

## **The neoliberal rise of East Asia and social movements of labour: four moments and a challenge**

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### **Abstract**

*The celebrated 'rise of East Asia' as a centre of global capitalism resulted from the increasing integration of East Asia into the expanding circuit of capital that turned most of the East Asian population into 'capitalist value-subjects'. This means that the vast majority of East Asian population now have to make and reproduce living at different moments of production, reproduction and realisation of capitalist value. However this integration does not create these new value subjects as a singular and cohesive class of working women and men. Instead, it produces many segmented labouring classes whose livelihoods depends on insecure and oppressive wage employment or a wide range of survival activities for money income in the informal economy. The result is the paradox of East Asian development - the increase of the traditional working class has been marginal in the rise of East Asia as a workshop of the world. This again created a complex condition for social movements of labour.*

*A close look at the current struggles of new value subjects in Thailand, Korea, Cambodia and China reveals that these new value subjects are capable of going beyond the boundaries set up by the previous struggles of organised labour. However, it also tells us that there is a serious disjuncture between the emerging social movements of labour and the existing trade union movement of the 'industrial working class' in East Asia. This challenge calls for a reconsideration of the theories and practices of the labour movement that presuppose a process of coherent working class formation.*

### **Introduction**

The celebrated 'rise of East Asia' as a centre of the global accumulation of capital resulted from the increasing integration of East Asia into the expanding circuit of capital that turned most of the East Asian population into 'capitalist value-subjects' who now have to make and reproduce their livings at different moments of production, reproduction and realisation of capitalist value. However this 'integration' does not create these new value-subjects as a singular and cohesive class of working women and men. Rather it produces many segmented labouring classes whose livelihoods depend on insecure and oppressive wage employment or a wide range of survival activities for money income in the informal economy. The result is the paradox of East Asian

development - the increase of 'the working class' has been marginal in the rise of East Asia as a workshop of the world. This again created a complex condition for social movements of labour. Current uprisings of new value-subjects in rural and urban areas of accumulation in Thailand, Korea, Cambodia and China show these new value-subjects are not merely passive victims of the rise of East Asia. They do fight and are capable of going beyond the boundaries set up by the previous struggles of organised labour. However, on the other hand, these emerging social movements of labour develop without being articulated with the existing trade union movement of the 'industrial working class'. I find different degrees of disjuncture between the traditional working class movement and newly emerging movements of labour in Cambodia, China, Korea and Thailand. This condition calls for an urgent and fundamental reorientation of the labour movement in East Asia to go beyond the theories and practices of the labour movement that presuppose a process of coherent working class formation.

## **1. Paradox of the rise of East Asia**

While global capitalism is undergoing a prolonged recession, East Asia is rising as a model for developing countries and moreover as the future of global capitalism. This optimism comes firstly from the relative endurance of East Asian economies against the on-going global recession. More fundamentally, it is based on the stunning growth performance that East Asian economies, including Japan, the Newly Industrialising Economies (NIEs) and China, have been demonstrating since the end of World War II and subsequent rise of the region as an active builder of global capitalism. The transformation of East Asia from a peripheral player to an active builder of the global economy is marked by a *twin-process* of integration that entails both tighter integration between East Asian economies and deeper incorporation of East Asia as a whole into the global market. Perhaps the active role of East Asia in sustaining global capitalism is best seen in the increasingly important role of East Asian capital in building East Asia as the epicentre of global manufacturing. Intra-Asia Foreign Direct Investment (FDI) flows in 2005 accounted for about half of Asia's total FDI inflow, all major capital sending and receiving countries being East Asian (UNCTAD, 2006). In East Asia alone, reliance on intra-regional investment is even greater. Nearly 70% of FDI inflow to 15 East Asian economies<sup>1</sup> came from within the sub-region in 2005, one third of the flow being Japanese and another one third from Hong Kong (ADB, 2010: 36). Reflecting this trend, a large portion of FDI to China, the driving force of the region's export-led growth, is from East Asia itself. In 2010, according to the Chinese Ministry of Commerce, China received a total of US \$105.735 billion, out of which investment from 10 East Asian countries and regions (Hong Kong, Macao, Taiwan, Japan, Philippines, Thailand, Malaysia, Singapore, Indonesia, and Republic of Korea) was US \$88.179 billion. East Asian economic development is driven also by

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<sup>1</sup> They include 10 countries in the Association of Southeast Asian Nations (ASEAN), mainland China, Japan, South Korea, Hong Kong and Taiwan.

increasing trade within the region. East Asia's trade reliance increased with trade/GDP share growth from 42.4% in 2000 to 66.4% in 2008 (ADB, 2010: 29). The intra-regional trade doubled during the decade between 1995 and 2004, reaching US \$1,296 million (ADB, 2007: 87).

Having seen this, it is safe to say that East Asian capital is leading the rise of East Asia. However, this does not mean that East Asia is being insulated from the global economy. What features increasing intra-regional trade is the increasing flow of components and parts that are produced and supplied to make final products to meet the demands outside East Asia. For instance, as of 2001, about 73 % of intra-East Asian trade consists of intermediate goods used in and processed for production of final goods (ADB, 2007: 69). Again about half of this intermediate goods trade was driven by final demand outside Asia, leaving only 21.2% of East Asian export finally consumed in East Asia (ADB, 2007: 69). More recent trade data reveal that this trend continues. As of 2006, 67.5 % of export from 'integrating Asia', which is integrating East Asia plus India, ended up in Europe and North America (ADB, 2008: 71). This means the increasing importance of East Asia as a producer of consumer goods for the global market. East Asia produces 32.5% of global manufacturing exports in 2008 (compared to 27.2% of 1992) (ADB, 2010: 34).

It is perhaps quite natural to have a proliferation of 'the rise of (East) Asia literature' that predicts an era of the East in near future. This literature has a long story. The earlier generation of this literature recognised that East Asia's new economies commonly had so-called developmental states that 'repaid debts, successfully climbed the ladder of industrialisation, educated their workers, reformed their agricultures – in short developed' (Radice, 2008: 1166). The more contemporary literature tends to present the rise of East Asia as a not-too-surprising event that is likely to transform global order one way or the other. Discussions about the East Asian model, whether its distinctiveness is based on stronger states restricting free markets, Confucian work ethic and entrepreneurship or a mysterious 'oriental' propensity toward harmonious development, tend to juxtapose East Asia's seemingly unique developmental model vis-à-vis the developmental model of Atlantic capitalism that is often regarded as destructively competitive and speculative (Arrighi, 2007; Gill et al., 2007; Jacques, 2012; Mahbubani, 2009). Although different commentators in this literature may disagree on what sorts of alternative to predominant neoliberal capitalism East Asian economies can offer, they seem to agree that East Asia is capable of offering something authentic and unique vis-à-vis western or neoliberal model. However, a careful look at the way in which East Asian capitalist labour has been created, disciplined, mobilised, and combined with capital for the miraculous development tells otherwise: the rise of East Asia is a consequence of East Asia being an integral part of global neoliberalism rather than being an alternative to it. It is important to notice that East Asia grew fast neither because of its defiance against neoliberalism nor because of its subjugation to the overwhelming power of global neoliberalism. It was rather a consequence of a process in which East Asia and Atlantic neoliberalism together built global neoliberalism. It was a *reciprocal* process in which both global

capitalism and East Asian capital benefited from each other, allowing them to build truly global capitalism. The role played by East Asia was at the centre of the neoliberal recovery from the recession in the 70s, generating new centres of capital accumulation. In particular, China's return to the global capitalist system and subsequent remarkable economic growth would not have taken place without global neoliberalism and vice versa (Harvey, 2005; Li, 2008; McNally, 2011). Then how did East Asia complete the neoliberal dream?

It was *East Asian labour* that completed global neoliberalism. East Asia, with an increase of the labouring population from 100 million to 900 million from the 1990s, became the centre of production and reproduction of global capital (McNally, 2011: 51). It is in this neoliberal reorganisation of the world of labour and mobilisation of this population in newly emerging centres of global neoliberalism as producers, reproducers and consumers that East Asia played a particularly vital role. The neoliberal rise of East Asia is based on and results from the increasing integration of East Asia into the expanding circuit of capital that turns most of East Asian population into 'value-subjects' whose survival is guaranteed only within and relies upon capitalist value relations. These value-subjects are capitalist subjects in a sense wider than being 'industrial workers' at the immediate point of industrial production. They are people making and reproducing their livings at different moments of the expanding circuit of capital and on whose livelihoods within and outside the immediate place of production capital depends for accumulation (Dyer-Witheford, 2002). Their survival and social activities may not involve direct employment relations at designated workplaces. Yet, it is not possible for them to survive without relating to capitalist labour one way or the other. Capitalist labour became the principle of or common substance in maintaining social life, mediating almost all aspects of social life both in production and reproduction process. The long process of integrating East Asia into global capitalism is finally reaching an end. This was done however not only by creating new value-subjects but also by creating a particular social form of capitalist labour to which they have to relate for survival. Increasing informality and insecurity characterise the particular form of labour. It is this labour that played a particularly important role in turning East Asia into a vital part of global neoliberalism.

The heart of neoliberalism is removing unnecessary barriers to the free movement of capital. Amongst many, the most important barrier against which neoliberalism posed a decisive challenge in an attempt to revive capital accumulation in the end of the post-war boom was the social institutions that once constituted the traditional industrial working class and 'formal labour' i.e., regulated labour market, state provision, union rights and more importantly the power of the working class behind the institutions (Chang, 2009b). The core of neoliberalism was then a global scale political project aiming to restore capital's class power vis-à-vis labour (Harvey, 2005) so that disposable labour can be flexibly utilised according to the ever changing need of mobile capital. Without power balance between labour and capital in place, it is no longer necessary for capital to rely on regular, protected, and formal jobs for accumulation and expansion (Chang, 2009b).

East Asian capital (both national and transnational) and states responded to emerging neoliberalism with massive scale social engineering of creating and disciplining a huge labouring population and thereby changed global power relations between labour and capital decisively. The impact of neoliberalism on labour has been uneven, depending upon the socio-political power of and cohesiveness among the labouring population as well as the diverse accumulation strategies of national and transnational capital across the world (Bieler, Lindberg and Pillay, 2008). In East Asia, neither the old industrial working class nor new value-subjects had proper means to protect themselves from neoliberalism. Industrial workers in East Asian countries did not have much time to prepare their counter strategy against neoliberalism by using collective labour rights as these rights were granted to industrial workers together with neoliberal labour market reforms (Chun, 2008; Brown, 2007; Arnold and Toh, 2010). In China, labour market deregulation advanced leaps and forward for last two decades, but collective labour rights are yet to be recognised (Pun, Chan and Chan, 2010).

The result is the *paradox of East Asian development* - the increase of 'the traditional industrial working class' has been marginal in the rise of East Asia as the workshop of the world. In other words, the neoliberal rise of East Asia did not create a condition on the basis of which a coherent industrial working class can emerge. Rather it produces many segmented labouring classes whose livelihoods depend directly or indirectly on insecure and informal waged jobs or a wide range of survival activities for money income in the 'informal economy'. Informal and insecure labour is then not a by-product of underdevelopment, but both a product and driving force of 'development' in the region. This again created a complex condition for the social movements of value-subjects. There are increasing protests of value-subjects against the transition. These struggles however do not follow the usual model of working class mobilisation. To understand the real implication of the rise of East Asia and what alternative to global neoliberalism East Asia actually can create, we need to investigate the implication of those diverse collective endeavours to challenge the very basis of the neoliberal rise of East Asia.

## **2. The emerging poor movement in Thailand**

The full-scale integration of people into global capitalism has been a brutally coercive process, removing all remaining elements of non-capitalist social relations or subsuming, where necessary, non-capitalist forms of social relations to the need of capital accumulation. Its logic dictates that each aspect of human life should not be organised, even partially, through non-market mechanisms. Challenges of value-subjects against this coercive process take extremely diverse forms, largely depending upon the different moments of the circuit of capital at which particular value-subjects are located. The poor's movement in Thailand has emerged from mass protests to the threats imposed upon the poor population in rural villages, located at the periphery of the globalising circuit of capital, by the aggressive attempts of capital and the state to accelerate the

industrial boom of 1980s and 1990s by exploiting natural resources such as rivers, forests and lands that played vital roles in sustaining rural livelihoods. In Thailand, the traditional labour movement was weak throughout the 1980s due to the heavy suppression of progressive social movements in urban centres after the short heyday of the democratic labour movement in the mid 1970s (Glassman, 2004: 102). During this period, none of the surviving union federations could claim to represent the majority of Thai workers, covering all together less than 1 % of total employees. It was in the late 1980s that workers began to make their voice heard within and outside the existing trade union movement. Prem's government (1980-1988) encouraged export industries, such as electronics and garment as an alternative to the industrialisation strategy focusing on the export of primary products and import-substitution, introducing the FDI promotion schemes of the Board of Investment. This included currency devaluation and tax exemptions and tariff cuts to export industries. The Thai government subsequently liberalised the economy with easier access to Thailand's commodity and financial markets, accelerating the integration of Thailand into global neoliberalism. While traditional subsistence agriculture was getting less important, industry and services became the backbone of economy. Manufacturing industry grew rapidly with steeply increasing FDI inflow. It accounted for 13.4 percent of total employment in 1996, in comparison to 7.1 percent in 1981 while it produced 28.4% of Gross Domestic Product (GDP) as of 1996.<sup>2</sup> GDP per capita more than tripled between 1985 and 1995, reaching US\$2,800 in 1995.

Labour activism managed to re-emerge between 1988 and 1989, corresponding with the period of very rapid industrial expansion. The first significant challenge to global neoliberalism came from the state-owned enterprise (SOE) unions whose membership numbers exceeded half of all unionised workers in Thailand.<sup>3</sup> Although the 'labour-aristocracy-like' SOE unions were neither very militant nor very enthusiastic in using their power to help organising new workers in private enterprises (Glassman, 2004: 90), they were active in confronting the privatisation of public enterprises pushed by the elected civilian Prime Minister Chatichai Choonhavan. In particular, the port workers' union, in collaboration with electricity and telecommunication unions, was at the frontline of struggles against privatisation and managed to disrupt port operation in Bangkok twice in 1989 and 1990, forcing the government to reconsider its privatisation plan. However, the heyday of the SOE unions did not last long. The new military government, which came into power after 1991 military coup, introduced the State Enterprise Employees Relations Act and disallowed unions and collective actions in state enterprises to circumvent increasing union militancy.

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<sup>2</sup> From ILO and World Bank on-line databases.

<sup>3</sup> Unions in the private sector covered only 152,000 employees at the time (Hewison and Brown 1994: 507).

While smaller and newer unions in the private sector and labour NGOs struggled hard to build union militancy and intervene in the democratic transition from 1992, more serious challenges against global neoliberalism was surfacing in rural areas. The Assembly of the Poor (AOP) was the representing organisation of the rural poor movement (Baker, 2000; Glassman, 2001; Missingham, 2003). Established by 250 villagers' representatives and NGO delegates on the international human right day in 1995 (Missingham, 2003), the AOP came out as 'an umbrella network linking the struggles of numerous rural and agrarian organizations' (Glassman, 2001: 522). In 1996, the AOP organised, together with residents in fishing villages in Ubon Ratchathai province, a protest to the Pak Mun Dam project funded by the Thai state and the World Bank to provide much needed electricity for growing cities and export-oriented industries in Thailand. Starting from the successful mobilisation of a five-week sit-in in the government house in Bangkok in 1996, the AOP's strategy of combining localised daily activities with centralised 'occupation' has been proven to be effective. The AOP managed to mobilise again twenty thousand strong participants in the 99-day occupation of the government house in 1997 as well as the protest-camp at Pak Mun dam in 2000. The AOP claims that 'its mass action against government's large-scale development projects managed to stop at least three mega development projects in northern Thailand' and 'changed the way in which the state introduces and implements these development projects once and for all' (interview with AOP activists Ken and Nu, 9<sup>th</sup> August 2008).

Although the main constituency of the AOP continues to be rural areas with people refusing to be forcefully integrated into global neoliberalism, the AOP has transformed from a local movement of the rural poor to a nation-wide movement of the working poor both in rural and urban areas, incorporating those marginalised within the circuit of capital. The AOP expanded by incorporating 7 different networks of villagers, urban poor, NGO activists and academics, covering major developmental issues such as dams, forestry and land, urban slums, work-related diseases and accidents, alternative agriculture and small-scale fishery (Missingham, 2003: 324-325). The AOP initiated its urban expansion by launching a campaign to protect slum dwellers and homeless from the daily harassment of local authorities and police (interview with AOP activists Ken and Nu, 9<sup>th</sup> August 2008). The AOP also campaigned for basic living standards, welfare and health care for the poor in urban slums. Another group of people at the peripheral area of urban capitalism the AOP work with is the victims of work-related diseases and accidents who lost their work capacity and inevitably became poor. The AOP helped those victims learn their rights through education programmes and if necessary directly assisted their legal claims for compensation. At the national level, the AOP campaigned for higher minimum wages and called for stricter price policy for staple goods. Although the AOP managed to become a vehicle for nation-wide social justice, their activism is tightly embedded in the communities where they started the movement. Each of the seven networks within the AOP operates independently with their own secretary, local organisers and focus groups in different local

communities. Network activists are embedded in the local communities and regularly organise discussions with villagers and communities affected by particular policies or state projects and often mobilise direct actions with local population at the local level while major concerns are being brought up to the Assembly to organise national level actions. The Assembly is regarded as 'an arena where these different networks find a common target and potential power to change by acting together' (interview with AOP activists Ken and Nu, 9<sup>th</sup> August 2008).

The AOP played a major role in developing the anti-globalisation movement in Thailand together with other networks working on similar issues such as NGOs Coordination Body and FTA Watch. In doing so, the AOP extended the scope of solidarity to reach the established labour movement of the industrial working class. At the beginning, this new movement of people at the margin of the globalising circuit of capital did not attract much attention from the existing trade union movement of the industrial working class such as state enterprises unions. However it was during the anti-globalisation protests that SOE unions, who were against privatisation plans, and the AOP came together to form an alliance. Many anti-globalisation organisations effectively halted the 6th US-Thai Free Trade Agreement (FTA) negotiation in Chiang Mai in 2006 by mobilising the biggest protest ever in Thailand on the issue of trade and globalisation with ten thousand protesters. Furthermore, the AOP participated in international protests against WTO and FTAs. The AOP was one of the major Thai organisations presented in the Hong Kong WTO protest in 2005. Together with hundreds of Korean protesters, 79 members of the AOP were arrested by the Hong Kong police during the protest. Combining local-based activism with national and international actions and incorporating both the rural and urban working poor, the AOP opened up a new possibility for people at the margin of the globalising circuit of capital to challenge global neoliberalism.

### **3. Struggles of Chinese migrant workers**

According to official statistics, the number of China's internal migrant workers employed outside their hometowns has reached 153 million by 2010. They are no longer a supplementary workforce but became a 'major component of the new Chinese working class' as they now account for more than half of the urban workforce (Leung and Pun, 2009: 552). The creation of these new value-subjects was an integral part of China's capitalist transformation in which socialist production units were becoming capitalist firms and 'socialist masters' in SOEs becoming capitalist workers. Despite the rhetoric of 'retaining socialism in China', the strategy of introducing market 'elements' to boost the socialist economy transformed China into an integral part of global neoliberalism by being an assembling hub of the globalising circuit of capital. This transformation changed all dimensions of the existing relations between enterprises, labour, and the state. Privatisation of SOEs was initiated by separating the management of enterprises from ownership through the 'contractual management system' and increasing enterprises' autonomy in



personnel management and profit allocation. The Communist Party's policy of 'grasping the big one and letting the small one go' accelerated privatisation of small- and some medium-size enterprises through selling off shares to domestic and sometimes foreign investors (Hart-Landsberg and Burkett, 2004: 46-7). Direct control over SOEs has also been gradually replaced by control and regulation through state-owned banks. The State's regulation of private enterprises was also relaxed in the Thirteenth Party Congress in 1987. Altogether they created a capitalist form of capital-state relations.

Socialist masters have become capitalist workers in this process. From 1986, all new workers in SOEs were subjected to the labour contract system, which later integrated all SOE workers. Contracted labour was finally recognised as the primary form of employment in the first Labour Law enacted in 1995. These 'masters' were also disappearing in the process of downsizing and privatising the SOE since the mid-1990s. A particular scheme of laying-off called '*xiagang*' was introduced in the mid-1990s and about 28 million SOE workers have been sacked by the end of 2003 (Naughton, 2007: 186). As a consequence, SOEs' contribution to total employment in manufacturing decreased from 44 % in 1980 to a mere 14.8% in 2001 and slightly higher than 10% in 2010 (China Statistical Yearbook, 2002; 2011). As Township and Village Enterprises (TVEs) and urban collective enterprises have also been privatised, public enterprises employed only 7% of total employment in 2003 (Naughton, 2007: 184) and 27% of the urban workforce in 2005 (Andreas, 2008: 130). Whilst the majority of the laid-off state enterprises workers returned to the labour market as self-employed and temporary workers (Solinger, 2004: 51) and remaining SOE workers were becoming capitalist labourers, it was the huge influx of young internal migrant workers that satisfied the ever growing demand for cheap and flexible labour in private enterprises in China's coastal cities.

In the earlier stage, migrant workers left their lands but stayed at their hometowns, mostly working for TVEs which attracted more than 60 million rural workers by 1988. The rural to urban exodus accelerated when it became obvious that the rural development could not match the rapidly growing urban counter part with the massively increasing inflow of FDI.<sup>4</sup> After decades of being mobilised under the strict control of the party-state and different collective work units, the rural population was not merely 'peasant' in a traditional sense, but rather a well disciplined reserve army of labour ready to work. The household registration system called *hukou*, although relaxed, continued to function to minimise the cost of utilising the rural labour force in the urban industries. While the loosening of the *hukou* system allows the

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<sup>4</sup> The rural population was suffering not only from sharply declining welfare provision but also from diverse forms of implicit dispossession - from land grabs by expanding cities to the growing influence of large scale agribusiness operating around the collective land tenure system by organising production through 'putting-out system' or by 'leasing land and hiring labour' (Andreas, 2008: 133). While the former provoked numerous rural disputes (between 1999 and 2005, 1 million cases of land dispossession were reported to the Ministry of Land and Resources), the latter shows the growing risk of turning farmers into factory workers in their own land.

migrants to work in big industrial towns, their rural residential status does not give them the right either to be permanent residents or to claim social benefits from the cities they are working (Chan, 2003: 44).

The legal minimum wage, which varies significantly from one region to another, was introduced in the early 1990s. However, the increase in minimum wages during the 1990s' economic boom only kept pace with inflation (Chan and Siu, 2003). Most of all, wages are in principle paid on piece-rate. This means that employers pay only for labour that results directly in products during a given period of time. A large part of the social cost of labour is imposed on individual workers, rather than on the state or on the employers, meaning that capital does not have to pay insurance schemes including pension, industrial injury, maternity, health, and unemployment. By offering their disciplined labour power without burdening capitalists with additional cost for social benefits, migrant workers allowed capital to enjoy high profit. Although extreme exploitation continued to dominate China's labour scene well into the 21<sup>st</sup> Century, Chinese migrant workers are known for docile characteristics and willingness to work under harsh conditions with low wages. However, current uprisings of migrant workers in industrial cities certainly tell us a different story. In particular, it was the new generation migrant workers' protests that overturned the usual image of submissive Chinese workers.

Various surveys estimate that more than 60% of these migrant workers are new generation migrant workers born after 1980 (China Labour Bulletin, 2011: 13). Compared to the first generation whose iconic figure was 'a young, shabby farmer making his way to the city for a limited amount of time with limited ambitions and expectation for his time there' (Gallagher, 2010), these new generation migrant workers are more deeply integrated into capitalist China. Grown up in the booming cities and naturally having no attachment to farming, they consider themselves not as peasant-workers but as permanent residents in cities. They aspire to city life and have greater expectation for upward mobility with their career development in the cities (Pun, Chan and Chan, 2010: 136). They are relatively well educated and exposed to various media discussions about social issues. They are also well aware of rights of citizens. In fact they tend to act as citizens even if their residential status does not grant full citizenship to them (China Labour Bulletin, 2011: 13-14; Wong, 2010: 3).

The recent wave of strikes and the desperate protests of Foxconn workers clearly revealed accumulated discontents among migrant workers as well as the characteristics of the new generation. Even before these struggles, struggles of migrant workers have been increasing in number and 'radicalizing' in form (Leung and Pun, 2009). More active individual and collective actions taken by migrant workers have moved the centre of labour disputes from SOEs to the private sector over the last decade and became an important cause of social unrest in China. Between 1993 and 2005, the number of 'officially recognised' mass protests increased from 10,000 to 75,000, showing a 20% annual increase (Leung and Pun, 2009: 553). Approximately 70% of them have been organised by peasants and workers (Leung and Pun, 2009: 553). China Labour Bulletin

(2011) estimates that there were about 90,000 mass incidents in 2009, about one third of them being labour disputes. An increasing number of workers also address grievances through legal channels. Arbitrated labour disputes increased from 135,000 cases in 2000 to 500,000 in 2007 and 602,600 in 2010 (Leung and Pun, 2009: 553; China Labour Bulletin, 2011: 11). Together with cases handled through labour mediation procedure, a total of 1,287,400 dispute cases were handled through legal channels in 2010 (China Labour Bulletin, 2011:11).

These increasing protests led the party-state to addressing emerging discontents among the working population (Gray, 2010). Dubbed with 'harmonious development', which became an official direction of Chinese development after Hu Jintao and Wen Jiabao came into power in 2003, several measures have been introduced. They include policies addressing rural-urban disparity with increasing government investment in inland areas, a more efficient system of managing minimum wages, more aggressive campaigns to establish trade unions in private enterprises, pursuit of wage negotiation through the collective contract system and finally labour law amendment. The labour law reform has been regarded as particularly favourable to migrant workers as it intended to improve job security of migrant workers and provoked strong protests from business leaders. Nevertheless, the year 2010 witnessed an important development of labour activism among migrant workers. The epicentre of the wave of strikes was the automobile industry, particularly concentrated in components manufacturers along the supply chain of Japanese car manufacturers.

The most important and influential strike was in Honda Auto Part Manufacturing (HAPM) in Foshan city of Guangdong province in May 2010. But actually it followed many other strikes mostly organised by migrant workers in the booming automobile industry. More than 10 strikes were reported between the second half of 2009 and May 2010 (IHLO, 2010: 18-19). The Honda strike was indeed the climax of the wave of strikes not only because it was a successful strike but also because they managed to very clearly articulate their demands for trade union reform and successfully communicate to the wider public, demonstrating the maturity of the migrant workers movement. HAPM is an auto component manufacturer with an annual capacity of 240,000 units, producing and supplying automatic transmission for Honda's assembly plants in China. About 2,000 workers are employed in this factory, about one third of them being industrial trainees who are spending their final year of vocational schools for on-the-job training. As in many strike actions in China, the HAPM strike took place spontaneously without prior mobilisation or preparation. The 14-day strike began with two frustrated workers who decided to do 'something meaningful' before they left their jobs (Wong, 2010: 2). Two workers' agitation for a walkout in protest over low wages quickly turned into a peaceful sit-in strike of 1,800 workers, including both trainees and regular workers. The workers then quickly elected their representatives and selected core demands. This manifests the increasingly fragile nature of Chinese workplace labour control and accumulating frustration among the workers. One of the major sources of workers' resentment was extremely low wages. Not to

mention the trainees making less than 1,000 Yuan per month - that is less than the tuition fees they paid for the school (IHLO, 2010: 13), the regular workers were also earning a strikingly low salary of 1,200 to 1,600 Yuan a month (US \$190 - \$238) which is a lot less than industry standard. As their basic salaries were so low, the legal minimum wage of Foshan city (920 Yuan a month) could be met only after adding all other allowances including overtime payment. Frustration was getting bigger not only among workers in HAPM but also other auto parts manufacturers in Guangdong province as these companies had been enjoying snowballing profits in the automobile boom in China and workers in assemblers were earning much more than the workers in HAPM.

While the Guangdong police force was on alert and setting up a cordon surrounding the factory, negotiation between management and workers representatives began. The HAPM management firstly tried to end the strike by firing two leaders of the strike and proposing fringe benefits to the workers. The striking workers came up with more articulated demands on 27 May, including 800 Yuan pay increase for all the workers, a seniority increment of 100 Yuan per year, reinstatement of the dismissed workers, no disciplinary action for all strikers and most importantly re-organisation of the trade union in HAPM with an elected chairman (Globalisation Monitor, 2010: 22). The management responded with the usual divide-and-rule tactics, proposing higher increase in wages for the trainees with a condition of not participating industrial action again. However, the strikers were not easy to divide once the workers had learnt how to coordinate the strike and earn public support. The workers at HAMP created a chat group called 'Unity is Victory' on China's biggest instant messaging programme, 'QQ'. This allowed strikers 'to provide rolling briefings on progress in the strike', inform reporters of the progress and invite lawyers and labour right activists to provide expert advices (China Labour Bulletin, 2011: 14). In addition, the management was facing emerging problems. Firstly, Honda's zero inventory system and just-in-time management turned out to be disastrous for strikes in parts and components suppliers. As the strike lasted for more than 10 days, Honda was running out of time. Secondly and more importantly the incident on 31<sup>st</sup> May where 200 'officials' wearing yellow baseball caps and union badges were sent by the local branch of All China Confederation of Trade Unions (ACFTU) in an attempt to violently disperse the striking workers in the factory. This incident not only strengthened workers' unity in the factory but also created support to the strikers from the general public. While even national and Guangdong province party leaders were condemning the union's action, the story of the striking workers in HAPM was widely covered by media with ample sympathy expressed to the workers. In subsequent negotiations, workers managed to get considerable concession from the employer, including an 11% pay rise, a 33% increase on meal and accommodation allowances, and most importantly direct election of union team leaders, committee members and vice chairman (Wong, 2010: 2; China Labour Bulletin, 2011: 41). In 2011, a collective contract was signed between the new union and management with an average 33% increase in wages.

The strike in HAPM spread out to about 100 other workplaces mostly though

not exclusively in automobile part suppliers in Guangdong province (IHLO, 2010: 20-22). With on-going nation-wide discussions about sweatshop conditions in foreign-owned auto-parts factories and mounting condemnation of the official trade union's irresponsibility and incompetency, migrant workers were now much more confident. Many relied on the same leverage HAPM workers used, taking advantage of the vulnerability of the just-in-time management of Japanese carmakers. A strike at Denso in Nansha Guanzhou effectively paralysed operation of the Toyota assemblers, which again forced the employer to meet the demands of the workers rather quickly (China Labour Bulletin, 2011: 24). Migrant workers in those strikes put up demands similar with those in HAPM strike, including pay rise in proportion to the rising profits of the companies, and in some cases reform of unions at the plants (IHLO, 2010: 19). They also combined new tactics used in the HAPM strike, such as online forums and instant messaging, with more typical tactics established over the years of workers struggle in China, including mass demonstration, sit-ins in factories and public spaces, blocking factory gates to stop deliveries, collective petitions and etc. As HILLO claims, 'the strike marks a significant turn in the spontaneous labour struggles of migrant workers in China from defensive to offensive' (2010: 19). The more daring and rights-sensitive generation of migrant workers began to act as full-citizens with self-claimed social and economic rights and self-invented collective bargaining in which spontaneously but democratically elected labour leaders confronted the employers. These struggles are certainly opening up a new phase of the struggles of value-subjects in China.

#### **4. Irregular workers' movement in Korea**

The irregular workers' movement in South Korea emerged from the neoliberal reformulation of Korea's capitalist development through which Korea became one of the central players of global neoliberalism. Active participation in emerging global neoliberalism was indeed a response of Korean capital and the state to the crisis of earlier development strategy, which was manifested during the Asian economic crisis of 1997-1998 (Chang, 2009a). Since the mid-1980s, favourable conditions in export-oriented labour intensive industries, such as garment, sportswear and low-end electronics, began to move away from Korea. Growing protectionist pressure from the US to compensate its worsening trade balance with Korea slowed down export growth while accelerating export-oriented industrialisation of Southeast Asian countries and China were challenging Korea. More importantly, Korean capitalist development faced the explosive development of new independent trade unionism in the summer of 1987, during which 1,300 new democratic trade unions were organised and recognised, facilitating wage increase in manufacturing - 10.4% in 1987, 16.4% in 1988, 20% in 1989 and 16.8% in 1990 (Chang, 2009a).

The state and capital attempted to overcome these difficulties by embracing neoliberalism, pursuing the usual three pillars of global neoliberalism - commodity and financial market liberalisation, privatisation of SOEs and

flexibilisation of labour. However, this was only partially successful largely because the restoration of the power of capital vis-à-vis labour remained to be achieved. Indeed, the Korean state realised that 'Korea's entire future as a major center of accumulation was critically dependent on the achievement of a substantial redistribution of income from labor to capital' (Pirie, 2006: 216). However, it was during this period that labour became an important social force by establishing a nationwide union movement with the establishment of the Korean Confederation of Trade Unions (KCTU) whose members exercised huge influence in strategically important workplaces. The attempts of capital and the state to remove strong trade unions precipitated more militant resistance from organised labour, making it harder for individual capitals to survive increasing competition in the export market by squeezing labour. On the other hand, financial liberalisation caused growing dependency on short-term credit, making the economy vulnerable to external shocks. These problems manifested themselves in a general crisis in 1997-1998. It was not until the restructuring period in the aftermath of the general crisis that a new and more genuinely neoliberal basis of further capital accumulation emerged.

Sky-rocketing unemployment, combined with the continuing attempt of the state - now with enhanced legitimacy of the state on the basis of the shift from the authoritarian developmental regimes to democratic neoliberal regimes (Chun, 2008: 28) - to isolate the labour movement by portraying it as the movement of labour aristocracy against the poor, enabled the state and capital to get away with the piecemeal introduction of irregular work arrangements mostly through utilising dispatched and temporary labour in manufacturing and self-employed waged workers called 'special employment' in the service sector. Union response to this has been largely ineffective. The KCTU was overwhelmed defending their heartland from mass lay-offs and the aggressive attempt of the state to oppress the most militant wing of the labour movement (Chun, 2008: 28-29). After years of desperate defensive struggles, the labour movement survived in large-scale manufacturers. However, the labour movement faces a crisis of representativeness for the working class as a whole - the new irregular working class immensely expanded outside the comfort zone of the union movement.

Irregular workers became the backbone of the new and 'revitalised' neoliberal economy by working harder and longer with smaller compensation and often no welfare provision. The absolute majority of new jobs created after the crisis was predominantly irregular. The number of temporary and daily contracted workers finally outnumbered that of standard-regular workers by 2001. This trend continues to develop even after all major economic indicators returned to the pre-crisis level. The degree of insecurity and informality is higher among the less powerful segments of the labouring population. As of 2008, about 4,156,000 male irregular workers accounted for about 47% of total male employees whereas 65.5% of all female workers, an estimated 4,424,000, were surviving with irregular jobs (Kim, 2008). At the bottom of the hierarchy within the working population are about a half-million documented and undocumented migrant workers labouring for small and medium size

manufacturers or small shops and restaurants with irreversibly temporary labour contracts. It is in under these conditions that irregular workers started 'building power from the margin' (Chun, 2009). At the beginning, these struggles underwent extremely difficult process mainly because of the reluctance of the established trade union movement to move out of its comfort zones. Hyundai automobile canteen workers' struggle against lay-off in 1998, the 290-day strike of Korea Telecom Contracted Workers Union in 2000 and Career In-Company-Subcontract Workers Union's struggle in 2001 all shared bitter experience with so-called democratic trade unions affiliated to the KCTU (Chang, 2009a: 154-155; Chun, 2009: 90-97). However, this new movement has created innovative tactics of organising, new forms of unions and centres of solidarity and soon become a new centre of labour militancy.

'Social organising' – organising across boundaries of workplaces and occupations – has emerged as an important method to organise irregular workers. This led most of all to ultra-firm level labour unions targeting 'any workers' without regard to clearly defined employment relations or workplaces. One form of these organisations is the general union (Ilbannojo). General unions offer umbrella union membership and provide legal consultancy and advices to workers in petty-scale enterprises, construction workers, cleaners, domestic service providers and part-timers in convenient stores. Most common general unions are region-based general unions open to workers in a specific township, city and province. As of 2010, more than 50 regional general unions have been established in all major cities and provinces. This form of unionisation is gaining increasing significance since it is in these petty-scale enterprises that most irregular workers are concentrated. There are also general unions which aim to organise women irregular workers such as Seoul Women's Trade Union, Korean Women's Trade Union and the National Federation of Women's Trade Unions. They offer union education, conduct collective bargaining and provide legal advice particularly for gender discrimination and sexual harassment. They have been also very actively organising branches of the union in small workplaces. These unions also function as solidarity hubs of irregular workers in different workplaces and occupations and organise national and regional campaigns by combining some similar urgent issues their members are facing at and outside work. In 2010, a new general union has been established to address specific issues of the youth working poor aged from 15 to 39. This Youth Union is concerned about the fact that the vast majority of youth workers are suffering from insecure employment and lowest wages. These difficulties are exacerbated with the long period of job-seeking mostly due to limited experiences and skills. The union is open not only to irregular workers but also to job seekers. Although the union has been assisted by the KCTU, the union maintains its independence and pursues a union without 'too high walls' around. Their activities are characterised with more informal networks and discussions mainly organised online. Although it is a small organisation with only about 500 members, it managed to launch a national campaign for union recognition and has won it recently.

Struggles organised by workers in special employment or 'disguised freelancers' in the service sector also widened the basis of labour organising. Good examples can be found in the struggle of private tutors and lorry drivers. A month long strike of private tutors in Jeneung Education to organise a union in 1999 and subsequent struggles of Jeneung Education Teachers' Labour Union to have a collective agreement with the employer proved that the increasing self-employed 'workers' were actually eligible for collective action and bargaining and other workers' rights as they are subjected to relation of control with the service providing firms. Many other nominally 'self-employed' also managed to organise trade unions, in spite of an on-going dispute about their legal status as 'workers'. The lorry drivers' strike in 2008 was another successful case. The lorry drivers had to organise themselves into an alliance of individual cargo transportation workers (*Hwamulyeondae*) rather than a trade union as there was no legal employment relation between them and the user companies. However, the association managed to force the user companies to have collective bargaining with the drivers after a successful nation-wide general strike. The government could not find legitimate methods to stop the strike action of the alliance because the drivers did not violate any legal 'employment contracts' with employers. It demonstrated that new methods devised by capital to utilise labour in more profitable ways can always be dealt with new forms of organising which often go beyond existing union boundaries.

Because of these struggles of informal workers, there is growing awareness of the importance of solidarity-building with irregular workers from within the traditional labour movement. The KCTU is increasingly involved in organising the irregular segment of the working class. The KCTU introduced a 'strategic organising plan' in 2003, targeting unorganised irregular workers. In 2005, KCTU leadership announced an ambitious training programme for organisers and a fundraising campaign aiming at total US\$ 4 million for organising initiatives for irregular workers. The KCTU also launched a three-year strategic organising campaign and sent out 24 specially trained organisers to industrial federations in 2006. The Korean labour movement is witnessing the shifting centre of labour militancy from the large enterprise unions in the manufacturing sector to irregular workers in small- and medium-size manufacturing firms and the service industry (Shin, 2010). Demonstrating this shift, almost all major militant struggles between from 2005 have been organised by unions of workers in informal and insecure jobs, including the Korea Train Express (KTX) Union, Daegu Gyeongbuk Construction Workers Union, Pohang Construction Workers Union and New Core Workers Union.

## **5. Informal workers' association in Cambodia**

Another case of the emerging movement of new value-subjects is from Cambodia. The Cambodian experience is important in the sense that the social movements of new value-subjects in the informal economy develop hand in hand with the struggles of the industrial working class which is itself not too old, informalising and has made a conscious effort to overcome the barriers between



formal and informal labour. Cambodia became an integral part of the neoliberal rise of East Asia since regaining peace in 1999. Influx of international aid with structural adjustment programmes encouraged free market economy and export-oriented industrialisation. Since then Cambodia, a country of 14.3 million people with half of them being under 20 years old, has been growing fast with a 9.3% average annual growth rate between 2000 and 2008. GDP per capita (in current US\$) reached US \$710 by 2008. Although Cambodia is still largely an agrarian economy with more than 70% of workforce employed in agriculture, the contribution of value-added in agriculture (forestry, hunting, fishing, cultivation of crops and livestock production) to total GDP accounts only for 35% in 2008 while the share of industrial value-added to GDP in 2008 was 24%.<sup>5</sup> Value-added in agriculture in Cambodia increased relatively slowly at the annual average of 5.4% between 2006 and 2008 while value-added in industry increased faster with 10.2% average annual growth (ADB, 2011). Cambodia's fast economic growth in the last decade heavily relied on the expanding garment production network of East Asia and it is the garment industry that has been single-handedly sustaining Cambodia's industrial output growth as well as export growth with up to 90% of total export revenue coming from the sector which employed around 350,000 workers in 2008 (Arnold, 2009: 116). However, the garment sector exists as an island industry relying almost entirely on imported materials, foreign capital and export markets (Arnold and Shih, 2010). The service sector is also growing faster than agriculture with a 9.73% growth rate between 2006 and 2008 (ADB, 2011). Increasing income from tourism, which is an important foreign currency earner only second to the garment industry, contributes a lot to the service sector growth.

In Cambodia, informal workers are not exceptionally underprivileged population. Rather informal labour is a norm and standard form of employment, accounting for about 85% of the total working population (Arnold, 2009: 109). An absolute majority of informal workers are own-accounted workers and contributing family workers, accounting for 39.6% and 42.9% of total employment in 2008 respectively (ASEAN, 2010: 58). The persistent informalisation of labour is based both on the increasing population working in the informal sector and informalising formal sector employment. The former is a result of the limited capacity of the urban and rural industries to absorb young population entering the labour market in mass, approximately about 300,000 every year (Kem et al., 2011: 111). The urban informal sector expands with the continuous inflow of migrant workers from impoverished rural communities where households are suffering from increasing debts, dubious land titles and increasing land grabs by few powerful players of national and local economy often in collaboration with strong political figures (Arnold, 2008). Those who are lucky and capable enough to get jobs in the urban formal sector are also subjected to increasing informalisation as informal work arrangement is emerging from within the formal sector mostly due to the increasing popularity

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<sup>5</sup> Based on World Bank Database.

of 'Fixed Duration Contracts' (FDCs), ranging from 3 to 6 months, among employers in manufacturing in general and the garment industry in particular (Arnold, 2009; Arnold and Shih, 2010).

In fact Cambodia's urban economy cannot survive without a large variety of informal workers such as street vendors, small restaurant keepers, roadside barbers, motor-taxi and tuktuk drivers, street gasoline sellers, construction workers, garbage collectors, sex workers and other 'entertainers', shoe-shiners and many others (Arnold, 2009). These informal workers in Cambodia do not have clear employment relations with those they are working for and their workplaces are not registered. Consequently, they are not regarded as workers by law and they also share the idea that workers are those who work at factories. Naturally, these informal workers are not protected by any labour-related legislation. To make matters worse, they are always exposed to occupational hazards as well as daily harassment by the authority collecting 'informal taxes'. It was in this context that the Independent Democracy of Informal Economy Association (IDEA) was born.

The IDEA began in 2005 with 130 founding members to organise a trade union for self-employed transportation workers driving tuktuks and motor-taxis. However, the Ministry of Labour refused the registration of the IDEA as a union because IDEA members did not have employment relations. The IDEA had to register with the Ministry of Interior as an association in 2006. Nevertheless, the IDEA expanded quickly to include about 3,800 members as of June 2011 (Interview with General Secretary 6 August 2011). The majority of IDEA members includes tuktuk drivers, motor taxi drivers and street vendors. However, the IDEA also organises cart-pullers, small restaurant workers and home-based workers. Members are mostly male aged from 25 to 35, reflecting the major occupation of members - drivers. Most of IDEA members are in major cities such as Siem Reap and Phnom Penh, Sihanoukville and Kandal. However, most of the members are migrant workers from rural provinces. These workers go back to their hometown in the farming season to help out their relatives and family. Most of them make a real income of about US \$100-150 per month. Given Cambodia's wage level, this is not the lowest income in urban areas, however their income fluctuates severely according to the season. Members' education level varies but most of them are secondary school graduates. Drivers in their middle ages are particularly poorly educated while there are even university graduates among younger drivers. Street vendors and cart-pullers are perhaps among the most poorly educated groups and it is not rare for them to be illiterate.

The IDEA's major activities include 'social bargaining', campaigns, various education programmes and welfare services all of which are then used to organise members. The IDEA constantly monitors and tries to address difficulties informal economy workers are facing. For example, the authority often forbids tuktuk or motors from parking their vehicles close to big buildings or high-class hotels. The IDEA negotiates with the local authority to allow those drivers to park in those areas. In this way, the association can widen contact

with informal economy workers and earn credibility. The IDEA's biggest campaign was about the customary behaviour of the transportation authority to ask for extra money when drivers paid road tax or renewed their licenses. When drivers refused to pay extra charge, the authority responded with longer waiting time or even refused to renew their licenses. IDEA organisers often had to accompany workers when they renewed their licenses or paid road tax to prevent this. Later the IDEA investigated and monitored these illegal taxing closely and identified 90 government officers heavily involved in this business. The IDEA produced a report and sent it to National Anti-Corruption Committee. Phnom Penh city had to dismiss 30 officers and suspended 60 officers (Interview with General Secretary 6 August 2011). The IDEA is also campaigning to stop the police from overcharging traffic violators. This extra money, which became an important income source of traffic police officers in cities, can cost the entire daily income for tuktuk and motor taxi drivers. The authority often threatens the drivers with cancellation of license. Campaigns against such problems and subsequent bargaining with the authority on behalf of members are essentially public, not only benefiting IDEA members but also worker in informal economy and general population. Public campaign and social bargaining emerged as major tools for the IDEA. It is an innovative way to turn around the difficult conditions of informal economy workers who do not have a direct counterpart for collective bargaining.

The IDEA also provides useful services to its members, which can be turned into effective tools to organise members. For instance, the IDEA rents 2 hours airtime per week from a radio channel. In this programme, members of the IDEA talk about the problems of informal economy workers, offer some legal advice and problem-solving tips. They often invite workers to the radio station and share their problems with the audience. This programme is available in Phnom Penh and Siem Reap. The IDEA also has education programme on freedom of association. The association also arranges free education on traffic laws in collaboration with the traffic law school. Another service the association provides is a mutual-help fund. About 20% of their membership fees goes to this to support mostly accident victims and their families (interview with General Secretary 6 August 2011).

What is more important regarding the IDEA's development is that the association has been nurtured and assisted by unions in the most well established industry – the garment industry. The IDEA's birth in 2005 was largely an initiative of the Coalition of Cambodian Apparel Workers Democratic Unions (CCAWDU), which is, contrary to other 'political unions' in Cambodia, led by a leadership elected from 30,000 rank and file workers and perhaps the most independent and progressive trade union (Arnold, 2009: 119). The IDEA was set up to organise former garment workers who had become tuktuk and motor-taxi drivers. The founding members of the IDEA already knew CCAWDU organisers from their experience in garment factories. The CCAWDU helped put those workers together as 'organising teams' and started from there mobilising more members among the drivers. Organising informal workers needed a different approach as they were extremely mobile. Organisers set up 'small units

of informal workers who happened to have some spare time for meetings and discussion' (Sri, 2011: 15-16). Organisers often visited workers communities whenever they were available to talk. The IDEA then joined the CCAWDU, the Cambodian Food and Service Workers Federation (CFSWF) and the Cambodia Independent Civil Servant Association (CICA) to establish the Cambodian Labour Confederation (CLC) in 2006. By incorporating two major industrial unions organising informal workers, the CLC became an effective vehicle to organise informal workers and formal workers together. The CLC later also invited the Cambodian Tourism and Service Workers Federation (CTSWF), the Building and Wood Workers Trade Union Federation of Cambodia (BWTUC) and the Farmers Association for Peace and Development (FAPD) all of which have members in the informal economy. Rather than competing for territories, individual federations under the CLC leadership work together to organise informal workers whose works are often difficult to be clearly defined by occupations or industries (Arnold, 2009: 119).

## **6. Toward social movements of labour**

The cases discussed above show the contradiction of capitalist labour and its social mediation expands and so did the struggles of value-subjects. These new value-subjects are not merely passive victims of the neoliberal rise of East Asia but actively participating in shaping the future of East Asia despite all external constraints they have to handle. Perhaps the most important point they demonstrate is that the struggles of value-subjects can cut across different classes of labour and occur both in and against the expanding circuit of capital. The AOP in Thailand demonstrates how struggles against the expanding circuit of capital in rural areas can expand to incorporate the urban informal working classes who struggle within the circuit of capital while Cambodian case shows perhaps the most encouraging picture of emerging solidarity between the classes of informal labour in the formal and informal sector. The emerging movement of Korea's irregular worker and Chinese migrant workers' struggle show that these new value-subjects are capable of building power from the margins.

However, the newly emerging vibrant and dynamic movements of the new value-subjects are far from creating an extensive basis for a unified social movement. While turning people into value-subjects, the neoliberal rise of East Asia at the same time builds and strengthens hierarchy within value-subjects. The segmentation of value-subjects can create a situation that the immanent power of different subversive subjects and their movements would not be automatically turning into a powerful movement for alternative development. While it is the capacity of cutting across different classes of labour and spaces of capital accumulation that can make these movements strong, it is also the incapacity of doing so that can contain these movements as isolated incidents. When these struggles at different points of the expanding circuit of capital 'fail to circulate and combine, the movement decomposes, throwing off fragmentary, and incompatible responses to problems of capitalist globalization' (Dyer-

Witheyford, 2006: 23). The biggest barrier against the possible creation of a unified movement is the disjuncture between traditional working class organisations and new movements. More often than not, these emerging movements of value-subjects develop without being articulated with the existing trade union movement of the industrial working class. The further development of the working poor's movement in Thailand displays the magnitude of this common challenge in a striking way.

Although the new movement of the rural poor successfully expanded to incorporate the most marginal class of urban informal labour and built an alliance with the SOE trade unions against neoliberal globalisation, the alliance was a short-lived one as a severe political division between them emerged amid rising power struggles between the two powerful groups of Thai elites, loosely defined as royalists and Thaksin supporters. It was the SOE union leaders who were not capable enough to mobilise independent political force against Thaksin's plan for privatisation and eventually joined the royalist People's Alliance for Democracy (PAD) established by a media tycoon Sonthi Limthongkul in Feb 2006. In doing so, they relinquished themselves to the existing power relations of elite politics. The PAD at the beginning appeared to be an effective additional platform for Thai social movements to escalate the anti-globalisation movement against the Thaksin government (Chanyapate and Chomthongdi, 2008: 1). However, many in Thai social movements who had rendered their power to the PAD soon had to give their power to someone else again, the military. The military coup in September 2006 faced surprisingly little resistance from the traditional players in Thai social movements. Only a few NGOs activists, workers and farmers with strong determination for democracy marched in protest to the military. In the mean time, middle class citizens of Bangkok, a PAD stronghold, rather welcomed the military who did the job 'on behalf of' them. This showed backward development, featured by collusion between established labour unions and the conservative wing of the ruling class. Even then, this alliance was not strong enough to defeat Thaksin's cohorts who now formed the People Power Party (PPP). The PPP won a landslide victory in 2008 election. In defiance to this 'democratic' result, the PAD finally launched indefinite sit-in strike in the government house from May 2008, calling for a 'Thai model' of democracy which effectively excludes ordinary people, particularly the uneducated in rural areas. In support to the PAD, the SOE unions called for a general strike. Now actors in the social movements had to decide which was the least bad choice and joined the year-long yellow-red conflicts in which people's democratic aspiration was consumed for political gains of different segments of the ruling elites.

The AOP failed to avoid being caught in this emerging power struggle and got into trouble with different factions supporting Thaksin or the King's idea of sufficient economy. The network-like organisational structure and 'political strategy of diversity and autonomy', which once functioned to keep internal diversity alive within the AOP, seems to have had a dismal impact on the organisation. Some of AOP members from the North joined the 'Caravan of the Poor for Democracy' in protest to the PAD that threatened Thaksin's pro-poor

policies such as access to loans from the one million baht village funds, land title deeds for some occupiers of degraded forest reserves, and the thirty-baht universal healthcare scheme (Chanyapate and Chomthongdi, 2008: 1). Later, the AOP became an important element of the Red-shirt movement which was certainly dedicated to defend Thai democracy however with a dubious relation with Thaksin. On the other hand, the AOP's most influential adviser and supporter, Somkiat Pongpaibun became a member of the PAD. This division worsened later as King's concept of 'sufficient economy', which is based on the image of non-capitalist rural Thai villages, attracted some more AOP members. Thai experience shows a complete disjuncture between the emerging movements of underprivileged value-subjects and the established trade union movement. The distance between the two leading organisations of each segment of value-subjects in Thailand – the AOP and SOE unions - was a very large one as the AOP, despite its urban expansion, remained to be a rural movement of people at the edge of the expanding circuit of capital while SOE unions were located at the centre of the circuit. The AOP could not cut across these two segmented classes of labour.

Migrant workers' struggles in China show a huge gap between existing labour unions and the emerging movement of new value-subjects, on the one hand, and workers' attempts to directly address the problem of the disjuncture, on the other. The importance of the 2010 strikes and particularly the HAPM workers' strike is that they demonstrated in a dramatic way the reluctance of the existing trade union to be part of the workers movements and began to question directly the legitimacy of the union. Indeed, it was not the first time that the ACFTU's legitimacy was questioned seriously and workers seek for an alternative to the ACFTU. The ACFTU has become a target of both local and international criticism since the beginning of the capitalist transformation of China largely due to their subordination to the party-state, decreasing representativeness in shrinking SOEs and absence of its influence in the growing private sector. Calling for an independent union movement, autonomous unionism emerged during the Tiananmen uprising and continues to exist despite remaining small (Lee, 2010: 73-74). Disbelief in the ACFTU leadership has been expressed also in large-scale workers' protests in Liaoyang and Daqing between 2001 and 2002, where local workers elected their own representatives and formed temporary unions throughout a series of coordinated actions for fairer severance package and solution for unemployment (Lee, 2010: 70-71; Lee, 2007a: 26-32). However, this is first time that migrant workers collectively and publically demanded the reform of the ACFTU. When this demand of ACFTU reform was presented repeatedly by migrant workers in the wave of strikes after HAPM strike, the ACFTU had to recognise the magnitude of the problem and acted upon it.

The ACFTU urged local unions to strive to establish unions in FIEs and private enterprises. It also urged enterprise unions to promote collective wage negotiation and make use of the collective contract system at the enterprise level (China Labour Bulletin, 2011: 39-40), aiming to introduce systematic collective wage negotiation in up to 60 % of all enterprises with a trade union by the end of 2011 (China Labour Bulletin, 2011: 40). However, it is quite doubtful that

these new tactics will bring a real reform of the ACFTU. It seems that the ACFTU has no intention to change its priority in acting as a mediator between management and workers rather than as representative of the workers. Enterprise unions are expected to 'harmoniously' mediate labour relations in private firms and create corporatism with 'Chinese characteristics'. The mediating role of enterprise unions will be enhanced by 'professionalization of trade union officers' who will be sent by higher level ACFTU offices, rather than by ensuring workplace democracy (IHLO, 2010). From the vantage point of the ACFTU, it is perhaps a reasonable response to the criticism of the party-state as the party's criticism of union is most of all about the lack of union's contribution to stable and harmonious development rather than about its failure to represent workers. With the ACFTU as the only institutional basis of the workers' movement and ACFTU reform being the only organisational achievement of the struggle of new value-subjects, the creation of an extensive basis and inclusive organisation for the diverse classes of labour seems quite far from being reality. It is also problematic that the ACFTU is standing in the middle between the on-going struggles of local workers in SOEs and newly emerging struggles of the new generation migrant workers in private and foreign-invested firms, making the movements of two groups develop in parallel rather than in unity.

Irregular workers' struggles in Korea also show that they are capable of cutting across the diverse classes of informal labour through innovative organising campaigns. It also shows that organising at the margin pushed the established trade union movement to recognise the urgency to organise the new and underprivileged value-subjects. However, it is too early to say that the existing union movement and irregular workers' movements are truly connected and integrated. The barrier between regular and irregular workers, represented by the persisting protectionism of regular workers, is still firmly in place. This contributes to making organising informal labour extremely slow - only 2% of informal workers are organised by trade unions. Although the KCTU repeatedly emphasises the importance of organising the unorganised, the democratic trade union movement is still largely, if not exclusively, based on the power of the large-scale enterprise unions of regular workers and solidarity between them. Unions have been stubbornly sticking to the methods of earning concessions from individual employers and thereby satisfying union members within the enterprises. Sluggish development in organising irregular workers makes the union movement into a 'league of their own', creating a crisis of representativeness of the existing unions for the working class as a whole (Yang, 2007).

It is important to notice that, in all above-mentioned cases except the Cambodian one, these movements of new value-subjects did *not* expand through physical extension of the existing trade union movement but by building their own power through their own organisations. This demonstrates the capacity of new value-subjects, on the one hand, and a serious problem with the capacity and strategy of the existing trade unions in East Asia, on the other hand, calling for a serious reconsideration of theories, strategies and practice of the labour movement. Overcoming the increasingly narrowing focuses of the

trade union movement and dislocation of trade unions from diverse social justice movements has been a major concern of theories and practices of social movement trade unionism (SMU). SMU emerged from critiques of the impotent reaction of the institutionalised labour movement to the decreasing social power of labour. SMU relies on inspiration from the newly emerging militant labour movements in late-developing countries (Moody, 1997; Lambert, 1998; Scipe, 1993; Seidman, 1994), as well as the global social justice movement and new social movement theories (Waterman, 2004). Contrary to various union renewal projects from the traditional left, which tended to defend, rather than rethink, the traditional labour movement, SMU called for a more 'thorough reorientation' of union practices. SMU aimed to revitalise the social power of trade unions not by 'technically' repairing the existing trade unions but by getting back movement orientation, radically changing union structures, developing new methods of organising and reforming union leadership. SMU is also an aggressive and outward strategy in the sense that it emphasises the significance of mobilising the unorganised and 'unions' alliances with other community and social organisations in order to achieve union goals' (Moody, 1997: 59). SMU, according to Moody, 'implies an active strategic orientation that uses the strongest of society's oppressed and exploited, generally organized workers, to mobilize those who are less able to sustain self-mobilization: the poor, the unemployed, the casualized workers, the neighbourhood organizations' (Moody, 1997: 59). However, despite emphasis on solidarity with 'other movements', its view of the working class largely remains to be monolithic and centred on the traditional industrial working class. Major theories of SMU still have a strong tendency to identify the waged working class as the vanguard of labour and the existing union form as the major if not sole vehicle of the emancipatory struggles of value-subjects and therefore not free from the old theories and practices of the labour movement (Waterman, 2004). Newly emerging struggles take a 'but-also' status in this framework as it retains the industrial working class centralism in social progress.

This is perhaps understandable as SMU was originally a strategy for the established union movement, calling for a proper response from the existing union movement to global neoliberalism. However, this is precisely the reason why the emerging movements of new value-subjects need a lot more than SMU. What we need urgently is perhaps not a strategy for existing unions to expand but a theory and strategy to integrate the union movement back into the wider movements of value-subjects, the driving force of which is the emerging struggles of new value-subjects. This does not mean the labour movement should be considered irrelevant vis-à-vis the emerging movements of new value-subjects. Rather it is to see the labour movement as a part of the wider social movements of labour. The labour movement in the advanced capitalist countries developed by turning the area of immediate production into a frontline of struggles of value-subjects and succeeded in turning the industrial workforce into a social force. However, it is no longer justifiable to prioritise a particular frontline of struggles, such as workplaces, against the expanding circuit of capital. The social movements of labour cannot be only about a group



of industrial workers demanding justice to industrial capitalists. The social consequence of the majority of population becoming value-subjects with the expanding circuit of capital was that the 'traditional locus of exploitation between capital and labour in the workplace has not been transcended, but expanded' (Dyer-Witthford, 2002: 8). Concomitantly, class 'can no longer be discussed in terms solely of the division between owners and workers at the point of production' (Dyer-Witthford, 2002: 9).

While the established labour movement was staying within its comfort zones, the basis of the social movement of labour has widened with the expanding circuit of capital. The union movement is to be placed and considered as a part of an integrated process of struggles against the expanding circuit of capital, i.e. of *the social movements of labour*. 'The social movements of labour' reasserts the recognition of the important and central role played by capitalist labour not only as a productive activity and means of subsistence but also as a social substance that mediates the reproduction of social relations, however without singularising a particular moment of the circuit of capital. It is important to recognise that the relations between the contradiction of capital relations and 'other' contradictions are not external but internal ones. The good news is that we are not starting from scratch, as there are ample examples of attempts to transform the diverse struggles of value-subjects into a unified front of the social movements of labour. But this political project is not to be a revival or uncritical acceptance of old labour politics that would cut off the subversive voices from below by imposing an orthodoxy onto the diversified actors of the social movements of labour. Contemporary struggles against global neoliberalism in East Asia illustrate the multiplying social movements of labour as well as the urgency for better articulation between the movements of old and new value-subjects.

## **Conclusion**

The East Asian miracle is nothing but a result of the neoliberal rise of East Asia in which the expanding circuit of capital turned the vast majority of population into value-subjects living, working and reproducing at different moments of the circuit of capital. Neoliberal development also brought a particular social form of labour to which these newly created value-subjects relate for reproduction. Increasingly insecure and informal labour has become the backbone of development in East Asia, turning it into a workshop of the world. Although this particular working class composition was central to East Asian development, labour has been completely missing in all these feverish discussions about the alternative supposedly created by rising East Asia. If East Asia is creating any alternative to neoliberal development, it would be created not by peculiar interventionist states or Confucian work ethic and entrepreneurship or mysterious 'oriental' propensity toward harmonious development but by the continuing struggles of value-subjects in East Asia. We investigated four different moments of these struggles. Challenges of value-subjects against the neoliberal rise of East Asia take extremely diverse forms. The poor's movement

in Thailand, emerging movement of migrant workers in China, irregular workers' unions in Korea and informal economy association in Cambodia all demonstrate that these new value-subjects are capable of cutting across the diverse classes of informal labour. However, as most dramatically demonstrated in the further development of the poor movement in Thailand, the disjuncture between the social movements of new value-subjects and the established movement of the core industrial working class is not easy to overcome. These struggles outside the organised labour movement will encourage the union movement to reconsider its strategy. However, what we need urgently is perhaps not a strategy for existing unions to expand but a theory and strategy to integrate the union movement back into the wider social movements of labour, the driving force of which is the emerging struggles of new value-subjects.

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