

A reply to the People's Daily report on the director of the Panyu Workers Service Centre, Zeng Feiyang

To Li Baoshan, editor-in-chief of the People's Daily

From Han Dongfang, director of China Labour Bulletin

On 23 December 2015, your newspaper published a report edited by Cao Kun and entitled "The 'Star of the Labour Movement' Unmasked." This report mentions my organisation, China Labour Bulletin in connection with Zeng Feiyang, the director of the Panyu Workers Service Centre, who has now been placed under criminal detention.

Your paper reports:

In 2010, a Hong Kong organisation called China Labour Bulletin began supporting and manipulating Zeng Feiyang's "centre." Every year, China Labour Bulletin provided around 700,000 yuan in "activity funds" to the "centre," and took direct responsibility for the payment of Zeng Feiyang's salary.

At the same time, Zeng Feiyang had to provide monthly financial statements to China Labour Bulletin and submit quarterly and annual work reports. The centre's accountant, surnamed Meng, says that before Hong Kong's "Occupy Central" movement, Zeng Feiyang "went to Hong Kong once or twice a month." Meanwhile, China Labour Bulletin sent staff over to the mainland to take part in the management of the centre and assist with planning for rights defence actions, and "participate in" workers' strikes and negotiations.

The language of this report, from the headline to the body, overflows with the Cultural Revolution logic of inciting antagonism and manufacturing hatred — the sort of logic the people of China long ago came to despise. The report treats "funds from overseas organisations" as something monstrous, with the assumption that any connection to external funds, regardless of how they are applied, is necessarily abhorrent. It's as though, in the eyes of the *People's Daily's* editor-in-chief and his staff, our world and our country admit only one kind of relationship in which one either manipulates or is manipulated. According to this cynical view, we are either cheats or fools, bystanders or troublemakers. Has the idea of comradeship and purpose truly died in your hearts? Do you no longer believe it possible to fight for shared ideals? Have you no sympathy any longer for the working class? Will you just look on coldly from the side-lines as the workers of China suffer hardship? In this country of ours, where the working class has been defined as the leading class, where socialism is the foundational system, will we simply allow "overseas capital" to run roughshod over our labour laws? Will we allow "overseas bosses" to brazenly trample the legitimate rights and interests of our nation's workers? Will those in power, including your newspaper, offer these

capitalist bosses your aid and protection, while “overseas organisations” like China Labour Bulletin, which offer assistance to exploited workers, are attacked and persecuted?

Article I of Chapter I of China’s *Constitution* states that: “The People’s Republic of China is a socialist state under the people’s democratic dictatorship led by the working class and based on the alliance of workers and peasants. The socialist system is the basic system of the People’s Republic of China. Disruption of the socialist system by any organisation or individual is prohibited.” And yet, the *People’s Daily*, the flagship newspaper of the Chinese Communist Party, the political party of the Chinese proletariat, employs filthy language to denigrate labour NGOs and their staff members fighting for the legitimate rights of China’s workers. At the hands of your paper’s reporter, the capitalists who trample on the rights of China’s workers are cast as the “victims.” Even in the pages of your own newspaper, such distortions of the facts and the truth have been rare in the days since the Cultural Revolution.

As the director of China Labour Bulletin, in a spirit of responsibility, I wish to set the record straight with regard to your newspaper’s reports related to this organisation.

Let me first introduce China Labour Bulletin. It was founded in Hong Kong in 1994. Initially, the organisation’s orientation was “to promote the development of an independent trade union movement, helping workers achieve their political, economic and social rights.” Our mission, in other words, was to promote a Chinese version of “Solidarity.”

Through many years of observation, experience and deliberation, and in particular through our experience in providing legal aid to workers suffering various labour rights violations, China Labour Bulletin shifted the focus of its work around the year 2005 to the following:

1. Providing legal aid to assist workers whose economic rights have been violated by employers.
2. Transforming “wildcat strikes” into organised collective bargaining between workers and employers by getting involved in collective actions.
3. Through active participation in labour disputes in the construction industry involving occupational injury and illness, ascertaining the root causes of such disputes, and applying collective bargaining so that China’s construction sector can escape the long-term vicious cycle of occupational injury and illness.
4. Through collective bargaining, fostering a culture of solidarity among workers, raising the ability and capacity of workers to negotiate with employers.
5. Drawing practical lessons from collective bargaining cases, creating the foundational conditions for building a system of collective bargaining in China.
6. Promoting the building of a system of collective bargaining that allows for the minimisation of conflict between workers and employers, avoiding unnecessary strikes and lessening resentment between workers and employers, so that labour, management and the local government all emerge as winners.
7. Through collective bargaining, encouraging the development of worker representatives who are responsible and have experience in negotiations with management, and who can take part in elections for positions at trade unions within enterprises, transforming the “All-China Federation of Trade Unions” into a true

trade union that can represent the interest of workers in collective bargaining with their employers.

8. Using legal action and media coverage to eliminate employment discrimination and achieve equal pay for equal work.

Since 2005, China Labour Bulletin has focussed on the above-mentioned work, cooperating with labour NGOs and lawyers in mainland China to assist workers whose legal rights and interests have been infringed by their employers. Through collective bargaining, or through legal action, we seek fair treatment and compensation for all workers in China. At the same time, through mainstream Chinese media and social media, we advance reporting of these cases of collective bargaining and legal action, promoting the improvement of relevant policies at the local government level across China.

In the area of occupational injury and illness, China Labour Bulletin has worked since 2007 to assist workers in litigation. Thus far, we have helped workers suffering from occupational injuries or illnesses obtain nearly 100 million yuan in compensation. Cases like these, in particular collective cases, with far-reaching implications, have been reported in China's mainstream and social media and have encouraged some local governments to make policy adjustments that have brought real improvements for workers with occupational injuries or illnesses. In collective cases against local governments in Muchuan county and the city of Shiyan in Hubei, we were ultimately able to obtain compensation for hundreds of miners suffering from pneumoconiosis. Our efforts prompted the local government in Muchuan to change its policies on medical expenses, allowing for full medical insurance coverage and government funds for those with occupational lung disease. Moreover, miners suffering from pneumoconiosis and their immediate family members could apply for basic assistance from the local government. After observing the new policies instituted in Muchuan, the local governments in other areas followed suit, making similar adjustments to compensation policies. These included the counties of Yuexi, Ebian, Qianwei and Mabian, as well as Jiangyang district in the city of Luzhou and Shifang county in Deyang. These policy changes directly impacted at least 4,000 workers with pneumoconiosis and their immediate family members.

Drawing on the experiences of these local governments, China Labour Bulletin fought to promote similar policies at a national level that might address the plight of the millions of workers with pneumoconiosis and their families currently in China.

In the future, China Labour Bulletin will continue to provide legal aid in order to promote the reform of oversight mechanisms in our country ensuring occupational health and safety. Our goal is to harness the initiatives of frontline workers so that they can become the main force overseeing and ensuring occupational health and safety in the workplace, minimising work-related accidents and ensuring the occupational health of workers.

China Labour Bulletin has in addition cooperated with a number of labour NGOs in mainland China in laying the groundwork for a system of collective bargaining. This work has involved assisting workers who have organised their own strike actions in holding elections for worker representatives, framing reasonable demands for negotiation, and determining

bargaining strategies. This has meant transforming “wildcat strikes” into organised collective bargaining between workers and employers.

These cases have provided us with a rich body of experience that points the way for the creation of a national system of enterprise-level collective bargaining in China. In some of these cases, enterprises have clearly broken the law but local governments maintain a neutral position so that collective bargaining proceeds smoothly and the rights and interests of workers are protected. In other cases, local governments support employers who then behave with impunity, refusing to negotiate with workers. In these latter cases, workers whose rights are infringed by their employers, having no other avenues or resources available to them, opt for work stoppages and strikes. In these situations, labour NGOs assist striking workers in adjusting their strategies and getting the most out of their strike actions. For workers who otherwise have few organisational resources with which to face their employers, this creates the conditions for bargaining. In the process of collective bargaining, if the employer makes a reasonable concession, employees from the labour NGO then advise the workers and their chosen representatives to reach a compromise with the employer. In addition, in every single case, one of the first steps staff from labour NGOs take is to encourage workers to seek assistance from the All-China Federation of Trade Unions.

One of the most important outcomes of the above-mentioned practical experience of collective bargaining was the *Code of Collective Bargaining* issued in October 2013 by the Panyu Workers Centre, working with China Labour Bulletin, four other labour NGOs, a law firm and 20 former worker representatives. The *Code* is still available [here](#) on the official Weibo account of the Panyu Workers Centre.

Our experiences over the past few years have shown that building of a system of collective bargaining in our country can, in the short term, effectively minimise strike actions that can potentially occur at any time or place, and over the long term minimise violations of workers’ rights by employers, protecting the legal rights of workers and building relationships of trust between employers and workers. Our experiences have also taught us that the greatest beneficiaries of collective bargaining in our country are the workers. Whether we are talking about wages or social security, vacation time or occupational health and safety, a collective bargaining system enables the effective protection of workers’ rights. The next beneficiary is the government, because collective bargaining can minimise unnecessary strikes and public protests, such as the blocking roads etc. Finally, employers ultimately benefit because a system of collective bargaining can lower attrition rates among workers, avoiding the costs associated with new worker training and defective products, and raising overall product quality and stabilising orders.

Cooperation between China Labour Bulletin and labour NGOs to provide legal aid for workers, not only protects workers’ rights; it provides local governments with a model for improving their policies. Meanwhile, offering assistance with the election of bargaining representative for striking workers not only benefits the workers themselves but also lays the foundation for a future system of collective bargaining in China as a whole. In other words, the Hong Kong-based China Labour Bulletin, an “overseas organisation” working together with labour NGOs in mainland China, has done the work that the All-China

Federation of Trade Unions should be doing but has failed to do. The fact that the building of a national system of collective bargaining could bring about effective mediation between workers, employers and the government has already been effectively demonstrated.

But the work of China Labour Bulletin and Chinese labour NGOs has also pushed the All-China Federation of Trade Unions to the front of the stage in the overall effort to further deepen reform in China. For trade union officials, particularly high-level officials in the ACFTU, our work represents a major challenge. Over the past ten years, the work undertaken by China Labour Bulletin and labour NGOs in China has met with various obstacles big and small. To put it more plainly, these obstacles have all had something to do with the vested interests of ACFTU officials. Here I must emphasise that the ACFTU and its regional affiliates have around 900,000 permanent salaried positions across the country. China Labour Bulletin has at most employed 15 full-time personnel, and the Panyu Workers Centre had just four full-time employees.

Allow me to elaborate on the cooperation between the Panyu Workers Service Centre and China Labour Bulletin.

At the end of 2010, I had the pleasure of finally meeting Mr. Zeng Feiyang, the director of Panyu Workers Centre, whose work I had long admired. In early 2011, on the basis of the above-mentioned initiatives, China Labour Bulletin began working together with the Panyu Workers Centre. From the very beginning, I reached an understanding with Zeng Feiyang that we would not be secretive about our cooperation neither would we loudly advertise it. We chose to be open about our cooperation because our mutual goal was to achieve real progress on the economic rights of China's workers, a process through which labour, employers and the government would all benefit. We chose not to loudly advertise our cooperation because within the system there are people who only care about their own interests and do not wish to see a system of collective bargaining take root in China — and wish even less to see real reform to the country's trade union system. These people will often, as they see fit, use the rationalisation of “funding from overseas organisations” to set up obstacles to change.

For this reason, Mr. Zeng was “invited to tea” not long after our cooperation began, and when meeting with the state security officer during this tea-time, he was forthcoming about our cooperation. That is to say, for the five years that we worked together, right up until the time of his detention on 3 December 2015, everything went on under the watchful gaze of local state security. During this period, state security officers would sometimes threaten Mr. Zeng during their so-called tea-times, demanding that he immediately cease cooperation with China Labour Bulletin, and at other times they would ease up, telling Mr. Zeng that the collective bargaining cases undertaken by the Panyu Centre had attracted too much attention and upset relevant officials — he should be more low profile, they suggested. During that five year period, all of these personnel, whether ordinary state security officers or more senior security officials, whether issuing threats or offering cautions, expressed their admiration and understanding of Mr. Zeng's work assisting striking workers in carrying out collective bargaining.

Repeatedly during those five years, Zeng Feiyang would tell me how he had sought financial assistance from domestic organisations, including the All-China Federation of Trade Unions, without success. During those five years, Zeng Feiyang said to me a number of times that we should not transfer funds for the time being, because the pressure from the authorities was too great. Eventually however, the pressure would ease off and the Panyu Centre would resume its work helping workers engage in collective bargaining with their employers — and once again Mr. Zeng would accept financial assistance from China Labour Bulletin.

Over those five years, Zeng Feiyang led the Panyu Workers Centre in its involvement in scores of spontaneous strikes, big and small, and in nearly all of these cases they were able to get striking workers to sit down with their employers, reaching settlements through collective bargaining. Here are the specifics with regard to the several cases mentioned in your newspaper:

Collective Bargaining at the First Affiliated Hospital of the Guangzhou University of Traditional Chinese Medicine

This case involved a total of 122 hospital employees, including nurses, cleaning staff, porters and security guards. The workers presented the following demands to the hospital after the service contract under which they were hired was outsourced: 1. that the hospital pay all the social security contributions and housing funds in arrears; 2. that it pay compensation for the termination of their labour contracts; 3. that it offer equal pay for equal work and remove penalties; 4. that it make suitable adjustments to salaries to meet increases in the cost of living. With assistance from the Panyu Workers Centre, the nursing staff received compensation of 25,000 yuan each, coming to a total of around 2.5 million yuan. The security guards who were excluded from this deal by the hospital staged a demonstration and 12 of them were detained for up to nine months.

Collective Bargaining at Nansha's Liansheng Metal and Plastics Moulding Factory

In order to lower their costs, the Liansheng factory changed its salary calculation methods at the end of 2012, resulting in a huge reduction in workers' wages. This was an attempt by the factory to force workers to quit and thereby avoid paying the compensation for labour contract termination stipulated in the *Labour Law* and *Labour Contract Law*. Some of the factory's workers, who had been employed for more than ten years, were eligible for compensation payments of around 40,000 yuan in the event that their labour contracts were terminated, but if the workers resigned instead the factory would be under no obligation to pay anything at all. Finding it impossible to live with their lower wages, but unwilling to give up the compensation to which they felt they were entitled, the workers had no idea how to defend their rights. In May 2013, they sought the help of the Panyu Workers Centre whose staff guided them through the elections bargaining representatives. The centre then trained these representatives about the relevant laws, helped frame the goals of negotiation, and determined a negotiation strategy. During the five months that followed, the worker representatives used strikes and other means to ultimately force the factory to sit down and negotiate. In October 2013, the factory finally agreed to pay compensation for labour contract termination according to the duration of employment of each worker, and

also to pay housing funds of 12,000 yuan to each worker, altogether totalling five million yuan.

Collective Bargaining at Hengbao Jewellery Factory

There were around 400 workers employed at Guangzhou's Hengbao Jewellery Factory, most had worked there for more than 12 years. Beginning in 2012, some workers discovered that the factory had not paid into their social security funds, as required by law. They sought the help of the Panyu Centre, which assisted them in electing worker representatives and understanding national laws on social security. Later, the workers used strikes, sit-ins and other peaceful means to force the factory to negotiate terms. In 2013, Hengbao Jewellery Factory paid out a total of seven million yuan in social security to 236 workers, covering the period from 1998 to 2012.

Collective Bargaining by Cleaning Workers at the General Hospital of the Guangzhou Military Region

There were 170 cleaners employed at the General Hospital of the Guangzhou Military Region; many had been employed there for ten years or more. Despite working very hard, the cleaners received low wages and were not offered statutory paid leave, social security or housing funds. In May 2014, with the assistance of the Panyu Centre, the cleaners elected worker representatives and prepared for collective bargaining with their employer. After more than three months of negotiations, a settlement was finally reached with the two cleaning companies involved in August 2014. Social security payments totalling around seven million yuan were made to all 170 workers, and were paid in full by December.

Aside from the social security payments, there was another important development in this case. After a settlement was reached through collective bargaining, the cleaners demanded the formation of their own enterprise union. At a meeting held on 19 September 2014, the official local union in the Liuhua subdistrict of Guangzhou agreed to organize elections for the cleaners union. More than 100 cleaners attended the elections that day, and the three committee members elected were all worker representatives who led the collective bargaining effort. The official union candidate sent over by the subdistrict authorities to take part in the election was passed over by the voters. Officials from the Liuhua subdistrict union immediately announced that the union committee elections, in which they had fully participated from beginning to end, were invalid.

Collective Bargaining by Sanitation Workers at the Guangzhou University Town

In August 2014, the service contract expired for GrounDey Property Management, a company providing sanitation services to the Guangzhou University Town. In the new round of bidding for the contract, GrounDey was passed over for another company. Without negotiating with its 212 employees, GrounDey transferred the entire workforce to another contract outside the city. As the majority of these workers had homes and families locally, they could not simply follow the company, but GrounDey refused to pay compensation for labour contract termination. The 212 workers approached the Panyu Workers Centre for assistance.

The Panyu Centre helped them organise elections for 18 worker representatives (including five bargaining representatives), and then they made a collective bargaining offer with concrete demands according to their rights as stipulated in the *Labour Contract Law*: that they be allowed to remain working at University Town, and that GrounDey pay compensation for the termination of their labour contracts. GrounDey Property Management initially refused to engage in collective bargaining, after which the 212 workers voted to go on strike. At this stage, the subdistrict authorities intervened to coordinate negotiations, and GrounDey ultimately accepted. After five separate negotiations, the two sides reached a collective bargaining agreement specifying:

1. GrounDey Property Management would formally terminate its labour relationships with the 212 workers involved.
2. GrounDey would pay compensation for labour contract termination according to employment periods, amounting to a total of more than three million yuan.
3. University Town's new sanitation provider, Suicheng Co., would agree to employ all 212 workers, allowing them to remain working at University Town.

Collective Bargaining at the Lide Shoe Factory

In early August 2014, a portion of the orders, equipment and staff at the Lide Shoe Factory in Panyu were transferred to a new facility in Guangzhou's Nansha district. Not only did the factory fail to properly notify workers of its relocation plans, it actually claimed there was no relocation plan. Nevertheless, that October, the factory closed down its dining hall facilities for factory managers and soon afterwards shut down its samples showroom. News came in November that the warehouse would be closed down the following month, and that the factory would be relocated. The workers worried that if the boss suddenly closed the factory down during the Spring Festival holiday, they would have no way of getting their social security funds, and there would be no way to obtain reasonable compensation. On 17 August, eight workers from the shoe factory sought the assistance of the Panyu Workers Centre. The centre advised the workers to elect representatives and engage in collective bargaining, a proposal the workers agreed to.

Staff members at the Panyu Centre then organized several meetings of worker representatives for collective bargaining skills and strategy training, and to determine the legal basis for their demands. In December, after three rounds of negotiations, workers and management reached an agreement that:

1. Management make a one-off payment of unpaid overtime and paid leave, plus high-temperature allowances.
2. Management pay social insurance and housing fund contributions in arrears before relocation.
3. Workers and management continue to negotiate on the specific standards and schedule for the repayment of social insurance and housing fund arrears.

On 20 December, all workers received the one-off payment of their overtime and paid leave arrears and high-temperature allowance. For the next three months, management continued the relocation process but never put never followed up on the specific standards

and schedule for the repayment of social insurance and housing fund arrears. In order to prevent management from breaking its promises yet again, the workers asked their bargaining representatives to resume negotiations with management. However, the previously-elected bargaining representatives were divided on how best to proceed.

In early April, the workers asked the Panyu Centre assist in electing 19 new bargaining representatives. Of the original representatives, only three were re-elected and 16 new representatives were elected. On 20 April, workers and management once again engaged in collective bargaining. Management offered to complete the payment of social insurance contributions in arrears within two and a half years. The worker representatives responded with four demands:

1. Complete all formalities for payment of social insurance arrears before the relocation of the factory.
2. Handle the workers' housing fund contributions as one-off payment.
3. Publish the factory relocation plans before 25 April, and pay layoff compensation before 30 April.
4. Issue proof of dismissal for those workers who were unwilling to move to the new factory in Nansha before 25 May so that they could apply for unemployment insurance.

After two rounds of negotiations the two parties reached an agreement. Management agreed to complete payment of social insurance before 30 June. This time, in order to prevent the company from going back on its word, more than 1,000 workers occupied the factory day and night to stop the company from moving the remaining equipment and goods from the factory. The new group of 19 bargaining representatives all participated in the factory occupation. Finally, on 25 April, management completed payment of layoff compensation and the one-off payment of housing fund arrears. The occupation ended and workers returned to work on 27 April.

The Lide shoe factory collective bargaining lasted for over three months. The Panyu Workers Centre assisted workers to use peaceful strikes to force the employer to negotiate with worker representatives. Through collective bargaining workers won back around 120 million yuan in social security funds and compensation that management had sought to withhold.

The cases I have just outlined are the six specifically mentioned by your newspaper in its 23 December report. They represent only a small number of the cases over the past five years in which the Panyu Workers Centre assisted striking workers in successfully carrying out collective bargaining. If the *People's Daily* has any interest in deeper and more objective reporting on these cases, China Labour Bulletin would be more than happy to meet with one of your paper's reporters and share the detailed materials we have collected.

Zeng Feiyang has been under immense pressure over the past five years. Leading the Panyu Workers Centre, he has assisted countless workers through the process of collective bargaining, winning back rightful benefits totalling around 200 million yuan — including overtime pay, high temperature subsidies, compensation for labour contract termination, social security contributions, housing funds etc. But your newspaper defames the work of the Panyu Workers Service Centre and its director by suggesting that Mr. Zeng “abused his

position for monetary gain and sexual exploitation.” How dark and despicable must your hearts be for you at the *People’s Daily* to write and publish such words!

Here I wish to reiterate that a core focus of China Labour Bulletin’s work, as mentioned above, has been: “Through active participation in labour disputes in the construction industry involving occupational injury and illness, ascertaining the root causes of such disputes, and applying collective bargaining so that China’s construction sector can escape the long-term vicious cycle of occupational injury and illness.”

China Labour Bulletin has long sought someone like Zeng Feiyang — someone who is courageous and responsible, who is sympathetic to the working class, who understands how the construction industry operates and is mindful of the pain it causes. We have sought such “stars of the labour movement,” people willing to dedicate themselves to the protection of the rights of the workers of China. China Labour Bulletin working hand in hand with these “stars of the labour movement” will together change the fate of China’s construction workers so that they - just like their counterparts in Europe and America - can earn the high incomes they deserve.

Mr. Li, senior Chinese leaders are being ousted from their posts so often these days that I, as a matter of habit, always check the website of the Commission for Discipline Inspection after I’ve determined who is in charge of this or that department. After all, you can’t be sure the person in question hasn’t just run into trouble. I found you listed as the editor-in-chief of the *People’s Daily* in my search of the internet today, and just to be sure I ran your name through the commission’s website. Since there’s no mention of you there, I felt confident you must still hold your position at the newspaper. And that’s how I came to address this letter to you.

Mr. Li, you and I do not know one another. But your online biography suggests that we both hail from Shanxi. If anything I have written displeases you, please forgive me and know that this is merely a public matter, not at all intended to be personal.

Han Dongfang

China Labour Bulletin

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