impression that the situation is hopeless. To the contrary, China is today a country in great ferment. Everywhere you go, you see factories and buildings rising, you see the stores crammed with goods and the streets with

vehicles, and it is not lost upon the workers of China that it is they who have created this tremendous new wealth and deserve a fair share of it.

Increasingly, we see them making use of the legal system, insisting that employers and government authorities comply with the labor code instead of ignoring it, and insisting also that the voices of ordinary workers be heard at the decision-making councils of the nation.

I believe this can and will be accomplished, as the voice of workers grows stronger and China's own leaders slowly realize that their vision of a harmonious society must be one that empowers the people and that truly respects the rights of workers, a society in which social justice grows with the economy.

Thank you, and I would of course be happy to try to answer any questions you may have.