The Dark Side of Labor in China
By Karine Lepillez

With a population of 1.3 billion and a gross domestic product growing at an impressive rate of 10 percent per year, China has quickly become one of the largest contributors to the global market. Deng Xiaoping’s reforms of the late 1970s and early 1980s vastly improved the country’s standard of living and made economic development possible; unfortunately, China’s remarkable growth has a dark side: the forced labor of men, women and children. The country’s unique combination of Communist ideology and decentralized economic power has contributed to the use of both state-sanctioned and unsanctioned forced labor, the latter of which is perpetuated through ineffective policies, corruption, and a lack of legal enforcement. Systematic statistics on the extent of forced labor are not available due to China’s repressive political system. However, news articles, reports, research, and the testimonies of past forced laborers attest to the severity of the situation.

State-sanctioned forced labor is widely promoted and justified by the government through the Communist doctrine of “reform through labor.” The philosophy extols the virtues of labor as a way to transform dissidents into new socialist men and women; however, in practice it has led to the creation of a vast network of prison labor camps known as Laogai across the country.

Since its inception, the Laogai has been used to suppress and indoctrinate petty criminals, political dissidents, religious adherents, and others who are seen as threats to governmental and social stability. Inmates are used to produce cheap commodities, which, although officially prohibited from exportation, are often indistinguishable from factory goods and continue to find their way into the global market. Prison labor is no longer as profitable of an enterprise as it once was—due in part to international concern and to the inefficiencies of prison-run businesses in general—yet it remains a cornerstone of China’s “reform through labor” policy.

Reeducation-through-labor policies also affect school age children through the sanctioned use of juvenile work camps, “work study” schools, and school-related contracted work programs. A prominent example is the 2001 explosion that killed over forty people in an elementary school, the majority of which were third and fourth graders. The explosion was attributed to fireworks that the children were being forced to assemble. In rural institutions especially, students can be asked to work in order to make up for the budget or to pay teachers. Some schools also employ their students in factory work as a form of job training. In these situations, however, much of the work done is tedious and unskilled rather than career orientated.

In China, as in many areas of the world, poverty is a key player in modern slavery, propelling peasants into positions of bonded labor and young children into dangerous and tedious jobs. However, government policies concerning urban migration and public education also play a large role, exacerbating the vulnerabilities of migrants and children instead of protecting these already at-risk populations.

For migrants, China’s household registration system has increased the risks involved in finding jobs in the city. Peasants seeking to move to the city for a job must obtain a permit to leave their village, a temporary residential permit to live in the city, and a work permit to begin their job. Applicants are often required to pay for their permits in a lump sum, which is usually lent to them by their employer. The cost and interest is then deducted from their future pay. It is also common
practice for employers to collect and keep worker permits, further trapping laborers in their workplace. Low pay, check withholdings, abuse, long hours, and physical restrictions are all tolerated because employees want to pay back their debt, are no longer in possession of their permit, or because they have been promised their withheld pay in the future. These practices and policies promote a system in which the employee is at the mercy of the employer.

Government policies have also supported ever-increasing fees on public education while simultaneously decreasing subsidies to local schools. According to the United Nations Special Rapporteur on the Right to Education, although China’s schooling is meant to be free and compulsory, fees for public education have been privatized, resulting in families paying for almost half of the cost of their child’s education. For struggling rural families, the extra fees make schooling virtually inaccessible. Instead, children are often put to work, since a child’s salary can contribute significantly to family income. Poverty is a root cause of much child labor. However, governmental policies concerning education have drastically reduced access to schooling for the neediest children, and have increased the likelihood of their exploitation.

Corruption, made possible by economic decentralization, has also led to forced labor abuses. Decentralization of power in favor of regional control has encouraged economic growth and entrepreneurship while creating an environment in which local officials and business owners can pursue financial incentives to the detriment of vulnerable populations. Not only is there a lack of legal enforcement; those responsible for the law’s implementation are oftentimes its worst abusers. For example, police officers double as factory guards, so that when workers are abused and exploited in bonded labor, they have no authority to which they can turn for protection. Business owners make deals with state officials to turn a blind eye to the use of forced and child labor. State officials practice land theft and institute arbitrary tolls to raise extra funds from already struggling peasants. Over the summer of 2007, such corruption was blatantly exposed as 568 forced laborers were freed from kilns that were being run under the protection of local officials. Without government accountability, the very institutions created to protect the people become sources of abuse.

China has made significant efforts to reduce and penalize unsanctioned forced labor by ratifying the International Labor Organization (ILO) Convention on the Worst Forms of Child Labor and by establishing consequences for employers who use forced labor. The state has also been cooperating with the international community through projects and forums designed to eradicate contemporary forms of slavery. However, forced labor will persist as long as the systems and policies that enforce it are still in place. China’s reform-through-labor programs, household registration system, and educational policies must be examined, and the widespread corruption of local officials and businessmen must be addressed if the country is going to meet the needs and vulnerabilities of its growing workforce in the years to come.

Selected Bibliography


Annotation: Appropriately named to reflect the similarity between the Chinese Laogai and the Russian Gulag, this article offers a brief overview of China’s prison reform camps, including
their history, extent, purpose, the underlying philosophy behind them, and their effect on the Chinese population. In addition to addressing the suppression and exploitation of dissidents through the reform system, the author also reveals a disturbing practice recently associated with prison camps: the illegal sale of organs of executed convicts. Aikman inserts a short, emotive biography of Harry Wu, the most influential spokesman against the Laogai system, and echoes Wu’s claims that the tragedy of the Chinese Laogai is on the scale of the Russian Gulags.


Annotation: Barboza’s article provides a helpful synopsis of the labor abuses exposed by the press over the past year in China. It mentions most prominently the August 2007 report by China Labor Watch detailing the illegal and abusive practices in eight investigated Chinese toy factories, which supply brand-name toy makers including Walt Disney and Hasbro. The article mentions the case of the Chinese companies using child labor to make merchandise for the 2008 Beijing Olympics, in addition to addressing reports of labor violations by contracted Chinese companies under Apple and McDonald’s. The article notes the prominent role of non-governmental organizations in exposing and holding multinational corporations accountable for their actions.


Annotation: Birdsall’s article and related notes imply that not all child labor is bad, and that banning it could actually make children workers worse off by rendering them legally invisible if they end up working anyway. The author reviews the causes of inequality, citing factors such as history and bad economic policy. She furthermore explains remedies of the problem that are currently in use, and presents suggestions for alternatives. Her final recommendations include worker-based growth, education, and integration of the state’s economy into the global market. Birdsall’s views on poverty and its consequences come off as harsh and privileged, but her insights are educated, informed, and worth considering.


Annotation: This Washington Post article offers a snapshot of the exploitation of migrants in the Henan province. It mentions the story of 568 forced laborers who were freed from kilns over the summer of 2007, and notes that the illegal operations were being run under the protection of local officials. Bodeen speculates that corruption runs much deeper than the ensuing arrest of 168 people. Government response to the kiln operation grants hope to many by illustrating that with enough international and internal pressure, forced labor will continue to be reported and addressed.

Annotation: Although this piece is almost ten years old, it is key to understanding the role of international law in the issue of labor rights in China. It gives a clear and concise account of which international human rights documents China has signed and is accountable to, which labor abuses occur in the country, and which laws are violated. It also outlines the players in the international and national field that have been and are making a difference in the area of labor rights in China. This is a solid piece that provides a foundation for understanding labor abuses in light of international human rights law.


Annotation: This collection of case studies and reports puts a human face on the issue of forced labor in China. It examines 23 cases around the country over a period of seven years, through Chinese articles, reports, and interviews. The book focuses in particular on migrant workers—who are argued to be the group most vulnerable to abuse—and affirms the importance of non-core labor rights to the goal of heightening labor standards. Anita Chan’s writing is accessible and compelling, and while many of her case studies are grim, she remains optimistic about the role of international and local organizations in advocating for forced laborers in China.


Annotation: According to recent reports, child labor is found most prevalently in toy production, textiles, construction, food production, and light mechanical work. This online article by the China Labour Bulletin briefly addresses the causes of child labor and cites recent cases, such as in 2004, when a headmaster was found to be employing 35 students between the ages of eight and sixteen in a toy factory that he owned. The author expresses concern at the lack of awareness and understanding of the general public in China, but believes the rise in child labor can also be attributed to poverty and to a rise in school fees. The article is short and informative, and treats the subject of child labor with compassion.


Annotation: This document is a case study reporting on the grueling work hours, low wages, strict rules and fines imposed to regulate behavior, and banning of workers’ unions that characterize the work environment at the Huangwu Toy Factory. The Huangwu enterprise, used by Wal-Mart and Dollar General to produce cheap toys, is but one of many in which employees work in what some would arguably call bonded labor.

Annotation: This short article reports on the changes made to the Reeducation Through Labor system imposed on minor felons. The reforms are intended to reduce the maximum term for prisoners and to lessen the restrictions on them within the camp. The author downplays these small tokens of change and claims that genuine reform can only come through complete eradication of the prison labor system. Among the reasons given for the reforms, the journal cites the condemnation of the Chinese labor camps by the international community and by human rights organizations.


Annotation: This document, published by the International Labor Organization (ILO), deals largely with child labor. The Committee establishes a tie between education and child labor, and claims that China’s decreased enrollment in primary and secondary schools can be linked to an increase in child employment. Significantly, it criticizes China for the extreme secrecy surrounding its child labor cases, in addition to noting statistics that make it very hard to determine the extent of the problem. The document also includes China’s response to the criticism, giving the reader an indication of the measures taken by the state to address the issue of child labor. This text is important for a general understanding of child labor in China, including potential causes and recommendations.


Annotation: This 2007 document contains observations and recommendations made by the International Labor Organization (ILO) concerning the use of child labor in China. The main areas of concern at the time were the alleged role of Chinese authorities in trafficking children from and through China, the exploitation of child labor through school-run factories and labor camps, and the use of disabled children as professional beggars. Chinese laws already prohibit the use of child labor, so recommendations focused on imposing higher penalties for violators, and on strengthening the government’s monitoring and law enforcement systems. This document is essential to understanding China’s efforts in the area of child labor and its relationship and cooperation with the international community and the ILO.

Annotation: In this lengthy article, Dittmer answers the question, “can realist means be used in support of idealist ends?” More specifically, can human rights goals be met using economic sanctions? After an extensive survey of U.S. foreign policy, the author comes to the conclusion that China’s economic modernization is more likely to bring about improvements in the state’s human rights record than will economic sanctions. This article is pertinent in light of recent disputes between China and the United States over the communist state’s exportation of goods made by children or forced laborers.


Annotation: In 2000, Europe witnessed an appalling series of raids, which exposed large numbers of forced laborers trafficked in from China and Eastern Europe. Illegal Chinese immigrants form the largest target group for forced labor and trafficking in Europe; many become bonded or indebted to the mob bosses that enabled their passage to Europe. This article reveals the international side of forced labor in China, and explains the increasing financial incentive for gangs involved in trafficking and forced labor in China and in Europe. A disturbing piece of reporting, it reveals the widespread influence of the black market, which is globalizing and facilitating the use of forced labor.


Annotation: This 2007 *New York Times* article brings to light the most recent child labor incidents in China: hundreds of forced laborers freed from a brick kiln, a fifteen year-old crushed to death in a cotton gin, seventy girls brought by their teacher to work in a processing plant for sixteen hour shifts, and a fourteen year-old boy killed in an explosion at a chemical factory. The author notes the revisions of children’s rights laws made by President Hu Jintao, but remains pessimistic that without enforcement, no change will occur. Rather, local officials will continue to evade responsibility by taking advantage of overlapping jurisdictions.


Annotation: A former journalist for the Asian Wall Street Journal, Gutmann uses his book to expose the compromises made by American businesses in China, also exposing their costly consequences. Although Gutmann does not deal directly with the issue of forced labor in China, his personal accounts of Chinese and American business relations set the stage for readers to understand the type of environment in which corruption and human exploitation can occur. Gutmann’s easy-to-read book is as much a comment on human nature as it is on the nature of business in China.

Annotation: Holmes’ well-researched book is a comparative analysis of corruption in China, Bulgaria, Hungary, Poland and Russia. His central thesis is that there is a connection between communism and corruption; however, he finds that “examples of corruption can be found in all the political institutions of the contemporary state.” Holmes outlines the scale, impact, causes, and the measures used against corruption. He acknowledges the important role of international organizations, and suggests that they work with civil society rather than with the state in keeping institutions and individuals accountable and transparent. In conclusion, Holmes argues that a state’s approach to economic reform is significantly linked with corruption.


Annotation: This September 1991 follow-up to the April report published by Human Rights Watch (HRW) records China’s reaction to the accusation that they export forced labor goods, and offers new evidence to support the organization’s views. Accordingly, HRW claims that forced prison labor and the exportation of prison-made goods is and has been a part of the Chinese government’s policy. This older document illustrates the international aspect of prison labor in China and shows that it has been an issue of contention between the United States and China for several decades.


Annotation: This 1991 report by Human Rights Watch is one of the organization’s only pieces on forced prison labor in China. It uses a series of internal Chinese documents to prove that the state was using forced prison labor products for export, and that in fact, the country was heavily dependent upon prison-made goods to meet its increasing export quotas. The purpose of this document was to discourage the U.S. government from giving China Most Favored Nation status.


Annotation: Kapstein’s article addresses the issue of slavery around the globe, the methods that have been used to abolish it, why such methods have not worked, and recommendations for state action. He also includes a short section on the definition of contemporary slavery. Kapstein is a proponent of criminalizing prostitution worldwide, and of using the power of Western states to influence perpetrators of trafficking and forced labor. He argues for an aggressive and public strategy towards the problem of slavery, rather than one that works behind closed doors. This
recent article is a fundamental addition to the understanding of the nature of slavery in a globalizing world.


Annotation: China’s booming economy has sparked urban as well as international migration. Kwong’s article explains the challenges faced by China’s growing migrant community. As competition for jobs in the city increases, many are willing to pay the price of being sent overseas—$30,000 to be smuggled into the United Kingdom and $70,000 for the United States. Illegal immigrants are at a high risk of exploitation, not only by their employers, but also by the trafficking rings through which they are smuggled. This article brings attention to the plight of illegal Chinese migrants.


Annotation: Although somewhat outdated, Li’s article addresses the effects of the ongoing and increasing internal migration in China. The author outlines the reasons behind the migration and the characteristics of this “floating population,” and makes a series of policy recommendations. He optimistically predicts that China’s two hundred million internal migrants will further the country’s development, industrialization, and liberalization, and will contribute to the expansion of civil society.


Annotation: In this article, Mattioli strongly emphasizes the relationship between labor standards, investment, and ultimately, stable growth. Although the article does not deal directly with China, it deals with the issue of forced labor and child labor in general. Mattioli explains that while violating labor laws may initially cut costs and increase profit, it removes the incentive to invest in people or in new technology, and eventually hinders growth. This article is simple—almost simplistic—in its analysis of labor violations, but does highlight essential aspects of the problem: there is a correlation between a state’s stable economic growth and investment, and forced and child labor.


Annotation: Jean Oi’s article on the nature of the Chinese economy contributes to an understanding of the role of the local state in business. Termed local state corporatism, this state-led growth explains how local officials have become similar to board directors or CEOs in
local enterprises. Although not dealing with the ways in which the system is vulnerable to exploitation, this article lays the foundation for an understanding of the role local officials play in the corporate world, and how easily a conflict of interest can form, resulting in corruption or labor abuse.


Annotation: Seymour’s book about prison labor camps in China is built upon fieldwork in three Chinese regions, on public and private documents, and on interviews with prisoners, guards, and local officials. The author disagrees that prison labor is a lucrative source of income for the Chinese government. Rather, he claims that the Laogai system is inefficient and unprofitable, especially since international scrutiny on forced labor exports has increased. A well-documented work, Old Ghosts, New Ghosts counterbalances previous reports on the Laogai system by Human Rights Watch and by Harry Hongda Wu.


Annotation: Corruption has always been present in China’s political and economic system; however, Sun remarks, its intensity and frequency have changed since the state’s economic reforms were implemented in the late 1970s. Sun uses published casebooks of economic crime to reveal a connection between decentralized power and the opportunities for corruption. China’s economic reforms have facilitated the means for abuse and have decreased its disincentives.


Annotation: The Solidarity Center’s report deals with workers’ rights in China in general, but devotes several chapters to the issues of child labor and forced labor. Acknowledging the lack of transparency in China that prevents us from knowing the full extent of forced labor and child labor in the country, the author nonetheless testifies to the gravity of the problem with references to news articles, reports, and personal testimonies. Solutions mentioned revolve around education and rule of law. They include: the immediate banning of manual labor used by schools to raise funds or supplement teachers’ pay, education of the most vulnerable groups (migrants, women, children) to raise awareness of forced labor and trafficking, and enforcement of laws already passed in China to ban forced labor.

Annotation: The third chapter of this book provides a holistic look at child labor in China, taking the reader through the history of child labor in the country, its place in politics and society, and its probable future. The authors praise the Chinese government for its legislation and hard stance against child labor, and blame the exploitation of child workers on poverty and the current business structure. A lack of effective enforcement is also listed as a cause for the continuing occurrence of child labor in China. The authors see a link between child labor and education, and recommend that China strengthen its educational programs as a way to counter and reduce the occurrence of child labor.


Annotation: This policy brief by the United Nations Educational, Scientific and Cultural Organization deals specifically with the plight of girls and labor in the Asia-Pacific region. It lists the international instruments developed to deal with child labor, the type of children most at risk, and the specific barriers to full school enrollment. As relates to China, the report gives a snapshot of one of the innovative practices used to get girls out of work and into school: assistance to cover all school-related costs and promotion of education and skills training relating to gender equality, public health, and hazards such as trafficking and forced labor. The document offers a number of recommendations, including collaboration in the area of research, data collection, and monitoring and evaluation.


Annotation: A 2006 hearing before the Committee on International Relations, this document addresses the subject of human rights abuses in China. Most pertinent to the focus on forced labor is a statement made by Ms. Thea Lee, Director of Public Policy at the AFL-CIO. Lee approaches the issue from the perspective of American interest, arguing that the repressive labor environment, which includes child labor, forced labor, and prison labor, creates an unfair trade advantage and contributes to the United States’ $202 billion trade deficit with China. Her statement is brief, and is focused on the ineffectiveness of the current Bush Administration’s stance towards the Chinese government.

Annotation: This 2005 Congressional Roundtable responds to concerns that China is violating the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, of which China is a signatory. Statements were made by Jeffrey Fielder of the AFL-CIO, Harry Wu, founder of the Laogai Research Foundation, and by Gregory Xu, a member of Falun Gong with personal experience of China’s forced labor camps. The statements focused mainly on the issue of prison labor, and heatedly recommended that the United States take a hard line against the importation of any prison labor products. Fielder especially urged that in cases where forced labor products are indistinguishable from legal products, the United States should ban the product entirely, and import it from another, more reliable country. This document highlights the Committee’s concern about forced labor in China, and makes clear the speakers’ frustration over the United States’ lack of action in the matter.


Annotation: The U.S. Department of Labor’s brief online page about child labor in China lists a number of industries in which child labor has been shown to exist: fireworks, garments and textiles, toys, sports equipment, and games. It cites the national and international laws and conventions that China has ratified, and briefly mentions the judicial steps taken in relation to child labor. China has accordingly set up 2,763 courts to deal with child labor cases, in addition to seventeen provincial committees for the protection of children. The tone of the article, however, is tentative; it argues that there is no way to assess the true extent of child labor because of China’s lack of statistics and repressive political system.


Annotation: In this article, Ming Wan looks at China’s gradual acceptance of International Human Rights Law and norms. He attributes this development not simply to international pressure, but also to economic pressure within the country. Wan speculates as to whether International Human Rights laws will begin trumping national laws, especially in cases where the two are in conflict—for example, in China’s practice of reeducation through forced labor. In general, the author is optimistic that even though China remains a non-democratic, communist state, there are signs of improvement and openness in the area of human and civil rights.


Annotation: This government-approved article from the Beijing Review shows the Chinese government acknowledging and seeking to address the corruption in their prison labor reform
camps. The author explains the changes that will be made with the reform plan; most importantly, the operating costs of prisons will no longer be met by income brought in by prisoners’ work, but rather will be covered fully by central and provincial governments. At the time of the writing, this reform was to be undertaken by six provinces. While acknowledging the downfalls of the current prison labor system, the article dutifully touts the benefits of prison labor in helping prisoners develop responsibility, good work habits, and a “spirit of teamwork.”


Annotation: Harry Wu’s article makes a moral appeal for dismantling China’s prison reform system. Wu explains how the legacy of Deng Xiaoping’s market-oriented Chinese communism precipitated the abuse of the labor reform system. He uncompromisingly declares that China’s business practices make it impossible for democracy to take root. Comparing China’s Laogai (“reform through labor”) to the Soviet gulag and to Nazi concentration camps, Wu appeals for universal condemnation of “the world’s most extensive system of forced labor camps today.”


Annotation: Originally written in Chinese, this groundbreaking book by Harry Wu—a former Laogai prisoner—offers an insider’s view of China’s institutionalized labor reform system. Wu outlines in detail the structure of the system, its regulations, its breadth, and how it has been used by the Communist government to contribute to China’s growing export market. There is a substantial Appendix with the names, locations and descriptions of almost one thousand work camps around the country. Prisoners in these camps are forced to work as part of their reeducation. Their work conditions constitute human rights concerns: grueling twelve-hour days, physical abuse, scarce food, and dangerous work environments. Wu provides first-hand insight as well as primary research on China’s forced labor camps, emphasizing the need for advocacy and structural reform.


Annotation: Xiaobo’s article focuses on the role of the state in China’s economic development; in particular, it highlights the predatory behavior of state agencies, which take advantage of the opportunities for corruption that are made possible by the state’s decentralizing economic reforms. Xiaobo examines the concept, patterns, and impact of organizational corruption in China. He concludes that state power can facilitate corruption, but that it can also be its most effective remedy by promoting coherence and accountability.

Annotation: This article was a top story in the July edition of *Beijing Review*, an official government magazine in China. It highlights the events surrounding the Shanxi child labor scandal, in which a man named Heng Tinghan was found to be using forced labor as well as child labor in his mines and kilns. This event was under international scrutiny, and thus the article is focused on explaining how the Chinese government has been addressing the issue. Unlike many other articles concerning forced labor in China, this piece lists statistics on the spread of child labor in the Jiangxi Province, the Zhejiang Province, and the Henan Province.


Annotation: This extensive working paper by Chinese lawyer Gao Yun was written in response to the International Labor Organization’s rising concern about international migration, forced labor, and human trafficking. Concentrating primarily on Chinese migrants in Europe, Yun outlines the progression by which many people become trapped in situations of forced labor as a result of the human trafficking process. Yun adds a pertinent section on Chinese legislation, and speculates that among the reasons for its ineffectiveness are a lack of enforcement, high profits and low risks, and the indistinguishability in Chinese law between trafficking victims and perpetrators.
Using company records, our investigation into the supply of cobalt traced it from the mines in the DRC to Chinese buying companies and smelters, through battery component manufacturers in China and South Korea and on to battery makers who supply many of the world’s leading electric car companies. So, what should these companies be doing? China Labor Watch (CLW) is a New York City, New York-based non-government organization founded by labor activist Li Qiang in October 2000. Its mission is the defense of workers’ rights in China. Through research, advocacy and legal assistance, CLW seeks to help China’s workers become more informed of their rights and more empowered to realize those rights within their communities.