



## Running away factory: Why I am a labour activist!

*April Lai*

This was the first day after a special 30-day Lunar New Year vacation of a Hong Kong capital run Qualimax Plastic Factory in 1988. Some 50 workers were happily returning to the factory to resume duty and were ready for the Lai see (red packet with money, representing blessings and good wishes) from the boss, Law Chan. The factory was located in Kwun Tong, a densely labour populated industrial area of Hong Kong. The factory looked unusual: the entrance was blocked, no new year greeting banners on the door, no manager, no boss, no work; and certainly no Lai See to start a happy new year.

All the workers could not believe what was in sight. It had been a very busy overtime work schedule to complete the orders before the New Year vacation. Chun Cher, a caring woman worker with a slight hearing problem couldn't stop asking around about what was happening. Ah Yik, a high school educated, a guys in his early fifties, pointed to Chun Cher a notice by Law Chan, the employer, mounted at the entrance. He then read out word-by-word to her, 'Qualimax Electronic Factory shut down last month without paying the Qualimax Plastic Factory huge amount of debts. Apparently, the Plastic Factory was unable to operate nor pay workers' wages anymore. Please go to the Labour Department for assistance. Wish you all good luck.'

The workers did not have the intention to know Qualimax Electronics and its relationship with their factory. What they wanted to know was how to get the reward they worked so hard for from Law Chan; particularly some 20 workers were eligible to claim severance payment; a bigger amount of money, upon their long employment service. They called up Hong Kong Christian Industrial Committee, a labour concerned Christian Organization

active in promoting labour rights in Hong Kong territories. Chun Cher, Ah Yik, Ah Pang and other 4 workers went to meet the labour organizer early next day with the hope their grievances would be well addressed.

Since China's economic policy to open Special Economic Zones in 1978, many factories, big or small, were moving away from Hong Kong to relocate to the Zones where employers could enjoy cheap, massive and submissive workforce and other comparative advantage. Qualimax Plastics workers were one of the victims due to factory relocation. But this was the worst case as Law Chan, the employer, totally denied his obligation and left the problem to the workers and Hong Kong society as a whole.

The wage in arrears and the 7 day payment in lieu of notice were secured but not the severance payment under the Protection of Wages on Insolvency Fund. With the factory winding up order, workers could have a priority share on the assets capped to a fixed ceiling that could not fully pay workers with more than 4 years of service. However, where had the valuable machinery gone?

It was the workers' strong belief that Law Chan would take up the role of the employer and come up with the settlement once the workers met him. An exhaustive search for Law Chan was then launched, including a demonstration outside the factory to alert Hong Kong workers in risk of the factory shut down and appeal to Law Chan's obligations.

But, the efforts were in vain. Law Chan was completely quiet.

"Dongguan. Let's go to find Law Chan at his native place," Ah Pang and Ah Yik finally spoke up.

It was a chilly early morning, 4 workers and I started the journey of searching for Law Chan, the employer at Lowu. Before noon, we arrived at an outer township of Dongguan City, a very popular Special Economic Zone with Hong Kong and Taiwanese capital factories.

"That is the house," Ah Pang cried.

All of us felt excited and knocked on the gate very gently.

Without any feedback, we moved forward closer to the house.

"Our machines!" Ah Yik exclaimed by the window.

"Yes, this is the mold machine," Ah Pang was identifying the machine one by one with his logbook.

Chun Cher was dumbstruck and burst into tears.

We were looking in the neighborhood for clues to find Law Chan. Time passed by but Law Chan remained elusive.



Workers meeting with the Church based labour rights forum

Locating the equipment was a very important finding. The missing Qualimax Plastics machines were moved to Dongguan. What should we do to reclaim the machines?

It would be a long run legal battle and somehow the monetary returns too would not be as expected. But I could not tell the workers that at that moment.

China was a socialist country and the rights of workers and peasants were highly respected and enshrined in the national constitution. If the Chinese authority stepped in, Law Chan would have to show up for a settlement. In light of 'worker solidarity' and Hong Kong and China being family, we decided to lobby at the office of Foreign Trade and Economic Co-operation Department and All China Federation of Trade Unions Chinese government to step in.

Chun Cher, on behalf of the workers placed a demand at the official of Foreign Trade and Economic Co-operation Department to ban the production of Law Chan's Dongguan factory until he managed to settle the payments. The female official stated calmly and clearly that labour issue was not the department's jurisdiction. She directed us to the trade union.

It was logical for workers to seek help and support from the union, a worker's organization. We then moved on to seek help



The machine in China

from All China Federation of Trade Unions. However, the union's official responded to our demands with the important reference of National policy. According to the National development plan, attracting foreign capitals to invest in Dongguan was the priority. As part of the government structure, the unionist said they were required to collaborate with the national economic policy. Her office would not take the big move to seize the machinery nor ban the factory production process. She further convinced us to find solutions in Hong Kong.

We then came to the darkest moment of the long day's mission. We decided to stay in a small local hotel for a night and go back to Hong Kong the next day.

On the hotel guest check-in log, a name caught my attention. 'Law Chan.' The employer was staying here! Everyone was excited to discover that the target was under the same roof as us. Our hopes were revitalized. An emergent guarding plan was immediately worked out. Chun Cher was assigned to watch the lobby and entrance. Ah Pang guarded the stairway and lift. Ah Kuen would approach Law Chan for a chat and then the fellow workers would join in was the plan. The clock went tick-tock, tick-tock but Law Chan was a no show.

The search-boss trip ended and what did we achieve?

It seemed not much was gained concretely and we were disappointed with Law Chan, the employer, hiding to deny his obligation. We were angry to learn that the labour rules and government departments concerned, in fact, did not safeguard workers from victimization.

Nevertheless, the trip uncovered the whereabouts of Qualimax Plastics machinery. It was easy to relate to the plot of Law Chan, the employer, who asked workers to go on a special unpaid long Lunar New Year holidays, when he got the time to shut down Qualimax Plastics, clear the assets and move away (steal) the machinery to Dongguan where he was building up a new Plastics factory to continue the production business. This finding was so solid to make workers and lawmakers understand the problems of the existing labour laws. Extension to severance payment was made to the Protection of Wages on Insolvency Fund afterwards. Qualimax workers had contributed to the Extension that'd be beneficial to all working people with better security when employers went insolvent.

I could not foresee the achievements when we planned for this labour action. But there were some consequently. Without labour actions in response to unfair practice against workers' rights and interests, I was sure the labour movement was stagnant and no progressive change would have occurred. Labour organizing was like growing a seed. It took time and underwent a process. We plant, but someone in the later stages harvests.

The action Qualimax workers went through was an empowering process. Many times, workers work in asymmetric employment relations, in which they always perform the submissive role to follow the given suits rather than taking initiatives to think and work out something new. The labour action was collective. No one was the boss of orders. In contrast, everyone was trying to contribute to make the action a success. I was feeling proud to see the engagement of Chun Cher, Ah Pang, Ah Yik and all active workers who looked at labour protection in the long run more than their own benefits at the end.

#### ABOUT THE AUTHOR

*April Lai* is a labour rights and eco activist; who focuses on ground organizing, people participation, power sharing, emancipation.