

# Wal-Mart managerial policy up against the determination of Chinese trade unions (*Case Study*)



In August 1996, Wal-Mart Stores opened its first Supercenter and Sam's Club in Shenzhen, China.



# 1996~2005: 53 Wal-Mart stores in China

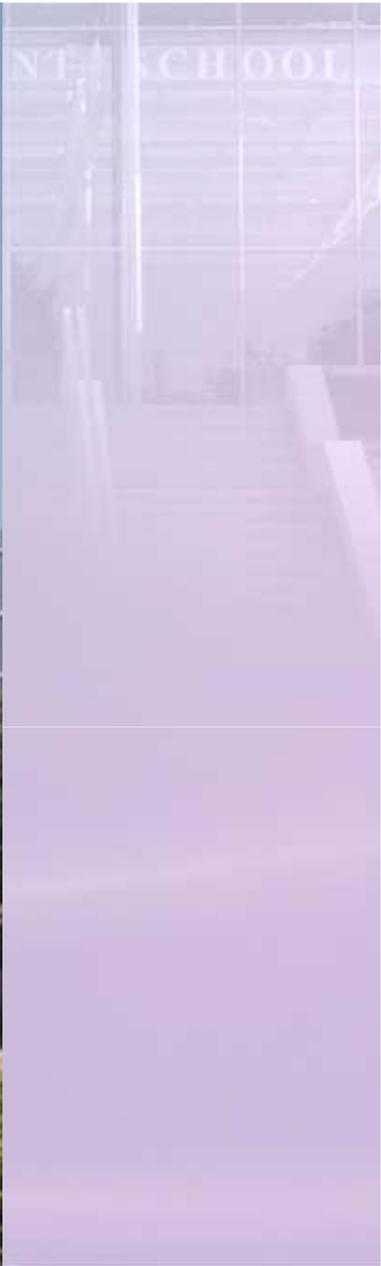


## Next...



Ever since it was set up, Wal-mart has considered the trade union to be a divisive force that may reduce the company's competitiveness.

Wal-Mart employees can not become unionized.  
Attempts at unionization are met with hostility and often with firings.



# China Union

- “All employees working on Chinese territory, in companies, State organizations or establishments, are entitled to organize and take part in trade unions.” (TRADE UNION LAW OF CHINA promulgated in 1992 and revised in 2001)



# Trade Union turndowns

For setting up trade unions in Wal-mart stores, the President of the ShenZhen Municipal Trade Union has been refused on several occasions at the Wal-mart headquarters (China) and Changsha Municipal Trade Union has been turned down 26 times.

10/20/2004

• “During an inspection round concerning the application of the “trade union laws”, the group of inspectors formed by the Standing Committee of the National People’s Congress and National Union Federation of China noticed that some foreign multinationals, such as Wal-mart, Kodak (Xiamen) and Samsung (Tianjin), are ignoring Chinese law and thwarting the creation of trade unions.”

“Ligal Daily”, Octobre 20, 2004



**11/02/2004**

- “We have our own means of communicating with our 21,100 employees in China. We don’t need trade unions to act as a go-between”.

*Lee Scott, Wal-Mart CEO*



# 10/2004

China's state-run labour union has threatened legal action against foreign businesses over the right to organise workers at their Chinese operations.

<http://news.bbc.co.uk/2/hi/business/4037423.stm>



**11/02/2004**

**“Should associates request formation of a union, Wal-Mart China would respect their wishes.”**



Wal-Mart China

## 11,2004 ~ 02,2006: the negotiations had been in a stalemate

Wal-Mart stores in China: From 35 to 59

Trade unions in Wal-mart stores (China): 0

Chinese new medias:

“We can therefore ask ourselves this: Why are our professional organizations so weak when standing up to Wal-Mart?”



02/2006

- Since February 2006, the managers of the Chinese National Union Federation met with managers of the Wal-Mart headquarters (China) to discuss the creation of trade unions in all Wal-Mart stores in China. At the same time, the Federation sent representatives to hand out trade union documents and brochures around Wal-Mart stores.

<http://www.humanrights.cn/cn/zt/qita/rqzz/2006/06/>

# Overseas companies

About 39,000 out of more than 100,000 overseas companies in China have set up unions, according to a report last month by the official New China news agency.

<http://www.washingtonpost.com/wp-dyn/content/article/2006/08/09/AR2006080901924.html>

05/2006

“If Wal-Mart continues to refuse trade unions, it won't just be the Chinese National Union Federation that it has to deal with, but the whole of China.”

- Wang Ying, Director of the Basic Organization Development Department, Chinese National Union Federation

07/29/2006, 06:30 a.m.

With direct assistance from the Quanzhou General Trade Union and the Chinese National Union Federation, the first trade union has been set up in the Jin Jiang Wal-Mart store (Jinjiang, Fujian province).

“This is a historic breakthrough and will go down in history.”

-XU Deming, Vice President of the Chinese National Union Federation



08/2006

On learning that the first trade union had been created, Wal-Mart (China) warned it would not renew the work contract of those employees who had joined. Moreover, Wal-Mart would not pay the operation expenses of the trade unions, which account for 2% of total salary.”

-China Business Journal, August 7th and 8th 2006

08/10/2008

- After negotiating with the Chinese National Union Federation, Wal-Mart published a declaration in Beijing entitled “Wal-Mart supports China’s efforts to build a harmonious society”.
- On the same day, a trade union was created in the headquarters of Wal-Mart (China) in ShenZhen.

08/10/2008

August 10, 2006

"My suspicion is they're doing this because it's the only way that they can maintain their plan in China."

Richard W. Hurd, a professor of industrial and labor relations at Cornell University in Ithaca, N.Y.

<http://www.washingtonpost.com/wp-dyn/content/article/2006/08/09/AR2006080901924.html>

**09/14/2006**

**Organizing Wal-Mart: The Chinese Trade Union at a Crossroads**

**By Anita Chan**

**Wal-Mart Watch, Sept. 14, 2006**

Surprise, surprise, it is the All-China Federation of Trade Unions (ACFTU), the trade union notorious throughout the world for being "useless", that has taken on Wal-Mart and succeeded in setting up workplace union branches at twenty-two Wal-Mart supercenters in China within four weeks.

[http://www.organicconsumers.org/articles/article\\_2409.cfm](http://www.organicconsumers.org/articles/article_2409.cfm)

09/29/2006

Once the trade union had been set up in the Nanguo store (city of Shantou), all 62 Wal-Mart (China) stores created trade unions.



# What IS next?

- “I don’t see any bargaining power in the unions in China. The function of Chinese unions is to urge workers to participate in the work, to care about their welfare and to organize recreational activities for them.”

-Liu Kaiming, director of the Institute of Contemporary Observation

<http://www.nytimes.com/2006/08/09/world/asia/09cnd-union.html>



### 沃尔玛（中国）门店数

单位：家

2006年	<b>71</b>
2007年...	<b>102</b>
2008年...	<b>123</b>
2009年...	<b>175</b>
2010年3月	<b>180</b>

数据来源：中国连锁经营协会  
沃尔玛（中国）投资有限公司

# Thank You

