

Development in China and Germany: another world is possible?

Wolfgang Schaumberg

Germany was once among the centres of the world's labour movement, but as China has become the world's leading industrial power so too it is becoming central in global labour struggles. The two experiences are linked by German firms operating in China and multinationals present in both, but also by some developing experiences of labour solidarity which this paper explores in greater detail¹.

The current development of the capitalist crisis made me compare developments in China and Germany around this question:

Are there any experiences of wage-dependent people in China and Germany that encourage the future chances of co-operation of social activists against the power of transnational corporations, banks and their governments, for "another world", "without exploitation"?

Current developments

In China

(1) Strikes in several factories succeeded in securing wage increases, sometimes more than 30%. Workers experienced their own power during their self-organised struggle.

They provoked a debate within the Chinese trade union federation ACFTU: for a new trade-union identity (no longer as service organisation and mediator between employers and employees, but a clear-cut "representation of interests"), for free election of trade union representatives on enterprise level, for "collective bargaining", which means that the struggle should no longer be limited to single isolated enterprises.

They found out that their struggles also initiate political changes: the freedom of assembly and the right to strike are now part of official draft legislation...

(2) *But* at the same time there were contradictory experiences.

Their trade union and political leaders aim at "harmonious labour relations" to avoid spontaneous industrial action...

¹ This is an edited version of a talk given to the international conference "Workers' struggles from East to West: new perspectives on labour disputes in globalised China" at the University of Vienna, September 2011.

... and they want the workers to take into account the "economic situation of their companies" when listing their demands.

(3) Some questions *remain*:

how do the workers see and discuss these experiences of capitalist structures against the background of the 1949 revolution and the resulting struggles for socialist transformation? Are there differences in their reception by workers in the former state sector enterprises, those in the new enterprises, by migrant workers, by old workers and the young? On May 29, 2010 a Honda worker complained on a website

China! It has been promoting low-cost competition and cheap labor. Our GDP keeps growing! However this growth relies on exploiting our cheap labor. ... We do not want to go this way either. Times have changed! So this kind of cheap labor regime must end! ... China is supposed to be a socialist country! The Japanese companies investing in China must follow the rules of China. Implement socialism! Do not give us capitalism!

During the current struggles, what is the importance of the fact that the CCP has 78 million members, which means that in a total population of 1.3 billion people, i.e. about 1 billion adults, there is an average of 8 communists per 100 adults? Can we perceive their influence, e.g. in industrial and trade enterprises, in the government, in the neighbourhoods of the cities?

In Germany

Wage-dependent people have only occasionally recognized that changes in the organisation of industrial production because of interlinked chains of production help workers to put pressure on employers and to get the workforce of dozens of other enterprises to join in the struggle (which happened at Opel Bochum in 2000 and especially in 2004²).

The overwhelming experience of recent years was mostly cuts in wages and job losses, an increase of precarious working conditions and the extension of working-hours; their own experiences in the struggles mostly did not encourage them, but rather caused increasing resignation, intensified by widespread fears of growing crisis. New forms of global networks of production and introduction of new technology caused massive blackmailing on the workforce and on trade unions.

The level of trade union organisation in large companies is relatively high, but the principle "one company – one union" has become obsolete because of the splitting of employment within the firms (outsourcing, temporary work, fixed-term contracts). Collective wage agreements have become less important, also

² See the English-subtitled film at <https://vimeo.com/44512168>.

because union leaders agreed to opening clauses in favour of company-related regulations. Works councils gain more influence in conflicts with employers, but they do not win any more power in the fight against profit interests in general.

We must consider the historical experiences to arrive at a more accurate assessment:

The workers are used to compromises, which are arrived at through negotiations by their representatives, by experts from work councils and trade union leaders, who do not want to jeopardise the competitiveness of "their" company...

What are the chances of creating "another world", without wage-dependency?

"Workers of all countries, unite! - It seems we must be thankful to capitalists today that their globalization forced us to reunite around one table, bringing us a step closer to the old labor movement's slogan." These were Chen Weiguang's opening words in October 2010 at the foundation meeting of the "International Center for Joint Research Laboratory" at Sun Yat-Sen University in Guangzhou, China. Chen Weiguang is the chairman of the approximately two million-member union of Guangzhou (Canton), capital of the industrial province of Guangdong with its 96 million inhabitants.

Indeed: With the example of China it becomes clear how capital connects people worldwide by forcing them to deal with the same contradictions and problems – while at the same time creating the explosive potential that we can use to defeat it:

(1) The worldwide economic crisis forces us everywhere to discuss basic problems of the economic and social system.

In China and in Germany they officially admit that the gap between the poor and the rich is increasing.

There is also already public discussion about the fact that growing consumerism is linked to *an idea of growth* that is causing dangerous new problems through environmental devastation (e.g. transport system focussed on cars, nuclear energy...)

(2) There are more and better ways of exchanging experiences and ideas. The managers in bigger factories want workers to learn English. In China as in Germany now all children have to learn English at school.

The internet is increasingly used for international exchange, even if - up to now - only few people use the new communication technologies to debate what "another world" could look like.

It is quite likely that more people from China will participate in the World Social Forum...

(3) Extremely important, but in fact rarely taken into account, the daily production experiences become more and more similar:

- the Chinese workers are quickly learning not only the most modern methods of production, but also the typical antagonism of private capitalist production like speeded-up production, pressure on wages as well as the lie of "people-centred production" ...
- there is an increase of stress and time pressure. Demanding shorter worktime will emerge as a result of both, experience in production and the problem of unemployment...
- wages, e.g. paid by car multinationals, may be relatively high, but the work is often experienced as degrading..
- wage-dependent people suffer from their employers' blackmailing around relocations, rationalisation ...
- The worldwide development of the organisation of production has led to massive changes in the workforce structure of western companies. For the personnel managers it has become increasingly difficult to create "*corporate identity*". In China, e.g. in the Honda factory in Guangzhou, there are only fixed-term employment contracts. Thus the workers live in permanent job insecurity, which does not help building "corporate identity" at all...

International solidarity has to be organized...

Facing these problems, many activists, unionists, as well as many academics emphasize the necessity to strengthen the international exchange of experiences. They demand this should form an essential part of the necessary expansion of education measures for union cadres and workers in general.

But

who is supposed to educate whom concerning what issue? Where did "social partnership" and collective bargaining practices in the Western countries lead us? In the end, everything will depend on the question *which* experiences, on the basis of *which* analysis of capitalist development, will be conveyed to the colleagues...

German activities

On the one hand, there are currently 4,500 German companies with dependencies in China. But on the other hand information on the development in China and the promotion of international solidarity of the workers has not come very far.

(1) There are only very few "leftist" German groups and individuals who continuously attempt to direct attention on the development in China, to develop co-operation and discuss a perspective of a future "other world". They can be found around the magazine "wildcat" and in the 5 organisations at "Forum Arbeitswelten China und Deutschland" (magazine express, Labournet Germany, T.I.E., Südwind, WOEK).

(2) The factory based leftist groups have only very rarely initiated discussions on China on the shopfloor; as far as I know, in the recent 12 months only regarding pending relocations of the workplace and demands for securing their own jobs. According to the Works Constitution Act (BetrVG), members of the works council would be in an excellent position to get information about the workers' situation in China and to push for the necessary co-operation, especially when their employer plays an active role in China, sends people there or invites Chinese workers to come to Germany for training purposes, which happens very often...

(3) Some NGOs and individuals such as Dr. Rolf Geffken try to promote co-operation on trade union level.

What about official trade union policy? We only see some steps towards co-operation with Chinese workers, and they are limited to very few visits and conferences of officials, although the DGB as an important member of the IGB/ITUC with 180 million members worldwide would have the means to organise some information exchange with employees in China and to promote co-operation with the Chinese trade union federation ACFTU and its 226 million members.

In 2005, DGB and IG Metall published their international aims in a brochure:

a) *world works councils* have to be built up in multinationals (currently there are ten of them)

b) *international framework agreements* (e.g. codes of conduct) are the center piece of labor's global strategy. The basic norms of the International Labor Organisation (ILO) always lie at the core of these agreements. The employers' competitiveness remains of fundamental importance:

By signing a framework agreement, corporations also recognize social partnership on an international level.

It looks as if capitalist globalization could be brought under control through a global social partnership. According to DGB and IGM, reasonable employers are apparently already voluntarily on the way there:

Because studies have shown that *when labor relations improve, productivity increases. Improvements in health and safety conditions, in wages and worktime strengthen the companies' relations with its employees and thus, nearly always influence the quality of the production.*

According to this view, international contact between workers, European and world works councils and companywide agreements will regulate globalization in such a way that working people, shareholders and their managers will all profit.

c) DGB and IG Metall emphasize that *"The state has the main responsibility... to achieve a binding, transnational regulation to push forward the social dimension of globalization..."*.

It is a tradition of German official trade union policy to concentrate so much on *"national identity"* and make the workers put their trust in the state to regulate the conflict between capital and labour, which should increase the competitiveness of the German economy rather than question it.

Conclusion

Is it not true that in China the *"harmonious society"* is the national objective, everything being focussed on *"national identity"*? – A political class-consciousness, *"working class identity"*, does not emerge automatically from the daily struggle for improvements or against deterioration when there is largely a lack of historical awareness and too little sharing of historical experiences.

In my opinion, the hope for welfare-state regulation of capitalist globalization is senseless. Of course it makes sense to criticize its brutal consequences and explain its causes, even if this alone doesn't offer us much hope.

Instead, the chance to exchange experiences and ideas with more people worldwide about other forms of living together, and of organizing the production and distribution of necessary and desired things may offer more hope. If, by doing so, we can approach a feasible vision, the indignation at capitalism's attacks can become a fury that leads to tackling the cause at its very roots...

About the author

Wolfgang Schaumberg was a magazine worker (in the logistics department) from 1970 – 2000 at the GM/Opel car factory in Bochum/Germany and for many years a member of the workers council. Now retired, he is still an IG Metal member and active in the Opel factory workers' group GoG ("resistance without borders"). Since 1981 he has been active as a member of T.I.E. (Transnationals Information Exchange).

He is also active as president of Labournet Germany (www.labournet.de), and as a contributor in the "Forum Worlds of Labour – China and Germany", a project for a regular exchange between workers, activists, and researchers from China and Germany (www.forumarbeitswelten.de) He was a co-organizer of 3 political education trips to China 2005 / 2006 / 2007 with activists, members of works councils, elected union delegates at grassroots level, scientists and journalists, and of three similar "Germany tours" of Chinese guests.

He took part at the World Social Forum 2003 in Porto Alegre, Brasil and 2004 in Mumbai, India. He can be contacted at w.schaumberg AT gmx.de.