

## **Research Summary 20 - New Democratic Trends in China? Reforming The All-China Federation of Trade Unions**

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### **Introduction**

This paper examines the rise of direct elections in the All-China Federation of Trade Unions (ACFTU) and its implications for ACFTU reform, improvements in worker conditions, and broader democratization trends in China. ACFTU electoral experiments have expanded from early attempts at direct elections for enterprise-level trade union leaders in Guangdong province in 1986 to similar efforts in Zhejiang province, Shanghai, Shandong province, and elsewhere. These elections have arisen out of a context of increased political openness in China as well as growing pressures on the ACFTU to change its organizational structure, modes of operation, and interest orientation. This paper traces the history of direct elections in the ACFTU, including the debates and implications surrounding them. The research for this paper was based on documentary analysis and interview-based fieldwork in China during 2003 and 2004.

### **Trade Union Reforms**

The context of China's labor relations has changed dramatically during the past two decades. First, migrant workers who have left rural areas for better employment opportunities in the cities now form a major part of the labor force, and their unique status and needs challenge the conventional operations of the ACFTU. Second, the increase in collective action by workers organized outside of the ACFTU presents new difficulties and undermines the ACFTU's legitimacy as a representative of the workers. Third, the decline of state-owned enterprises, which have traditionally been the stronghold of the trade unions, has hurt the ACFTU both financially, by making union fees more difficult to collect, and politically, by weakening the link between workers and the Chinese Communist Party (CCP). Finally, external pressures for reform, from bodies like the International Labour Organisation (ILO) and foreign companies, serve as outside threats to China's internal affairs while also illuminating the ACFTU's ineffectiveness in protecting worker rights. These contextual factors pose ideological, organisational, and practical problems for the ACFTU and CCP.

While this context has fuelled the trend of elections, it has also spurred the ACFTU on a process of reform. These reform efforts have been subject to major constraints, however, and this setting of reforms and constraints has contributed to the tentative context in which direct elections have taken place. First, the ACFTU has yet to resolve its competing roles of representing the workers while also serving as a conduit for CCP directives. Second, the trade union appointment and promotion system has been insufficient in generating the skills and leadership needed for the unions to adapt to the changing global context. Third, the automaticity of union membership in state/collective-owned enterprises has inhibited the development of a collective worker consciousness and made it difficult for the unions to mobilize or activate their workers. Fourth, foreign-invested enterprises, which often prohibit union membership and refuse to pay union dues, have hurt the unions both politically and financially. Finally, the absence of engagement between the ACFTU and the international trade union movement has further contributed to the stagnation of reform efforts.

## **Trade Union Elections in China**

Though direct elections in China's trade unions can be traced back to the 1980s, including the seminal direct elections of Guangdong province in 1986, further reforms were delayed by the Tianamen Square events of 1989. ACFTU interest in electoral experiments resurfaced in 1992, however, and in the 1990s direct elections for trade union leadership spread throughout many of the more economically developed regions such as Zhejiang, Shandong, Guangdong and Fujian. This was in sharp contrast to previous selection methods which favored administrators, relatives of the enterprise owners, or appointees.

Proponents of the elections, including some key ACFTU members and provincial trade union leaders, argue that they produce more able and popular leaders; provide accountability to workers; foster a demand for worker rights, especially among migrant workers; facilitate a working class consciousness; reduce workplace unrest; and contribute to a broader trend of democratization. Opponents of the elections, however, including many in the ACFTU, point to the potential dangers, including increased external interference if foreign firms regulate election activities, a potential for reduced global competitiveness if unionism leads to increased wages, the possibility that elected leaders may be of poor quality or easily manipulated by enterprise management, and finally, the instability that could result if reforms proceed too quickly.

Thus, while the ACFTU acknowledges the benefits of direct elections, especially increased union cohesion and legitimacy, it has taken a middle path. It supports direct elections in small and medium-sized enterprises, state enterprises, and public units but not in private or foreign-invested enterprises, and it exercises control of electoral processes through pre-election rules and regulations. In the absence of any CCP directives from above, the ACFTU has also adopted a cautious *laissez-faire* attitude to avoid taking any decisive action. Thus, the elections themselves are driven from below, which has led to a great deal of variation in how elections have taken place, from basic direct elections to more complex systems of nomination and representation.

## **Insights from Guangdong Province**

Guangdong province was the first to officially experiment with trade union direct elections, which culminated in their institutionalisation in 1991. The level of participation has been impressive, and by 2003, 40,000 grassroots trade unions (one-third of the total) had held direct elections. The leaders of the provincial trade union have supported direct elections as symbols of democracy and as mechanisms for replacing upwards-accountability to the CCP with downwards-accountability to the workers. The unions continue to follow a pragmatic and cautious path, however, pursuing quiet experimentation in the absence of CCP directives. While they acknowledge the risks of direct elections, such as personalistic voting habits and the dangers of disrupting the status quo hierarchy, they have acted to reduce the likelihood of these risks by disallowing elections in more unstable or fractured enterprises. While it is too early to assess the impact of the elections, there is some evidence that leadership profiles have changed, worker conditions have improved, the appointment tradition has been weakened, and more generally, union accountability to workers has increased.

## **Implications and Conclusions**

Efforts to extend direct elections and reform trade unions still face serious challenges, such as continued resistance on all levels, ambiguity in the identity and interests of the trade unions (especially with regards to the CCP and the workers), and the increasing power of both domestic and foreign capital (which can hamper or stimulate reforms). The CCP has been indecisive, wanting to enhance its legitimacy through democratic openings while also retaining its control. These reforms are part of broader democratic openings in China, however, fuelled by growing external pressures and industrial unrest, and only with time will China's struggle to balance these pressures with the pace of reform be resolved.

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