



ITUC CSI IGB

Perspectives on Labour Disputes in Globalised China: **Workers in China & Europe**

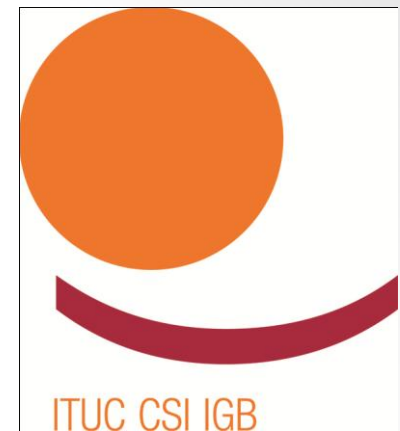
Conference Vienna September 2011

Carlos.Polenus@ituc-csi.org

ITUC HQ Brussels

+32 479 063 974

2007 Creation of the ITUC; International Trade Union Confederation



- **ETUC : European Trade Union Confederation (27 members states and non EU countries)**
- **PERC: non EU countries like Russia,-stans?**
- **Other TU confederations.**
 - **OATUU, Pan African**
 - **ICATU, Arab TUs**
 - **WFTU, World Federation of Trade Unions**

ITUC regional organisations:

- ITUC Africa (Togo)**
- ITUC Americas**
- « ETUC Europa »/PERC**
- ITUC Asia Pacific**
- ITUC HQ (Brussels)**

Content

- The international trade union movement & ITUC
- Relationship ACFTU and ITUC
- The ETUC/PERC in Europe
- Company level
 - Chinese TNC's in Europe: Huawei
 - European TNC's in China: 520 EWC's have operating units
- Sectorial & national level: cars, telecom, HST, bikes
- Multilateral level: European Union and China
- Bi-lateral level: China - Poland
- Eastern Europe, –stan republics & SCO p.m.

European Trade Union Confederation

- ITUC and ETUC/PERC construction in Europe
- Company level
 - Chinese TNC's in Europe
 - European TNC's in China
- European sectorial organisations : UNI , ICEM, EMF, EI, ETF.
- National trade union confederations



Helicopter view

- Social dialogue & trade union rights
- Social Charter and the treaty of Lisbon
- Consultative role in the ESEC and at the ECB
- No counter vailing powers in Euroland
- Bi-annual dialogue Europe and China : trade, human rights dialogue, etc...
- The EU & some member states in G-20
- Iceland, Norway, Turkey, Ukrainia: no members states
- The –stan republics & China: low policies
- SCO: Shanghai Cooperation Organisation: no policies

Chinese foreign policy

- Prefer bi-lateral instead of multilateral approach in Europe.
- No aid, Oké for investment, financing & trade
- Support the €, buying state bonds
- Focus on technology, distribution networks and brands.
- Go Abroad & subsidies
- « Special economic zones »
- Taiwan conditionality, non-interference.

The Poland motorway case.

- This is part of a bigger China - Europe study.
- The Chinese company won a tender for a highway construction in Poland. with an extremely low bid.
- The European Regional Development Fund agreed and pays 50 %.
- 500 Of the 800 planned Chinese workers started building the motorway.
- After trade union complaints they promised to engage 400 Polish workers after the 800 Chinese were working.
- The government was eager to get a cheap highway in time before the European Champions Football Games .
- The Chinese company had a cowboy management style and couldn't cope with regular pay for its suppliers in Poland.
- So the contract was breached by the government.

Workers « made in China »?

- Which lessons for the ETUC?
- The EU built up an open labour market system for citizens of the members states.
- Opening transnational social right for pensions, social security etc...
- Was the Polish minimum wage standard respected?
- Who paid the Chinese workers?
- Were they paid in Poland? NO.
- Who paid for their pensions? Social security? No info.
- How was the recruitment in China?
- Who arranged the collective visa?
- Who made some inspection on OHS at work?
- How many Polish workers are unemployed?
- Where is the European Social Funds money for social reconversion of unemployed going in Poland?
- European taxpayers are funding the EFRO to import illegal workers?

Looting Euro subsidies.

- Euro funding goes to Chinese construction companies that are unbeatable in pricing by European companies.
- Use of fake tenders in Africa to “please” foreign competitors. Sometimes there is a “real” tender procedure: there different Chinese construction companies can tender between them.

Employment mix.

- The Chinese CEO admits in the article that in the future there will be 800 Chinese workers and only 300 Polish workers. (It is normal that some Chinese engineers, technicians and foreman are used in Poland but not 800 of them)
- Import of Chinese workers while the EU has 18 mln. unemployed and many other workless. In Spain for instance there are many unemployed workers which are very skilled construction workers because they worked during the real estate boom before the bubble.

Collective visa & local unemployed.

- Opaque group visa's for workers between states.
- We have no insight in the collective visa procedures in Africa. The Singapore study is very revealing.
- Who had an insight in the Poland case?
- Chinese workers arriving in Africa never receive a translation into Chinese of the basic local regulations. Does the workers in Poland got this?
- Meanwhile get Poland as a state, money collected by all member state taxpayers, from the European Social Fund, to train Polish workless towards construction jobs. But then they leave Poland by bus and Chinese are flocking in.
- So the Poland case is a proof of two non-functioning global systems which are fitted well together.

Selection of workers in China.

- No transparent selection process in China (are convicts converted to workers to get relief? We don't know whether that classic rumor is true or not.)
- In China there are documented cases of fake promises on job, wages etc...
- What is written in the labor contracts of these Chinese workers? If they exists.
- Sometimes in Africa their written contracts are against the basics of the Chinese labor contract law and also violate local regulations.
- In Singapore it has been documented by CLB in HK, that Chinese workers were denied some local civil rights: like going to court in Singapore.

No controls by the hosting country or the E.U.

- Who checked the contracts against the Polish labor law? The Chinese ambassador?
- We even don't know what wage will be paid and to whom.
- The Chinese employers make no wage payments in Europe. They pay only “per diems” to Chinese workers (for foods, laundry, pocket money)
- We are not sure that the workers' family gets the full wages in China.
- Sometimes the temporary work agency in China, who recruited the worker, takes a 20% fee.
- Some Chinese employers save the wages till the end of the labor contract. Much can happen then: some paid only 50 %. And some create a pay arrear. This practice is huge in Chinese business practices amid low-protected migrant workers. (Study B)

Bolkenstein +Plus for China.

- China's companies use now the Bolkenstein loopholes at 200 %. They add European subsidies, and import of non-European workers on top.
- We can't control it if the employers and the workers are paying for a real social security contributions in China.
- A Chinese study in gives a long list of foreign workers complaints in Zhejiang provincial labour court.
- We don't know if they pay personal taxes in China. The per diems are normally spoken not taxed in the European countries. This is the African system for Chinese workers.

Short overview

- Belgium:
 - VOLVO plant is Geely now, with Goldman Sach as the middle -man
 - Option case versus Huawei
 - Ping An lost participation in FORTIS (now BNP Paribas)
- Investments in ports facilities : Rotterdam Netherlands, Zeebruges Belgium and Piraeus Greece
- Italy: Prado takeover of fashion market and production
- Chateauroux: special economic zone for Chinese companies
- Telecom in Europe: Huawei and ZTE networks in several European countries
- Bulgaria: first Chinese car manufacturer plant
- Poland: Chinese company builds a motorway
- Turkey: HST plan
- New Brilliance car factory project in Spain (Valencia)
- Antwerp – Chongqing railway connection set up by a Swiss company
- HST Beijing Moscow, next step Moscou-Paris?

Lasts items

- Corruption
 - Just don't forget this important item. It seems that the potential real estate next to the new motorway is reserved for a series of members of the Polish parliament. Corruption is no Chinese monopoly.
- Role of trade unions.
 - Workers don't need unions to go backwards. They can do that alone.
 - Organising Chinese temporary workers in Europe is very difficult. They are totally bonded with China mainland.