

The six-day strike at Shenzhen JetPower Batteries Ltd. (19 -24 Feb 2009)

Since September 2008, GoldPeak (GP) subsidiary, JetPower, has been moving away machineries and reducing the upper management, and the workforce has cut by half, from 1000 to 500. No one was able to know what had happened. JetPower failed to give any notice to workers. On 10 Feb 2009, 500 workers made joint complaint to Shenzhen Labour Bureau. With no response from the Ministry, the workers made another letter to the union and JetPower demanding JetPower to reveal its move. On 18 Feb 2009, the Ministry and JetPower's upper management held a meeting with workers' representatives. At the meeting, the Chinese manager Mr. Zhan, who is the union's chairman himself, said he did not know what happened. Getting no response from JetPower, 500 workers went on strike on 19 Feb.

It was the workers' first strike. Workers had no experience on strike before. There were lots of under-covered policemen around, making the situation more tense and difficult. The strike on the first day was reported by some Hong Kong newspapers and one mainland newspaper.

The Strike:

10 Feb 2009 500 workers made joint complaint to Shenzhen Labour Bureau

13 Feb 2009 Workers made complaint letter to JetPower and the union, demanding JetPower to reveal its actual plan regarding the downsizing.

18 Feb 2009 Shenzhen Labour Bureau and JetPower upper management met with workers' representatives. At the meeting, the Chinese manager Mr. Zhan, who was the union's chairman himself, said he knew nothing about the plan of the company.

19 Feb 2009 All workers, both on the production line and clerical and administrative works, started to go on strike in the morning (not including the 10+ senior employees at the upper management). GP board member, Xian Heying (洗荷英), met with the workers. Both Shenzhen Labour Bureau and District Committee had sent their officials to attend the meeting. Xian and Zhan said that JetPower was not going to be bankruptcy but would be moved to Huizhou before 30 June 2009 in order to cut costs. They promised the workers to announce its compensation package before 23 Feb 2009.

23 Feb 2009 JetPower and Shenzhen government officials met with the workers. At

the meeting, JetPower suddenly announced that they would not move the factory to Huizhou but continue its production and would not dismiss the workers. But JetPower only made general statement that it would follow the law without providing any compensation plan for possible dismissals.

24 Feb 2009 4 workers finally got the compensation plan from JetPower which JetPower was making a reservation of 10 million for severance payment. With this, they went to consult the Law Firm for Labour Rights (勞維律師事務所). The lawyers said JetPower's proposal did not violate the law and recommended the workers to go back to work. Hearing that, workers were disappointed and lost the confidence and hope to continue their industrial action. Later that day JetPower posted a notice to workers stating that workers who stop working continuously for 5 days will be regarded as absence and will be fired without any compensation. In the evening, the senior management met with several workers' representatives. Workers raised the following demand to JetPower:

- 1) JetPower should make its compensation to workers according to the average salary in 2008.
- 2) For workers who have been working for 5-10 years (whose employment contracts are non-fixed ones), the compensation should be made by paying a sum of one month salary times no. of years of work.
- 3) For workers with excessive level of cadmium or poisoned with cadmium, compensation should be made with a sum of two months' salary times no. of years of work plus a sum of 6 months' salary, plus ¥8,000 from the GP foundation fund for occupational disease and ¥5,000 from the plant union.

JetPower rejected all the above workers' demands.

- 4) Regarding 24 Feb 2009, the 6th day of workers' strike, JetPower agreed to pay salary for those who reported duty.

On 25 Feb 2009 morning, workers initially continued to go on strike, although they were worried that they would face possible dismissal without compensation. Workers were waiting and seeing when rumours begun to spread around – workers on the 5th floor had resumed working. Workers on the 6th floor, hearing the rumour, thought they could no longer sustain their action. At 9am, most of workers resumed work and the strike ended eventually.

No. of workers who went on strike from 19-24 Feb 2009:

1st day : around 500

2nd to 5th day : around 400

6th day : around 150 (some workers were demoralized and started to wander outside the factory)

Workers argued that they just stopped work after punching cards but not “went on strike”, thus they did not violate the factory regulation. Between 19 and 24 Feb, workers went to the factory everyday and clocked in before 7am and started the sit-in action on the production line.

An outraged worker fainted

During the strike, a worker with excessive cadmium level and with 18 years of service at JetPower fainted. The worker was admitted into hospital and had insulin injection. At the hospital, the worker was found to have tumour in her brain’s blood vessel. JetPower were reluctant to pay for the medical fee. She needed to negotiate hard with JetPower to pay for her medical fee. The medical fee in total was ¥2,012. At last, JetPower paid HK\$1,500 only. The worker needed to pay ¥700 out of her own pocket. She did not stay at the hospital. When she was back at JetPower, the managers said the ¥1,500 paid by JetPower will be claimed from the union’s ¥5,000 compensation. The worker was angry as JetPower had no ground to claim money from the union. However workers were not able to stop JetPower from doing this.

Summary of different groups of workers’ situation in terms of employment contracts

No. of years of service at JetPower	No. of workers	Situation
≥ 10 years with / without fixed contract	110 (35 at management)	These workers can get better compensation compared with other workers under the present law. The 35 senior staff member are more unlikely to stand out.
≥ 10 years with excessive cadmium level or poisoning	12(2 poisoned admitted to hospital)	What they can get for compensation is unsure and uncertain. JetPower rejected their proposal but did not offer them a package.
5-10 years without fixed contract	350 (the largest group)	Most contracts ends on 31 Mar 09. If JetPower does not renew their contract, they can only get a lump sum which is equivalent of 1.5 months’ salary according to the present law.

Difficulties workers are facing:

- 2/3 workers will have their contracts ended on 31 Mar 09. JetPower will be very unlikely to renew their contracts. Starting from last fall, JetPower did not renew any contract that was expired. It is expected that JetPower will continue to use this strategy. Workers know very well that their bargaining power will be greatly weakened when this biggest group of workers has left the company.
- According to the workers, JetPower does not have any order after April. So JetPower may request the workers to take unpaid leave when the orders finished. The severance pay the workers could get will be much less as its calculation is based on salary in the last 12 months. For this reason, most workers (about 80%) prefer to leave the company and get compensation now. The rest (20%) also want to get compensation first and then follow JetPower to Huizhou.

Prepared by GM

13 March 2009