CLASS CONFLICT AT WALMART IN CHINA?

A bitter conflict has erupted at several Walmart store sites in China that were being targeted to close due to poor economic performance and Walmart’s own admission that it has not been as effective in its expansion drive in China as it had hoped to be. The workers at these plants, mostly women, were given the option of a short severance package or to relocate to another Walmart store several hours away. The workers pushed back and began to hold demonstrations that led to arrests of several of the workers.

What makes the situation most striking is the role of a union local (part of the government sponsored All Federation of Chinese Trade Union – ACFTU) and its leader, Huang Xingguo, at one of the stores slated for closure in Changde, a city of 6 million in Hunan Province. Taking the lead from the women who were protesting, the local union not only backed the demonstrators but threatened to expand the action and make common cause with workers at other Walmart Stores slated for closure. The union also participated in the actions and Xingguo was arrested by local authorities who have been supporting Walmart.

When Walmart accepted ACFTU as a bargaining agent at a number of its stores between 2006 and 2008, it seemed both unprecedented (Walmart agreeing to unionization at its stores!) but also necessary (ACFTU is an extension of the government) and potentially helpful. ACFTU was considered to be not only friendly to the company and its goals but it had also helped facilitate Walmart’s expansion into new areas. However, as the China Labor Bulletin has pointed out, the national union has been forced to respond to the literally thousands of protests and actions at workplaces involving foreign companies (as well as domestic ones) over a wide range of abuses and poor working conditions. The CLB called Xingguo’s role a “historic” shift and an article in the Financial Times also speculated that the union may well be responding to a changing climate influenced by a first time decline in the working population.

Even though there remains much skepticism about future protests turning into organized union actions and establishing a major shift in Walmart’s ability to control the agenda (see for example, a discussion of these issues in the current issue of The Progressive magazine), the outcome of the Changdu actions could also identify a changing landscape for Walmart as it struggles to readjust its plans in China.