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# LABOUR PERSPECTIVES ON CHINA

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Ambet Yuson, Christopher Siu-tat Mung, Frank Hoffer, Haoju Lu, Jewher Ilham, Max Zenglein, Sean Sayer, Tos Q. Añonuevo, and Vasco Pedrina



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### **Contact Address**

Global Labour University - Freunde und Förderer e.V. - Prof. Dr. Christoph Scherrer; Prenzlauer Allee 186, 10405 Berlin, Germany

**E-mail:** [scherrer@uni-kassel.de](mailto:scherrer@uni-kassel.de)

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<sup>1</sup> This Working Paper is a compilation of articles from the series “Labour Perspectives on China”, published on the “Global Labour Column” website: <https://globallabourcolumn.org/>

# 1. Introduction: Labour in a world of re-emerging geopolitics and the China question

Geopolitics are always present. However, during a period of largely unchallenged US dominance it was rather invisible behind the veil of neoliberal globalisation. After the implosion of the Soviet Union it seemed for decades that free trade, global value chains and free capital movement, combined with liberal political systems, represented the famous end of history. The rules-based order of the past decades was the institutionalisation of this US/Western hegemony. These rules and regulations favour powerful Western interests. They provide the framework for a global (dis)order of unprecedented economic integration and globalisation forcing nearly all countries to compete in an unevenly structured playing field.

Two great powers, declining Russia and rising China, are increasingly unhappy with the status quo of US dominated globalisation. Russia is trying to resurrect its diminishing imperial role on the world stage through military power, while China is more and more flexing its economic and political muscle to gain influence globally. The geopolitical outcome of those realignments will most likely not result in a revitalized multilateral world of the UN but rather in a multipolar world where a number of powerful nations are more or less peacefully balancing their interests in a permanent power struggle — a world ‘order’, where ‘the strong do what they can and the weak suffer what they must’.

The US is trying to win allies by emphasising the difference between democracies and authoritarian regimes. China and even imperial Russia are trying instead to build global alliances by presenting their interest in greater power and influence as part of a wider postcolonial anti-imperialist struggle of the Global South against a world that economically, culturally, politically and militarily is dominated by the US and their European and Japanese junior partners. The anti-imperialist and anti-American rhetoric resonates with other powers who want more influence on the global stage such as Brazil, Saudi Arabia, Iran, South Africa and India, as well as many other governments in the Global South that do not want to be patronised by unevenly applied universal values and Western conditionalities (Hoang Thi Ha, 2023).

Though they are, so far, more successful in questioning universalist values as an expression of post-colonial power than in presenting a more convincing set of values themselves.

The shift to a multipolar world is not to be mistaken for a rise of anti-imperialist forces. The dislike for US dominance carries the risk of uncritical sympathy for those opposing the US, even if they are deeply authoritarian and quite hostile to most of the values that are in high regard among the left.

On the other hand, China’s economic achievements has been seen by many as an admirable miracle. China has the most impressive economic growth record in the history of capitalism. Never and nowhere in history has the ruthless dynamic of

capitalism to “develop the means of production” (Marx) been more strongly on display than in China over the past 40 years under the watch of the Chinese communist party. Lifting hundreds of millions of people out of extreme poverty (Angang et al. 2023; World Bank and CCIKD, 2022) is an achievement that is undeniably a great success but it is no justification for suppressing human and labour rights. However, it shows that the liberal narrative of democracy and market economy being indivisible twins of successful modernization is wishful thinking. Capitalism can strive for decades under authoritarian rule — trade unions cannot. Democracy does not come automatically with GDP growth it needs to be build and defended.

In these times of global realignment, organised labour globally will most likely be confronted with increasing demands to take geopolitical positions. With increased tension comes increased pressure to take a stance. In this process the competition between China and the US is the most important and the most dangerous one. It is impossible to avoid becoming a pawn in this global chess game of power by abstaining from any position or settling for an empty smallest common denominator.

The labour movement historically has, at international conferences and in many resolutions, emphasised internationalism and global solidarity, arguing that workers in Shanghai or New York have more in common with each other than with the owners of capital in their countries. However, in case of conflict labour often then rallied around the flag. Practical internationalism and cross border solidarity in deeds instead of words is one of the great challenges labour has been facing throughout its history. Creating international solidarity is always a challenge as cultural, racial, national identities are barriers that need to be overcome. Also the economic interests of workers along global supply chains are not the same.

However, in the case of China the biggest problem is the repressive character of the Chinese system. There is for trade unions just no partner for cross-border-solidarity. That the largest industrial workforce of the world is denied the right to organise is one of the biggest challenges the international labour movement is facing in the 21st century.

Relying, in the absence of real partners, on the All Chinese Federation of Trade Unions (ACFTU) is, however, dangerous wishful thinking. It assumes the existence of at least a rudimentary trade union identity among the 500 000 state officials that constitute the administrative backbone of this agency. So far, however, there is no empirical evidence of this in reality.

Being confronted with a stable, successful and increasingly self-assertive authoritarian regime, international trade union solidarity is limited to carefully observing what is happening in China, avoiding to be slowly drawn into pragmatic friendship with the ACFTU and being informally responsive and supportive to all expressions of workers speaking and acting for themselves.

Improving our understanding of what is going on in China this series of Global Labour Columns takes a closer look at China from a labour perspective. The contributors discuss different aspects of Chinese development and its international implications from a labour perspective.

**Max J. Zenglein** explores the consequences of China's economic strategy to focus on supply side policies prioritising technology and innovation while taking few steps to mitigate the negative impact of the real estate crisis hitting large parts of the Chinese middle class.

**Haoju Lu** looks at a new wave of strikes in China after the end of the Covid lock down. Spontaneous protest in particular of low paid workers does occur, but in the light of growing repression in particular against labour support groups makes coordination and networking among striking workers far more difficult.

**Christopher Siu-tat Mung** discusses the situation in Hong Kong after the crack down on the mass protest and the imprisonment of many activists.

The oppression of the Uyghur people, use of forced labour and the role of multinationals is the topic of **Jewher Ilham**.

**Ambet Yuson and Tos Q. Añonuevo** from the Building and Wood Workers international look at the growing role of Chinese companies as international construction giants and the strategy of the BWI to organize workers outside China along the road and belt initiative.

**Sean Sayer**, policy advisor at the International Transport Workers Federation (ITF) describes the major impact of the Chinese Belt and Road initiative on the way global transport is organized and that despite some agreements of the Chinese government with the ILO human right abuse of transport workers are quite frequent.

The strategy of the Swiss trade unions to secure some human rights standards in the Swiss trade agreement with China is analysed by **Vasco Pedrina**.

**Frank Hoffer** focusses on the role of the All-China Federation of Trade Unions in the country and on the international parkette. Highlighting that the ACFTU is rather a Chinese state agency than an independent workers organization..

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## **2. China prioritises tech-driven growth over public welfare in its vision for development**

*-Max J. Zenglein-*

China's economy has encountered headwinds with a weak post-Covid recovery, most notably due to struggling consumption. But instead of taking measures to boost household spending, supply-driven policies remain at the heart of China's economic policies. The National People's Congress (NPC) in March of this year emphasised Beijing's steadfast commitment to innovation and technological advancement as catalysts for future economic growth. Premier Li Qiang has promised to respond to the people's expectations and deepen reforms. However, these promises do not mark a departure from the government's ideologically motivated efforts to tighten control over the economy, which emerged under Xi Jinping's leadership.

Economic growth faced some difficulties in 2023, but despite hopes to the contrary, these are not strong enough to warrant a significant policy re-adjustment. Real GDP growth reached 5.3 per cent in 2023, aligning with the government's annual target of 'around 5 per cent'. While the government acknowledged some problems, overall GDP growth was still good enough and within expectation. More importantly, the 'real economy', particularly manufacturing and innovation, expanded in importance.

It was predictable that establishing a new growth paradigm towards a technology-driven growth model would not be entirely smooth, causing some pain along the way for parts of society. The government's induced crackdown in the real estate sector starting in 2020 reflects a central facet of the transition to a more technology-centred growth model. While China's leadership might have underestimated the far-reaching impact of the crackdown on the sentiment of the middle class, it is a necessary step to align the economy with national strategic goals. The real estate sector was a major growth driver over the past decades but was increasingly seen as unsustainable.

The consequences of this economic transition are felt most acutely by China's middle class, particularly in the realm of housing and employment. From the government's perspective, the real estate sector consisted of speculative investments that did not contribute to the real economy, while also being a source of risks building up within China's financial system. Since real estate was responsible for around 30 per cent of GDP, the slowdown continues to send ripple effects throughout the economy. As of the first quarter of 2024, the slowdown has not yet bottomed out and continues to weigh down economic growth. China's financial system is in the process of absorbing the financial fallout of real estate developers' bad debt, and local governments' revenue from land sales has plummeted. Meanwhile, falling housing prices in the key asset class for the middle class are affecting consumer sentiment.

Within households, economic insecurity is most evident in concerns over job and income prospects. Employment and income indices published by the National Bureau of Statistics remain around 50 and 25 points below the levels recorded in 2022 when

sentiment collapsed. Despite GDP growth exceeding expectations by expanding by 5.3 per cent in Q1 2024, both indices have remained below 100 (indicating a negative view) since April 2022. Employment sentiment data improved marginally from 77.6 points in December to 80.1 in February, while income sentiment improved from 94.7 to 96 in the same period.

But despite the ongoing challenges in consumption or employment, the leadership seems minimally concerned, signalling its willingness to maintain a steady policy course and its commitment to tech-centred economic policy priorities. Social policy goals took a back seat in the government work report presentation during the NPC. This means that reforms that would boost consumption — such as reducing social inequality, strengthening social security, and redistributing wealth — will not feature prominently in economic policies.

The Chinese government remains steadfast in its pursuit of a tech-centred economic policy, prioritizing long-term strategic goals over short-term economic pain. In Xi Jinping's economic thought, which is the underlying ideology driving China's current policy direction, consumption is a secondary policy objective that follows from stronger supply-side economic policies. As a result, the government is unwilling to resort to a demand-centred stimulus to support economic growth. It is also unwilling to return to the old growth model, in which real estate had a central role. As a tolerated consequence, some parts of society will need to endure economic pain as part of the ongoing transition.

### **An imbalanced pursuit of innovation**

So far government support for the economy is focused on stabilization rather than full-blown stimulus. Its policy objective is to develop new growth drivers for China's economy as part of Xi Jinping's transition towards his vision of 'higher-quality' growth. The latest buzzwords are around establishing 'new productive forces' in line with Xi's emphasis on innovation and high-tech and emerging technology. Investment flows are already responding: in 2023 investment in manufacturing expanded by 6.5 per cent, far above overall fixed asset investment, which expanded by 3 per cent while investment in real estate contracted by 8.1 per cent.

At the heart of China's economic strategy lies a steadfast commitment to innovation and technological advancement as catalysts for future growth. Under the leadership of President Xi Jinping, China has embarked on an ambitious quest to achieve technological self-reliance and assert itself as a global leader in emerging industries. This emphasis on supply-driven growth and innovation reflects China's recognition of technology's pivotal role in driving economic transformation.

As China's focus on technological advancement and self-reliance intensifies, its impact on the global economic landscape becomes increasingly apparent. Internationally, the impacts are already increasingly felt, igniting fear of de-industrialization in G7 countries. In response, China's major trading partners are becoming concerned that the country's alleged industrial overcapacities will lead to Chinese goods flooding global markets and outcompeting their own manufacturing sectors. Advanced economies have already responded with industrial policies,

especially in semiconductors, but also in other technologically relevant sectors such as renewable energy.

China already has a dominant position in many green tech areas, from solar panels to wind power equipment to batteries. Quickly rising Chinese e-vehicle exports, especially to Europe, are a newly added area of concern, bringing with them the risk of escalated trade disputes in the future. Since 2023 the EU has announced several investigations into allegations of dumping (i.e., exporting goods at prices lower than those charged domestically or below the cost of production), and Brazil has launched a similar inquiry. China now occupies around 30 per cent of global manufacturing. It is both moving up the value chain and dominating lower-value manufacturing. As a result of its supply-driven policies, China is simultaneously competing with advanced and emerging economies.

In this intricate dynamic, the lack of policy support for consumption-centric initiatives becomes consistent with the overarching priorities in tech, science, and innovation. The leadership seems willing to accept short-term economic challenges and resulting domestic and international imbalances for the sake of long-term strategic gains, revealing a calculated approach that seeks to reshape the foundations of the Chinese economy.

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### **3. A new wave of strikes in low-end manufacturing industry in post-Covid China**

*-Haoju Lu-*

2023, China has witnessed a notable increase in the numbers of strikes in manufacturing, which have been triggered by a new wave of factory relocations and closure after the Covid pandemic. According to China Labor Bulletin (CLB – an organization that tracks workers’ collective actions in China), the number of strikes in manufacturing between January and September 2023 jumped to 296, compared to 37 in 2022, 66 in

2021, 87 in 2020, and 191 in 2019. CLB estimates that these figures represent just 10% of what in fact occurred. This marks a peak in strikes since 2016. Based on my analysis of China Labor Bulletin’s data, more than 50% of all the recorded collective labour action in the manufacturing sector was sparked by relocation or closure of low-value-added factories.

Since the market-driven reform beginning in 1978, China has become the world’s factory, intensifying conflicts over wages and working conditions and leading to waves of protests in low- cost manufacturing industries from the 1980s to the 2010s. From 2012 through 2016, government policies promoting industrial upgrading resulted in many factory closures and relocations in the Pearl River Delta. This triggered a new round of workers’ struggles centred on severance pay and social insurance. This type of workers’ action has been termed “striking to survive” (see the collection containing Ngai and Austin 2018). Since 2016, protests in the manufacturing sector have declined both in numbers and scale. In terms of foreign investment, service and real estate sectors are growing, while manufacturing only accounted for 19.9% in 2021, down from 61.45% in 1999 (National Bureau of Statistics of China, 2023). The new wave of strikes are a continuation of “striking to survive”. This article examines the causes of this new wave of strikes, and the situations and actions taken by workers.

#### **Causes of the new wave of strikes**

Factory relocation and closure is the main cause of the new wave of strikes in China. This phenomenon should be understood against the national context of industrial relocation from Pearl River Delta, which started at the end of 2000s. In 2008, Guangdong Province launched a plan to ‘empty the cage for new birds’, meaning replacing low-end manufacturing industries with high-tech ones. In 2012, the Shenzhen government announced a detailed plan to relocate more than 10 000 enterprises within five years. Since 2014, the Dongguan government invested millions in ‘replacing labour with machines’ in the manufacturing sector. All these measures resulted in waves of factory relocations and closures, which in turn triggered workers’ collective protests demanding severance pay and backpay of social insurance contribution.

Adding fuel to the fire, a global economic decline resulting from the Covid-19 pandemic affected China's export-oriented, low-end manufacturing sectors severely, accelerating the process of factory relocation from southern cities to small towns in China or to South-East Asia. Exports and the Manufacturing Purchasing Managers' Index both declined during and after Covid (HRSSIT 2023). Both orders and wages in manufacturing have decreased since July 2021. In February 2023, wages reached the lowest point. (Xiang, Lu and Zhang 2022).

The restructuring of global supply chains triggered by the pandemic also aggravated factory closure and relocation in China. In 2022, for example, the government's strict zero-Covid policy led to a large-scale, spontaneous workers' protest in Foxconn in Zhengzhou, which is the world's largest iPhone assembly factory, delaying the release of the new iPhone model. Apple then accelerated shifting some production out of China to diversify its supply chain. Several Foxconn factories in Shanghai, Shenzhen, Zhoukou and Chongqing laid off workers without compensation from March to June this year, due to reductions in orders, or reassigned inter-regional positions. Workers who refused reassignments would be laid off. This triggered workers' protests. For instance, workers in the Shanghai factory had collective sit-ins; hundreds of workers in the Shenzhen Factory gathered together to demand severance payments.

The end of zero-Covid policies has not revived the low-end manufacturing industries as expected. Instead, many factories have been relocated, downsized or closed due to losses during the pandemic, the shrinking global market and restructuring of the global supply chain after the pandemic.

### **Workers' situation**

In the current wave of factory relocation and closures, there have been many cases in which bosses just disappeared, and workers were unable to receive severance pay or wages and social insurance in arrears because of the previous lockdown. For example, Gaogao Garments, an exported-oriented lingerie factory, was once one of the largest factories in Dongguan. The factory planned to relocate to Vietnam, and its workers were owed severance pay and three months of social security contributions and housing fund. This triggered a workers' protest in January 2023, in which hundreds of workers walked to local government buildings but were interrupted by the police.

Decreasing orders means reduced working hours and overtime, thus decreasing take home wages. To avoid paying severance, factories that planned to close or relocate often compelled workers to resign by arbitrarily lowering basic wages or reducing overtime. Because of these tactics, the monthly income of workers in a knitting company in Huizhou, for example, had shrunk from 6336 yuan (US\$882.61) to 2133 yuan (US\$297.13). This caused some workers to air their grievances online. Another example is a Hong Kong-funded manufacturer of printed circuit boards, serving global brands such as Flex, Sony and NEC. One third of its employees were forced to resign as overall income decreased.

In addition to cutting wages dramatically, employers also attempted to terminate contracts by tightening attendance policies and reassigning jobs. Some employers

also pressured workers to quit by requesting them to relocate to factories across the city or even the province. Manufacturers planning to relocate were usually not very responsive to requests from local governments regarding labour disputes. In some cases, companies simply refused to attend government-mediated negotiations after workers reported these companies' failure to contribute to social security. Closures and relocations also make it easy for employers to shirk legal responsibilities to workers with occupational diseases pursuing their rights through time-consuming legal procedures.

Overall, workers' interests have been sacrificed during the recession. To maintain profits, capital moves to places with cheaper labour and downsizes employment, discarding workers without proper compensation.

### **Workers' resistance**

Workers have demonstrated a strong will to fight for their severance payment, leading to the wave of collective action since 2016. Most workers who recently joined the protests are middle-aged or older, with decades of work history. They shoulder heavy financial responsibility in supporting their families. On hearing about relocation or closure of their factories, many workers saw the last opportunity to strive for their legal entitlements (Pun Ngai & Sam Austin, 2018). The precarious situations that they would likely face after low-end manufacturing sectors retreat from their cities also motivated them.

Compared to the strike waves in 2016, the scale of the current strikes has shrunk to hundreds or fewer in each strike, down from tens of thousands of workers. This partly reflects the decrease in employment in low-end manufacturing, caused by downsizing and relocation described above. Despite the smaller scale of strikes, the duration and tactics showed resilience. Some lasted for several months, starting with collective action against wage reduction. Many workers have gained and spread the experience of collective resistance in previous waves of strikes, and they were familiar with tactics such as work stoppages, gathering, sit-ins, blocking factory entrances, guarding machines, trying to commit suicide, and filing

complaints. In the current wave of strikes, workers have used most of these tactics to compel employers negotiating with them. Some videos that workers posted online showed how, in one strike, several workers used their bodies to prevent employers from taking the machines, with some women sleeping beside the machines. In the current strikes, workers also tried to involve government at multiple levels in their struggles, making complaints to various official agencies, including trade unions, labour bureaus, the Department of Justice, and the Social Security Bureaus. The intervention of government sometimes helped increase compensation made by employers to workers, but most workers still did not receive full compensations stipulated legally. In some cases, negotiations between employers and workers fell apart altogether.

Despite workers' persistence and resilience, their collective action in the post-Covid era has had limited effects on the profits of employers, who are already losing orders or planning to relocate during economic downturns. This has weakened workers'

bargaining powers. Additionally, as the Chinese state has become more authoritarian and repressive since 2015, it has weakened labour rights protection, adopted more pro- corporation policies, escalated suppression of labour NGOs and activism, and increased internet censorship. Data shows that governments have slowed down the increase of minimum wages since 2015. Government has adopted a hardline policy towards media and social organizations, especially Labor NGOs, which have been targeted, put under surveillance or shut down. In the current wave of strikes, without support from labour NGOs, pro-labour social media and labour activists, the social impacts of workers' collective action have reduced compared to previous strike waves.

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## 4. Hong Kong workers under the authoritarian regime

*-Christopher Siu-tat Mung-*

Hong Kong's labour regime had historically been dominated by market-driven ideology – so-called ‘positive non-interventionism’, inherited from the colonial British period. After the transfer of sovereignty to China in 1997, the Hong Kong Special Administrative Region (HKSAR) had maintained an ‘apolitical’ approach, deliberately avoiding direct confrontation with workers. The undemocratic political system being implemented in the colonial period and continued in the post-colonial period deprived workers and trade unions of strong institutionalised power.

Hong Kong's ‘apolitical’ governance model has been increasingly challenged as the region's democratic movement has gained pace over the past two decades. As workers and the Hong Kong people became increasingly conscious of both systemic and societal injustice, the labour movement in Hong Kong also evolved to include a strong political dimension. The outcry for freedom and democracy reached a tipping point in March 2019 when Hong Kong's government proposed a bill to allow extradition of criminal suspects to China. It sparked months of protests by a record two million people in a city of seven million, and afterwards escalated to political strikes, throwing the government into a major political crisis.

On 30 June 2020, the Chinese government responded to Hongkongers' demands for freedom and democracy with the draconian Hong Kong National Security Law (NSL). The objective of the law is clear: to resolve the political crisis by clamping down on dissenting voices, including those from Hong Kong's independent trade unions. The NSL marked a turning point for the labour regime in Hong Kong, from non-interventionism to authoritarianism.

### **A crumbling independent trade union movement**

After the NSL was enacted, authorities initiated a campaign of persecution against Hong Kong's independent trade unions. Large-scale, mass-based trade unions were the first targets, and the prominent leaders of those organisations were arrested.

The Hong Kong Confederation of Trade Unions (HKCTU), Hong Kong's only independent trade union confederation, and the Hong Kong Professional Teachers Unions (HKPTU), the city's largest sectoral trade union, were consistently chastised by state media and top government officials for allegedly breaching the NSL. Core members of those groups also received threats from ‘middlemen’ of the Chinese authorities. The trade unions fighting for democracy were stigmatised as committing ‘conspiracies of subversion’, and receiving international support and funding as ‘collusion with foreign forces’. Consequently, the HKPTU and the HKCTU disbanded in September and October

2021, respectively. For a long time, the two unions had served as the backbone of the Hong Kong independent labour movement and played a crucial role in connecting

unions with a larger civil society movement. Their dissolution quaked the foundation of the independent labour movement in Hong Kong.

Hong Kong's independent labour movement encountered a significant setback when prominent trade union leaders were apprehended and convicted for participating in the pro- democracy movement. At least 12 union leaders were arrested after the implementation of the NSL. These included the HKCTU's former chairperson Carol Ng, its former general secretary Lee Cheuk Yan, and the former chairperson of the Hospital Authority Employees Alliance, Winnie Yu.

Hong Kong's labour regime shifted from a market-led regime to an authoritarian one due to the NSL. While workers had long been denied the right to collective bargaining and to strike in the market-led economy, workers still enjoyed, to a certain degree, the right of association. However, trade unions are now under intense political scrutiny. The authorities deliberately revived restrictions from the colonial period under the Trade Union Ordinance to prohibit trade unions from engaging in political activities or using union funds for any political purposes. Since 2020, the Trade Union Registry under the Hong Kong Labour Department has issued [at least 11 warning letters](#) (HKLRM 2022a) to trade unions for criticising the government or being involved in the social movement. The Trade Union Registry and the police force also abused their power and demanded trade unions provide them with operational information, including personnel records, meeting minutes, finance documents and external project reports. In response to the NSL, the Hong Kong Labour Department also set up a [new senior position](#) (HKLRM 2022b) to 'strengthen the monitoring and management of trade unions'. Anyone forming a new trade union is now [required to pledge](#) (HKLRM 2022c) that they would refrain from engaging in activities that would harm national security. The new political controls imposed on Hong Kong trade unions created fear and triggered a wave of union disbandment. In 2021 and 2022, 175 trade unions were deregistered, according to the Registry.

Between 2021 and 2023, a total of 218 trade unions were deregistered according to the Registry, compared with only 11 during the preceding three-year period.

It is anticipated that, with the enactment of new national security legislation based on Article 23 of the Basic Law in March 2024, there will be even stricter and broader political control imposed on civil society and trade union organizations in the future. Among other provisions, the regime has incorporated the colonial-era "sedition intentions" offense into the national security law and significantly increased penalties to suppress criticism of the government. Furthermore, amendments to the Societies Ordinance grant the Secretary for Security excessive power to prohibit any organization from continuing to operate in Hong Kong on the grounds of "endangering national security", which is vaguely phrased in the legislation. The new national security law also introduces the offense of "external interference," with a broad definition of "foreign forces" encompassing all "international organizations" and "overseas organizations pursuing political ends," posing a serious threat to local trade union organizations collaborating with any international or overseas unions.

## Shrinking space for workers' voices

The space for workers' voice has been shrinking in Hong Kong under the white terror. Apart from invoking the NSL, the Hong Kong government has weaponised colonial laws, such as sedition, to crack down on trade union activities. Five committee members of the Hong Kong Speech Therapists' Union were found guilty of 'publishing seditious materials' over a children book series. They were sentenced to 19 months in jail. Any speech criticising the authorities could easily be interpreted as a seditious crime 'inciting hatred towards the government'.

There is also a growing trend of harassing and intimidating labour activists. In March 2023, a women workers' organisation had planned a protest on International Women's Day. The protest was eventually cancelled as police alleged a 'potential terrorist threat'. One month later, two labour activists filed an application to organise a Labour Day protest on 1 May. The demonstration was also cancelled after one of the applicants was reportedly taken away and threatened by government special agents. The incident happened shortly after a top Chinese official said 'protests over livelihoods can be easily hijacked and can radicalise social conflicts'. The speech was seen as a top-down directive from Beijing to the HKSAR government about how to handle protest applications.

Corporations and employers are increasingly taking advantage of the waning strength of trade unions under intensive attack by the NSL. Hong Kong workers have no legal right to collective bargaining. Only a handful of trade unions are recognised by their employers and entitled to collective bargaining. Yet these limited rights are being further eroded by employers under the new political environment. In November 2020, five months after the NSL was implemented, Cathay Pacific Airways said it would cease negotiations with its flight attendants' union over pay and work conditions, [citing the bargaining as an 'outdated practice' no longer relevant to the modern world](#) (Lee 2020). Cathay Pacific also reclaimed the union's office on the company premises. Meanwhile, the Hong Kong Bar Bending Commerce Union [stopped inviting the Bar Bending Industry Workers Solidarity Union to the annual negotiation over work and pay conditions, without notice](#) (Mok 2022). Both of these unions had been members of the HKCTU.

Hong Kong's social rights and working conditions have deteriorated as anti-labour policies have been implemented with almost no pushback. Hong Kong's statutory minimum wage was frozen from 2019 to 2022, putting further strain on the working poor. In 2022, the Employment Ordinance was amended without opposition, granting employers the power to dismiss unvaccinated employees. In 2023, the government announced an expansion of the foreign workers import scheme and removed the unions' role in monitoring the vetting application process. The decision bypassed the tripartite consultation mechanism. The moves towards authoritarianism have exacerbated the collusion between political power and capitalists by destroying the power of organised labour.

## **In search of a new form of resistance**

The growing repressive political climate forces independent trade unionists to operate under the political radar. They are commonly suffering from the loss of experienced organisers, lack of resources, and shrinking spaces for policy advocacy. Currently, some unions concentrate on labour disputes, training and relaying workers' demands to employers in workplaces. Despite diminishing space, a small number of trade unions with members' support still find ways to intervene in labour disputes. In January 2023, the Cathay Pacific Airways Flight Attendants' Union, which has 3000 members, launched an industrial action over work and pay conditions. The union planned to hold a protest on Cathay Pacific's premises but failed to get consent from the company; thus, the protest was called off. The union then organised a work-to-rule industrial action.

Furthermore, a new type of bottom-up resistance is emerging in Hong Kong. Foodpanda couriers, for example, organised three strikes not led by trade unions since November 2021. More than 1000 food couriers participated at the height of the strike. The strike was a self-organised initiative coordinated by a Telegram chat group, to which 800 couriers were recruited in one day. Members in the chat group soon expanded throughout various districts in Hong Kong, forming a mobilisation network. Some labour activists supported the couriers by liaising with the media, helping them to formulate their demands and providing negotiation training. To this day, most of the demands have yet to be met, but the Foodpanda strikes showcased a new, fluid and decentralised form of resistance emerging in Hong Kong.

The NSL has changed Hong Kong from a depoliticalized, market-driven administration to authoritarian rule. In this process, the Chinese and Hong Kong governments are attempting to restructure and reshape Hong Kong's labour regime. The authoritarian regime further tips the balance towards the interests of capital while undermining organised labour and making anti-labour policies. However, these efforts can hardly reverse the momentum established by the Hong Kong labour movement over the past 30 years. The workers' resistance does not completely disappear under the crackdown, but is transformed into different forms of decentralised struggles. Facing political surveillance, some new patterns of worker organising are emerging in response to intensified exploitation in workplaces.

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## **5. Challenging corporate complicity with state-imposed Uyghur forced labour**

*-Jewher Ilham-*

To understand working conditions, the best place to start is with worker interviews. But how about when this isn't an option due to extreme government repression – when speaking honestly with an interviewer could mean jail time? That is the situation for Uyghur and other Turkic and Muslim-majority people throughout China working in global industries.

The government of China is perpetrating human rights abuses on a massive and intensive scale in the Uyghur Region (the province in western China referred to by the government as 'Xinjiang'), targeting the Uyghur population and other Turkic and Muslim-majority peoples on the basis of their ethnic and religious identity. These abuses include arbitrary mass detention of an estimated 1 million to 1.8 million people, and a program to 'cleanse' ethnic groups of their 'extremist' thoughts through re-education and forced labour. This involves multiple forms of involuntary labour at workplaces across the region and even in other parts of China.

Uyghur forced labour is woven into the fabric of numerous global supply chains. Researchers have linked Uyghur forced labour to the supply chains of at least 17 industries, including apparel, food, information and communications technology, solar, mining, and automotive.

In situations of state-imposed forced labour, where widespread, systemic, egregious human rights violations are committed by state actors and while the entire region is placed in a vice-grip of repression, surveillance, and terror, it is a practical impossibility for a business to undertake credible due diligence on the ground or to use its leverage to prevent, mitigate, or remedy abuse within its supply chains.

Therefore audits, accreditation schemes and supplier attestations must not be seen as sufficient evidence that a supplier and its sub-suppliers are not using Uyghur forced labour. Indeed, many auditors have stopped conducting audits in the Uyghur Region, pointing to the extreme surveillance, including the use of facial recognition and tracking physical and digital movements of the auditors. Employees of auditing firms have even reported being arrested by local officials before setting foot in a factory. Under such circumstances, the certificates issued by any firm still auditing in the region cannot be trusted and must not be considered valid.

### **Forced labour transfers**

China's State Council Information Office reports that in the Uyghur Region an average of 1.29 million people undergo training at state-owned vocational schools annually. During July 2019 to June 2020, the government also placed 2.6 million people in state-operated 'surplus labour' and 'labour transfer programs' in the Uyghur Region. A year later, the provincial government reported it had conducted an

additional 3.17 million labour transfers. Some people may have been counted multiple times if they were transferred more than once.

National and provincial government policy mandate that all people of working age must be assigned some form of work as part of the official ‘poverty alleviation’ campaign. Work placements often do not take into account a person’s interests or skill set; the work placements are designed purely to meet the economic and political interests of the government and rarely take into account a person’s skill set or preferences.

Reports of abuses are based on highly credible accounts of refugees as well from people who are still in the region. Forcibly transferred workers are unable to refuse their work placement. Their identification documents are withheld and they are unable to quit when they wish or return home freely due to risk of punishment. They are paid below the minimum wage, or even unpaid after food, transport and housing expenses are deducted from their wages. After work, they are required to undergo ideological study, which typically consists of Chinese language training, reciting Chinese Communist Party lines, and memorising Chinese patriotic songs.

Last year, the UN Special Rapporteur on Contemporary Forms of Slavery concluded that there is evidence of forced labour taking place in the Uyghur Region among Uyghurs, Kazakhs, and other groups. He further found the nature and extent of powers exercised over these workers during forced labour – including excessive surveillance, abusive living and working conditions, restriction of movement through internment, threats, physical and sexual violence and other inhumane or degrading treatment, may amount to enslavement as a crime against humanity. Similarly, the Office of the UN High Commissioner for Human Rights found the ‘arbitrary and discriminatory detention’ of Uyghurs and other Muslim groups in the context of restrictions and deprivation may constitute crimes against humanity.

Given the scale of the state-sponsored forced labour, it has become necessary to assume that all products produced in part or in whole in the Uyghur Region are at high risk of being tainted by forced labour.

### **Building a global coalition**

As the high risk of Uyghur forced labour in global supply chains came to light, Uyghur-led groups, trade unions, human rights organisations, and investors came together to form the Coalition to End Forced Labour in the Uyghur Region, which calls on all corporations to end their complicity in the human rights crisis in the Uyghur Region and to ensure no part of their supply chain, directly or indirectly, is linked to Uyghur forced labour. Launched in 2020, the Coalition now brings together more than 60 member organisations and over 400 endorsing groups, spanning 40 countries. A third of these groups are Uyghur-led.

Typically, labour rights organisations urge multinational corporations to stay with their subcontractors and use their leverage to improve working conditions and provide a remedy for workers’ rights violations. However, tackling state-sponsored forced labour requires a distinct approach. In the Uyghur Region, state-imposed forced labour intersects with and reinforces other egregious human rights violations,

including a vast campaign of arbitrary detention, forced family separation, political indoctrination, gender-based violence and harassment, and one of the most pervasive regimes of mass surveillance ever imposed. By continuing to source from the Uyghur Region, international brands and retailers are complicit in these abuses. By contrast, withdrawing their business can cut off export earnings that the state relies upon.

Coalition members spearheaded advocacy efforts in the United States leading to the Uyghur Forced Labour Prevention Act (UFLPA), which went into effect in June 2022, and is the strongest piece of legislation globally to address corporate complicity in Uyghur forced labour. With the law's rebuttable presumption, if a company attempts to bring any product into the US with any amount of content from the Uyghur Region, it will be considered as made by Uyghur forced labour unless the company proves otherwise with clear and convincing evidence. Within 15 months, already 2469 shipments have been denied entry to the US. Globally, sales of the raw material for solar panels, polysilicon, from the region dropped by 10%. Additionally, in the previous year, enforcement of a Withhold Release Order contributed to a 40% decrease in sales of ginned Xinjiang cotton.

### **What's next?**

Given the globalised nature of supply chains, addressing state-imposed forced labour must be a coordinated international effort. Now, members of the Coalition to End Forced Labour in the Uyghur Region are advocating for policies in the European Union, UK, Canada, Australia, and Japan.

Corporations that are complicit in Uyghur forced labour must not wait idly by until they are caught in the enforcement of the UFLPA or of future comparable laws in other markets. Importing brands and retailers should act now to extricate their supply chains from the Uyghur Region and from facilities employing labour transfers from the region. Hundreds of international companies have been publicly identified as operating in, or having business relationships in, the Uyghur Region. These brands and retailers, and all other importers, must fully trace their supply chains to the level of raw material production and processing, in order to have sufficient visibility into the production of their own goods to ensure they comply with the UFLPA. And they must not stop there, or else they risk creating a dual market: one free of forced labour for their sales in the US, and another reliant on it for their sales everywhere else. This is why the brands and retailers should heed the call of the Coalition to apply a single global standard, consistent with the requirements of UFLPA, across their entire supply chain regardless of where the product will be sold, so that other retail markets do not become dumping grounds for goods made with Uyghur forced labour.

Ongoing watchdogging of the implementation of the UFLPA is critical to ensuring its enforcement is sufficiently rigorous. A particular priority for the interagency Forced Labour Enforcement Task Force must be the expansion of the entity lists that publicly identify companies linked to the Uyghur Region and to labour transfers.

Hopefully, with the UFLPA in place, fewer of the Uyghur and Turkic people in China will be in forced labour conditions. But that will only happen if, in addition to abiding

by the UFLPA, importers refrain from selling forced labour tainted goods in other countries. However, many companies will not voluntarily eradicate forced labour from their supply chains, which is why it is critical that, in the coming months, other governments take meaningful action.

## 6. Trade unionism and Chinese multinational companies: The Building and Woodworkers' International (BWI) experience

*-Ambet Yuson and Tos Q. Añonuevo-*

The global dominance of Chinese construction companies means that their engagement with trade unions is also large- scale and pervasive. For the global union Building and Wood Workers' International (BWI), organising workers in these major contractors for infrastructure projects worldwide has become a strategic trade union building endeavour. China's Belt and Road Initiative (BRI) turned ten last year (2023). In that time, its state- owned contractors became the top players in the global construction market. With projects from Fiji to Sri Lanka and from Kenya to Argentina, BWI affiliates have varied experiences of organising in and negotiating with Chinese companies.

### **Profits with controversies**

In the 2022 ranking of the Engineering News Record, the top 20 global contractors by income figures in 2019 comprised 15 Chinese and five European companies. In just a decade of BRI, these state-owned enterprises (SOEs) became the major players in the construction industry. Of the estimated US\$1 trillion investments through BRI since 2013, almost US\$600 billion were construction contracts.

The SOEs have a definite advantage, as the procurement system preferred Chinese companies. [A World Bank report](#) (World Bank, 2018) writes that in the China-Pakistan Economic Corridor (CPEC) of the BRI, 'procurement of high-value CPEC projects financed through the EXIM Bank of China is restricted to Chinese contractors. The Chinese CPEC authorities nominate three Chinese firms for bidding purposes. Procuring entities then issue the bidding documents to the three nominated Chinese contractors, seeking bids for the contract. Contracts make allowance for domestic contractors to collaborate with Chinese counterparts via joint ventures.'

However, the windfalls that came about through BRI contracts are tainted by widespread labour rights violations. Numerous documented issues and the workers' fight back through protests, strikes and filing cases showed widespread corporate misbehaviour and lack of respect for national labour laws and international standards – sometimes seeming to be protecting the host governments themselves.

One of the early publicised cases was in Zimbabwe. The Equal Times reported in 2012 that the US\$98 million National Defence College was built with a license to exploit. The BWI affiliate in the country claimed that 2000 workers who built the college were simply fired after completion and left unemployed. Physical abuses were also meted out on workers, but police avoided prosecuting the 'friends of the country'.

A 2019 BWI-PROFUNDO study revealed that the level of compliance in a highway project in Rwanda of China Henan International Cooperation Group (CHICO) is all

RED – meaning the colour coded findings showed that none of the ILO’s nine labour standards were followed or applied.

And this same non-compliance was tracked in scores of other project sites in the various regions of the world. In Fiji, the Chinese Railway No. 5 Engineering Group (CR5EG) is accused of implementing a three-month contract scheme to avoid liability for vacation pay, redundancy pay and workers’ pensions. Lives were also lost on many work sites. In 2018, the BWI union in Montenegro reported that four lives were lost in seven months in the highway project of the China Bridge and Road Corporation (CBRC). The same story of governmental indifference characterised this tragedy.

The list can go on, but in most cases trade unions have responded to these labour rights violations by organizing workers, internationalizing collective power, putting to use the mechanism of industrial relations, and campaigning for policy changes.

### **Conflictual but gainful industrial relations**

Pakistan is a primary example of the dynamics and contestations around organising in Chinese multinationals, with CPEC becoming the ‘strike capital of the BRI’. In the Neelum-Jhelum hydro power project, 3000 workers went on strike in November 2017 to press for the reinstatement of 57 workers who were dismissed without due process. The action against the China Gezhouba Group Company (CGGC) and China Machinery Engineering Corporation (CGGC-CMEC) resulted in their reinstatement. This action by members of the building and wood union PFBWW resulted in [additional gains](#) (BWI, 2018) in the same project as more than 4000 workers received eight years’ worth of gratuity benefits and annual leave payments.

Between 2019 and 2022, a strike wave hit Chinese multinationals in Pakistan. In 2019, workers of CGGC at the Suki Kinari hydropower construction project demanded that minimum protections under the labour law were made and legal benefits for terminated workers were paid. They also conducted a 12-day highway blockade in 2020, resulting in reinstatement of 1600 workers, but another strike was soon launched as the company reneged on its bargaining commitments, a union leader was arrested, illegal termination persisted, and Covid-19 allowances were unpaid. In 2021, SINOHYDRO – a contractor for the World Bank-funded Tarbela Dam project – was ordered to [pay some U\\$444,000](#) (BWI, 2020) for work done during holidays and lockdowns, and in 2022 another contractor in the same project area was forced to reinstate 200 workers after union demonstrations.

The Pakistan struggles saw the use of an international compliance mechanism concerning the army’s intervention in the collective bargaining process, failure to apply the provisions of the collective agreement, and arbitrary dismissal of union members. By 2020, the outcome of the ILO complaint was a win for the workers, albeit formulated as recommendations to the government.

The BWI Africa Region also had its share of industrial actions and victories. In June 2019, members of the Kenya Building Union went on strike for three weeks against SINOHYDRO due to its unfair remuneration practices. The action resulted in increased retroactive rates for the workers. The following month, 942 union members went on strike for five days against CGGC at the Thwake Dam project.

In 2022, strike actions continued. In Indonesia, 350 members of SERBUK PLTU Sumsel 1 went on strike over the resistance of PT Shenhua Guo Hua Lion Power Indonesia to respecting labour standards and freedom of association even as the South Sumatra Labour Inspectorate instructed the company. The 4- day action led to full compliance and the signing of an agreement. This forms part of the series actions that included a 15-day strike in 2020, which resulted in wage adjustments and reinstatements. In Argentina, the BWI affiliate UOCRA stopped work for five days due to non-payment of salaries.

In Mauritius, the struggle focused on migrant workers. The Construction Workers' Union assisted 400 exploited migrant workers from Madagascar and South Asia. Citing 16 grievances, a four-day strike against SINOHYDRO ended in an agreement to adjust remuneration arrears, not to deduct sick leave from the salary, and union access to work sites.

The union building experience in Croatia, on the other hand, has been without conflict. The China Road and Bridge Corporation (CRBC), which built the EU-funded Pelješac Bridge, signed a collective agreement for the period March 2019 to September 2022. It delivered higher bonuses, application of the national collective bargaining agreement, and union access to the site.

## **Organising for change**

While it is the state's responsibility to regulate employment relations, the trade unions' role, and their value in creating a fair world of work, cannot be overemphasised – much more with regard to the industry giants such as the Chinese MNCs.

Workplace unions are the bedrock of a global strategy to ensure that infrastructure projects take the high road towards decent work. Organising workplaces and project sites remains as the locus of representation work for the workers<sup>2</sup>. BWI is also organising MNC networks in the different regions to coordinate with each other, to share experiences and strategies, and to increase solidarity amongst workers in the same industry and companies. The BRI [global union network](#) (BWI, 2022) met for the first time in June 2022 in Manila to galvanise actions and resources as the post-Covid building momentum resumes.

BWI is also using various instruments and mechanisms of redress and remedy. In Pakistan, the ILO and the International Finance Corporation complaint mechanisms were employed with mixed results. For all its worth, the impact of such complaints can and have changed corporate behaviour and labour practices.

In sum, we have shown that employing collective workers' power remains the best pushback for any violation of workers' rights and for creating mature and fair industrial relations. Representivity based on collective power is a primordial agenda but there are also several tools that are at the disposal of workers, as demonstrated in many countries and work settings. Solidarity and unity at national and international

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<sup>2</sup> Based on available data from BWI African affiliates, as of October 2023, there are 133 Chinese companies organised, covering 38 662 members, with 53 collective bargaining agreements signed and 36 strikes undertaken.

levels then create these pressure points as unions push to transform the employers – whether Chinese or not – into good corporate citizens committed to decent work and human rights.

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## 7. BRI@10: China as THE construction superpower

*-Ambet Yuson and Tos Q. Añonuevo-*

The Belt and Road Initiative (BRI) is now 10 years old, and it has been hugging the headlines for a multitude of reasons. It has been labelled as the global ‘soft power approach’ of China to share its economic surplus. It was seen as a bedrock in creating a multi-polar world and as the economic engine of China and the rest of the world for shared prosperity. BRI, however, was criticised by others as a ‘debt trap’, an ‘ecological bomb’, a ‘corruption magnet’ and even another ‘state-to-state sponsored workers’ exploitation’.

### **Go out and dominate?**

BRI was launched in September 2013 and aimed to increase economic links to Southeast Asia, Central Asia, Russia, Central and Eastern Europe, and later to Africa and the Americas through various infrastructure and developmental projects. It was seen as ‘China’s landmark globalization, development, and soft power strategy’. As a continuation of the Chinese Go Out Policy, it evolved from an infrastructure project of One Belt, One Road (the Silk Road) on the Eurasian land mass, to a global project whose geographic limits have become malleable and whose definition is highly flexible. Its people-to-people connection meant film festivals and cuisine exchange now form part of scheme.

Chinese policymakers have emphasized that BRI is open to everyone. By June 2023, it had co-operation documents with 152 countries and 32 international organisations. Another estimate pegged BRI scope in 2021 at 40% of the world’s GDP and two-thirds of the global population ([McBride, Berman and Chatzky, 2023](#)). Its economic and financial imprints are indeed staggering.

Data from the Green Finance and Development Centre ([Wang, 2023](#)) shows that the aggregate BRI investments and cooperation in the past decade reached US\$1.016 trillion, with about US\$596 billion in construction contracts. We cannot overemphasise that the fate of BRI and Chinese construction companies construction companies were in the top 20 of the Engineering News Record ranking of the biggest international contractors. By 2022, this had grown to 15 of the top 20, with the remaining slots occupied by European construction firms (Table 1).

In 2013, only two Chinese construction companies were in the top 20 of the Engineering News Record ranking of the biggest international contractors. By 2022, this had grown to 15 of the top 20, with the remaining slots occupied by European construction firms (Table 1).

*Table 1. Construction companies by global rank*

Rank	Rank	Firm	2022	2021
1	1	China State Construction Engineering Corp. Ltd., Beijing, China		
2	2	China Railway Group Ltd., Beijing, China		
3	3	China Railway Construction Corp. Ltd., Beijing, China		
4	4	China Communications Construction Group Ltd., Beijing, China		
5	5	Power Construction Corp. of China, Beijing, China		
6	6	China Metallurgical Group Corp., Beijing, China		
7	8	Shanghai Construction Group Co. Ltd., Shanghai, China		
8	7	VINCI, Nanterre, France		
9	9	Greenland Infra. Constr. Group Co. Ltd., Shanghai, China		
10	10	Grupo ACS/Hochtief, Madrid, Spain		
11	13	China Energy Engineering Corp. Ltd., Beijing, China		
12	11	Bouygues, Paris, France		
13	14	Beijing Urban Construction Group Co. Ltd., Beijing, China		
14	**	Shaanxi Construction Eng'g Holding Group Co. Ltd., Xi'an, China		
15	19	Shanxi Construction Investment Group Co. Ltd., Taiyuan, China		
16	17	China National Chemical Eng'g Group Corp. Ltd., Beijing, China		
17	16	STRABAG SE, Vienna, Austria		
18	18	Eiffage, Vélizy-Villacoublay, France		
19	27	Hunan Construction Engineering Group Co. Ltd., Changsha, China		
20	34	Anhui Construction Eng'g Group Co. Ltd., Hefei City, Anhui, China		

Source: <https://www.enr.com/toplists/2022-Top-250-Global-Contractors-Preview>

## Controversies at its heels

Labour rights violations, business malpractice and geopolitical issues have, however, marred the market dominance of these Chinese multinational companies. A 2021 study ([Business and Human Rights Centre, 2021](#)) revealed: ‘human rights risks are particularly high in metals and mining (35% or 236 allegations), construction (22%, 152 allegations) and fossil fuel energy (17%, 118 allegations)’. It also concluded that human rights are more at risk in countries with weaker governance where Chinese investments are dominant.

And an even bigger issue comes to fore – the plight of almost half a million Chinese workers in BRI and other international projects. China Labor Watch reported in 2022 that they faced exploitative deployment, restriction of personal freedoms, surveillance and control through police and consular officials, and threats and violence if they complain. Media coverage of abuses, exploitation and misbehaviour toward both Chinese and domestic workers has been substantive. From Fiji to Chile, stories of union busting, wage theft and violations of health and safety standards have been documented by the Building and Wood Workers’ International (BWI).

However, some unions were able to develop mature industrial relations with some Chinese companies in both the EU and in the Global South<sup>3</sup>.

Corruption is also at the heart of their business expansion in Africa. The Economic Times of India ([Chaudhury, 2022](#)) reported that ‘Chinese companies have won around half of all African construction contracts meant for foreign firms allegedly through corrupt methods’. It also mentioned that the top-ranked China State Construction Engineering Corporation as well as the China Road and Bridge Corporation, a subsidiary of fourth-ranked China Communication Construction Group (CCCC), are facing court cases in Kenya. The CCCC was even at the heart of both a labour standards and a geopolitical storm. Share America, in September 2020, accused the company of ‘advancing the PRC’s military expansion into the South China Sea through large-scale dredging, construction and militarization of artificial islands and disputed outposts. Further, CCCC drives Beijing’s One Belt, One Road initiative, which promises new infrastructure to developing nations but delivers shoddy construction, labour abuses, unsustainable debt and environmental damage instead’ (Hartmann, 2020). Five CCC subsidiaries were then sanctioned by the US Department of Commerce.

This is the same company which the World Bank sanctioned as ineligible to bid for projects from 2009 to 2017 due to its fraudulent practices in a road project in the Philippines. In 2019, the Bank also debarred for nine months the third-ranked China Railway Construction Corporation Ltd. (CRCC) for its misconduct in a highway project in Georgia.

### **Facing competition and initiating reforms**

The dominance of China’s state-owned enterprises in the world’s construction market, its related controversies, and the global footprint of the BRI has spawned a new political and economic race – a geo-political competition played in another game. Not to be left behind in global influence, the G7 group of nations initiated the US\$600 billion Partnership for Global Infrastructure and Investment (PGII), which includes the railway projects Trans-Africa Network and the India-Middle East-Europe rail corridor. It was described as an initiative to ‘better respond to the global demand for high quality infrastructure financing, in low- and middle-income countries’, with projects clearly parallel to the Eurasian Silk Road and African segment of BRI.

The European Union touted its €300 billion Global Gateway as ‘support [for] smart investments in quality infrastructure, respecting the highest social and environmental standards, in line with the EU’s values and standards’ – emphasising its contrast with the BRI’s author, painted as non-democratic.

The geopolitical counterpoint projects, together with the bad headlines accompanying Chinese economic co-operation, seem to have resulted in reforms to keep up with international norms as well as with acceptable business practices and integrity.

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<sup>3</sup> A [complementary article on BRI, Chinese MNCs and trade unionism](#) was published last week as number 499 of the *Global Labour Column*.

Keeping in step with current global economic governance, China is now talking about BRI as ‘open, green and clean’, as it tries to repackage the image of its ten year old project. It now aspires to a Clean Silk Road which vows to fight international corruption.

Due diligence is starting to be attached to BRI and its related institutions. China even partnered with the ILO in 2019 under the BRI framework to cooperate on shared priorities ‘such as social protection, skills development, labour governance and safety at work’. The partnership, focusing on the Decent Work Agenda, was renewed in December 2022 and even conducted a seminar on high-quality employment in Beijing as part of its tenth anniversary celebrations of the BRI.

Even the official All-China Federation of Trade Unions (ACFTU) is cooperating with the ILO with a US\$1 million [grant for union capacity building](#) in the Asia Region – the very unions that are countering Chinese MNCs on the ground.

There seem to be handles now for better industrial relations and corporate accountability. Are these openings for social dialogue at international and national level? Are they going to prevent corporate misbehaviours? Do we see the coming into fruition of the call ‘Go Out, Responsibly’?

But an equally big question is the role of ACFTU. Can they create pressure on the companies to be more compliant to labour standards, just as some Western trade unions pressure their counterparts through social dialogue, corporate campaigns, and international framework agreements? One assessment suggests not, as a study on Cambodia revealed that ACFTU’s support for BRI meant also backing the illiberal trade unions and employers in the country. While there are many reports of trade union exchanges between ACFTU and Global South unions, any published evidence of its problem solving role is yet to be found.

Whether these reforms, safeguard pronouncements, union exchanges, and ILO partnerships will soon impact on the living and working conditions of workers in BRI projects remains to be seen. The global trade union movement has to work together to monitor workplace practices and ensure that the world of work within the BRI is shaped by the workers’ voice and agency – the free and independent trade union.

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## 8. Transport workers uniting along the Belt & Road

*-Sean Sayer-*

Transport workers move the world. Trade and travel cannot function without us. This means that transport workers are some of the first to be impacted when governments or companies invest in and change the way the world moves and trades.

Waves of international investment in transport have created millions of good jobs throughout recent history. But we have also seen how this overseas investment has been used to undermine our rights, pay and conditions. The Belt & Road Initiative (BRI) – China’s US\$1 trillion overseas infrastructure development project – is one of the latest attempts to change how the world trades. What does this mean for transport workers?

In 2022, trade unions affiliated the International Transport Workers’ Federation (ITF) from thirty-eight countries and from every continent met in Manila to try to answer this question.

### **In context**

First, it is important to put the BRI in context. The American Enterprise Institute’s China Global Investment Tracker estimates that between 2013 and 2020, the BRI invested US\$400 billion in overseas transport infrastructure, the World Bank Group invested UD\$178 billion, and the Asian Development Bank invested US\$83 billion. In 2021, Chinese outward foreign-direct investment represented less than 7% of the global total. The US (23%), Germany (8%) and Japan (8%) all spent more. So, the first decision by our affiliates was to understand the opportunities and challenges posed by all types of international investment, not just BRI.

Transport workers around the world have seen how all types of international investment pose risks to recipient economies, societies, communities and workplaces. For example, International Monetary Fund and World Bank loans to countries including Cameroon, Ghana, Nicaragua and Pakistan required ‘structural adjustment’ programmes which demanded that governments privatise or dramatically cut spending on public services, often including transport. When the World Bank disperses aid to a low-income country, the amount of cash in offshore accounts controlled by the country’s elites tends to increase on average by about 7.5%.

[The World Bank \(2018\)](#) estimates that, if completed, BRI transport projects could reduce travel times along economic corridors by 12%, increase trade between 2.7% and 9.7%, increase income by up to 3.4% and lift 7.6 million people from extreme poverty. BRI is also estimated to create thousands of transport and supply chain jobs in most recipient countries, including Kazakhstan (200 000 jobs), Kenya (more than 60 000), Mongolia (50 000), and Pakistan (more than 60 000).

In 2019, China signed a series of agreements relating to the BRI with the ILO and three Chinese ministries. These agreements: (1) promote decent work, social justice

and a 'human-centred future of work'; (2) support occupational safety; and (3) promote the effective implementation of the ILO's Maritime Labour Convention along the BRI. This could signal that the Chinese ministries acknowledge that international labour rights and laws apply to workers in the countries they are investing in and building transport infrastructure in, as well as to the cross-border workers who are working between them.

However, Chinese project-based, migrant workers tend to make up a significant proportion of those working in BRI investments. Often, local labour laws are not applied to these non-resident workforces. Many of these workers are reported to suffer from egregious human rights violations. For example, in Serbia, the local labour laws were suspended for Chinese nationals working there. In the Serbian Zijin Mining Group Co. copper mine, Chinese employees worked 12-hour days, were forced to hand passports over to employers, and had little to no health and safety protection, including during the Covid-19 pandemic. In the Linglong Tyre Co. factory in Serbia, Chinese workers experienced poor housing conditions, no access to medical services, issues with or absences of wages, and were again forced to give their passports to employers, leading to allegations of human trafficking and modern slavery.

### **Labour rights abuses and divisions**

Furthermore, local workers are often subjected to human rights and labour rights abuses. For example, working conditions in the construction of the new Phnom Penh International Airport show systemic human rights abuses. Imported Chinese workers are paid US\$50 to US\$70 a day, while local Cambodians are paid US\$7.5 to US\$15 a day, and women are paid less than men. Accommodation is in local temporary settlements, where workers' children live on site, with no food, education, healthcare, water or electricity provided. There is minimal provision of sanitation facilities and personal protective equipment, and uneven and inconsistent provision of compensation for health and safety failures.

In Mongolia, truck drivers reported that BRI investment into infrastructure built for the extraction and transport of coal had put truck drivers and railway workers in direct competition with new groups of informal, cross-border workers and employment models. Furthermore, the development of rail and logistics infrastructure continues to threaten a shift away from unionised labour in trucking.

In Pakistan, BRI projects avoid collective bargaining by avoiding railways, instead focusing on trucking. Where collective bargaining cannot be avoided, alliances between Chinese interests and local elites are challenging the industrial models and labour movement.

In Kenya, the flagship US\$3.6 billion Mombasa-Nairobi Standard Gauge Railway, and the special economic zones (SEZs) around the connected ports and logistics centres, are estimated to employ around 60 000 workers. However, rail exclusively moves the freight coming in and out of the SEZs, bypassing the better-unionised truck drivers and collective bargaining.

Transport needs nearly US\$50 trillion of investment by 2040. Transport workers around the world recognise that to create decent work, resilient supply chains, a fair

economy, gender equity, climate justice, and a more sustainable transport and development model, we must welcome spending on transport infrastructure. However, this financial commitment must be conditional on the guarantee of fundamental human rights, including freedom of association, the right to collective bargaining, the right to strike, and all our fundamental labour rights.

### **What international investment should guarantee**

Therefore, transport workers' representatives in Manila agreed that international investment must be:

- **Safe** – occupational health and safety is a fundamental right at work. Applicable laws and regulations must be respected and enforced to protect to all workers, regardless of their gender, occupation, terms of employment and contractual status.
- **Democratic** – local and international laws, regulations and democratic processes must be respected. Trade unions must be treated as equal partners by governments and employers in collective bargaining. Critical infrastructure must be owned by, and operated for the people it serves.
- **Fair** – secure, permanent, and formal employment must be offered to all workers equally, regardless of their ethnicity, nationality, religion, gender or background, and respected by employers. Governments and employers must ensure that informal work and other non-standard forms of employment are not used to deny workers their rights.
- **Open** – workers must be included in the negotiation and agreement of investment. No governments should sign deals in secret. Full transparency and accountability of negotiations of contracts and trade deals must be a minimum standard for international investment. Trade unions must be recognised as effective and critical partners for ensuring transparency and accountability at all levels.
- **Skills-based** – local workers must be trained and skilled to construct, operate and maintain transport infrastructure built using international investment. The ITF and its affiliates oppose any exploitation of non-resident workers and unfair labour competition.

Fundamentally, BRI and other forms of international investment are connecting workers in new, exciting ways. In Manila, we witnessed the birth of a new family of transport workers connected by patterns of international investment, born of solidarity, unity and understanding.

Trade unions representing transport workers in Central and Southeastern Asia are cooperating with those in Africa and Europe to develop organising models for third-country nationals. Transport workers are connecting with construction workers, learning from their experiences working under Chinese and overseas employers or investment. Governments seeking to ensure transparency and accountability of projects stemming from international investment are looking to trade unions for assistance. New human rights due diligence laws that require government and companies to check and fix their domestic and overseas supply chains are giving trade unions a legally recognised role in upholding labour rights in the BRI and global

trade. To do this, we must work across borders and organise some of the most exploited and vulnerable workers in supply chains that are adjusting to international investment.

By focusing on workplace rights, experiences and solidarity, trade unions are building a new future amid profound change. Supply chains may ebb and flow – becoming more local, regional or again global – but the solidarity among transport workers has always been, and will always be, global. This is where real workers’ power is built today, tomorrow and forever.

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## **9. Ten years of ‘labour dialogue’ with the Switzerland-China Free Trade Agreement: review and outlook**

*-Vasco Pedrina-*

The history of the Free Trade Agreement (FTA) between Switzerland and the People’s Republic of China, which has been in force since 1 July 2014, was marked by controversy, particularly with regard to compliance with human and labour rights ([Pedrina and Doka, 2014](#)). NGOs, in particular human rights organisations, rejected the agreement from the outset, as they demanded binding human rights clauses — with sanction mechanisms — as a prerequisite. This was to ensure, for example, that no goods produced by forced labour would enter the Swiss market. Although the FTA between Switzerland and China had serious shortcomings in terms of human rights, the Swiss Trade Union Confederation (STUC) was nevertheless critically supportive of the agreement at the time, hoping for ‘change through openness’. With the leverage of the envisaged sustainability provisions, it was also believed that the points of criticism could be emphasised more effectively and thus enable work towards improving the human rights situation.

The main thing that persuaded the STUC to approve the FTA nevertheless was the provisions on social standards in the agreement, which were much more clearly formulated than the very vague provisions on human rights.

### **Taking stock**

Ten years on, the time has come for us to take stock, not least because the Swiss business community is pushing for an extension of the FTA.

Unfortunately, the ‘change through opening up’ has clearly not taken place. Things looked different back then: the negative experiences of a closed and isolated society under Mao had not yet been forgotten. The 2007 memorandum on the Switzerland-China human rights dialogue was one of the signs of a cautious opening. More importantly for us as trade unions, however, was the judgement that a policy of opening up and economic exchange would be beneficial for the social struggles in China. There were signs of this, such as mass strikes, which the central leadership often allowed. The Chinese authorities still tolerated spontaneous groupings in the industrial areas, which carried out activities for more health protection and occupational safety, as well as for other rights in the workplace. Together with the NGOs Solidar Suisse and Labour Action China (based in Hong Kong), the STUC attempted to provide support for this development on the ground. The objectives included workshops and advice centres, as well as the establishment of employee representatives in branches of Swiss companies. The aim was also to promote social dialogue with the Chinese authorities at a central level.

Things did not go well for long. Since XI Jinping consolidated his power, the social and political situation in China has increasingly deteriorated. The scope for

spontaneous groupings and potential autonomous workers' organisations has been greatly reduced. And since the brutal repression in Hong Kong, the efforts of NGO activists and lawyers to provide assistance have also been increasingly stifled.

As far as the 'social dialogue' within the framework of the FTA is concerned, six tripartite meetings (government, employers' organisations and employees' organisations) have now taken place. The topics discussed were health and safety at work, co-determination, collective agreements, unemployment, forced labour in Xinjiang and dealing with trade union leaders in Hong Kong. The tone of the Chinese side hardened noticeably. Finally, the Chinese delegations denied the existence of any human rights problems in China.

To summarise, it can be said that after ten years, the results of the FTA between Switzerland and China are disappointing in terms of compliance with sustainability provisions, and the prospects do not offer any rays of hope. The hope for social change through economic exchange and political opening has long since disappeared. Today the Chinese government seems only moderately interested in further developing the FTA with Switzerland, if at all – as indicated by the Chinese side – 'only if Switzerland refrains from lecturing on human rights in the future'. Up until now, Iceland and Switzerland are the only Western countries that concluded a free trade agreement. Ten years ago, the Chinese government was at least interested in negotiating a FTA with Switzerland also in order to gain experience with a view to negotiations with the EU in this regard. However the whole EU-China investment agreement has, for the time being, been shelved.

## **What to do**

The demand to terminate the FTA between Switzerland and China does not appear to be expedient. It would also have no political chance in Switzerland. A binding sustainability chapter on compliance with human and labour rights in an updated FTA is equally unrealistic, given the political situation. But based on previous experience, without such a chapter, a revision of the FTA is a no-go for the trade unions. Suspending trade union participation in the annual 'social dialogue' meetings would be an option, as would, alternatively, a more critical format, even if China were to end the exchange as a consequence. Finally, the STUC executive committee recently decided to continue to participate actively but very critically in the social dialogue with China for the time being, for the following reasons:

First, as long as Swiss government representatives are not afraid to publicise the differences that are raised, there is some value in playing along. The following excerpt from the media release for the last tripartite meeting on 28 September 2023 serves as an illustration: 'Switzerland expressed concern about reports of labour discrimination, arbitrary internment, and forced labour in Xinjiang and other Chinese regions. It called on China to respect fundamental principles and rights at work as a member state of the International Labour Organization (ILO) and to implement ILO Core Conventions Nos. 29 and 105 on forced labour without delay. The representatives of the Swiss social partners supported this demand and shared their concerns, particularly with regard to trade union freedom in Hong Kong' ([Seco, 2023](#)).

Secondly, both the ITUC and key representatives in exile of Hong Kong trade unions have clearly stated that this opportunity to put pressure on the Chinese authorities should not be dropped by us – a dialogue as a thorn in the flesh, so to speak!

There is also hope that in the medium term there will be another opportunity to influence events in connection with legislation on the social responsibility of internationally operating Swiss companies. In a memorable referendum on 29 November, 2020, a popular initiative on corporate responsibility entitled ‘For responsible companies — to protect people and the environment’ was only narrowly rejected. Indeed, the majority of the Swiss people voted for stronger human rights standards and the referendum was only defeated because, in the majority of cantons — many of them only sparsely populated — a majority voted against the initiative. Parliament’s much weaker indirect counter-proposal came into force on 1 January, 2022, instead. However, a further development is in the offing after the negotiating delegations of the EU Parliament and the member states recently agreed on a directive on corporate sustainability due diligence that imposes stricter environmental and human rights due diligence obligations on companies above a certain size. The German liberals, the smallest party in a centre-left coalition in Germany and a pro-business party, derailed the EU process at the last minute, and the final vote scheduled for 9 February was postponed. Following considerable political mobilisation the EU ambassadors in March 2024 found a new compromise maintaining the human rights essence of the directive.

During the referendum campaign, the Swiss government promised to consider revising the current law if the European Union adopted stricter guidelines. However, it seems to have forgotten this promise in the meantime. That is why the authors of the first Responsible Business Initiative have announced their intention to launch a new popular initiative this year that is modelled on the EU solution. It will have a good chance before the people and thus open up new possibilities, also with regard to the observance of human rights by Swiss companies that do or want to do business with China. This will further increase the pressure on them.

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## 10. The All-China Federation of Trade Unions (ACFTU): a government agency sailing under a false name

*-Frank Hoffer-*

Since the early days of capitalism, workers have organised and created trade unions. This has often been an uphill battle. Workers had to overcome extreme hostility from employers and governments and it took decades to establish the recognition of labour rights even in liberal capitalist economies such as the UK or the USA. However, it is the first time in the history of global capitalism that, in the country with the largest industrial work force of the world, workers have no real trade unions and no right to organise.

Of course, the All Chinese Federation of Trade Unions (ACFTU) claims more than 300 million members. But it has nothing in common with a trade union except the name.

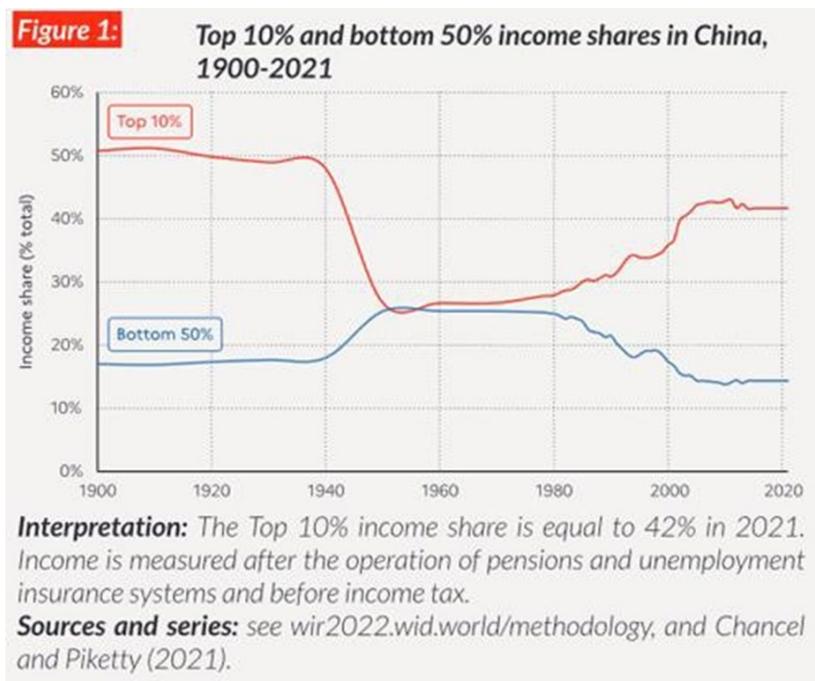
A trade union is an organisation of workers, by workers, for workers; an organisation where workers democratically elect their leadership and independently define their policies and actions. It is an organisation independent from employers and governments.

The ACFTU fails by all these criteria. It organises state-led pseudo-collectivism. Claims of a continuity between the ACFTU founded in 1925 as a genuine trade union and today's organisation are not supported by any historic facts. Following the 1927 Shanghai massacre, trade unions were virtually wiped out by the military regime of Chiang Kai-shek. Today's ACFTU was founded as a party/state agency in 1949, was dissolved during the cultural revolution in 1966, and was re-established by the party leadership in 1978, two years after Mao's death. It is an integral part of the authoritarian regime, subordinated to the Communist Party of China, and all leading trade unionists are party members. Delegates at the ACFTU's 18th Congress in 2023 could read on a banner hanging above the rostrum of the Great Hall of the Peoples what the ACFTU is supposed to do: 'Follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively implement the guiding principles of the 20th CPC National Congress, organize and mobilize tens of millions of workers to work together and strive for building a modern socialist country in all respects and advancing the great rejuvenation of the Chinese nation on all fronts!' ([China Daily, 2023a](#)).

Today China is an economic powerhouse with political and market dictatorship complementing each other. Workers are simultaneously the defenceless subordinates of the state in society at large and of the employer at the workplace. Workers do resist employers and the state, but when they do, they do not find the ACFTU on their side. The Chinese state today does not allow for any form of dissent: it practices an all-encompassing surveillance of its citizens, exploits forced labour at a large scale, and cracked down on freedom in Hong Kong. Chinese and international capital enjoy a free hand in exploiting workers. Wealth and income are extremely unequal

distributed. Through hard work, millions of workers got themselves out of extreme poverty, but due to the denial of collective representation, they did not receive their fair share of the Chinese economic success (Table 1, Figure 1).

Table 1, Figure 1: Income inequality in China.



Source: Chancel et al. (2022: 191)

**Table 1:** Inequality outlook

	Income		Wealth	
	Avg. Income (PPP €)	Share of total (%)	Avg. Wealth (PPP €)	Share of total (%)
Full population	17 600	100%	86 100	100%
Bottom 50%	5 100	14.4%	11 000	6.4%
Middle 40%	19 400	44.0%	55 600	25.8%
Top 10%	73 400	41.7%	583 400	67.8%
Top 1%	246 600	14.0%	2 621 300	30.5%
Top 10% to Bot. 50% Income gap			1 to 14	
Female labor share			33%	
GHG footprint			8 tCO <sub>2</sub> / pers.	
Transparency index			6,5 / 20	

**Interpretation:** See glossary for definitions of concepts and indicators.  
**Sources and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology)

The ACFTU has not voiced any effective criticism, leave alone taken any action to challenge the repressive regime of state and capital. Indeed, it has even followed the government line of flatly rejecting the existence of forced labour in the Xinyang province. That its membership increased parallel to growing political repression from 135 million to 302 million members between 2004 and 2017 is, under these circumstances, not an indication of the most successful trade union organising drive in history, but of administrative enlargement of a state agency. Private and state enterprises have to transfer 2% of wages to the ACFTU. This makes the ACFTU a very well-resourced organisation with an apparatus of hundreds of thousands of bureaucrats covering the entire country as an control and service organisation.

Based on the assumption that the successful economic modernisation of the country would be followed by a modernisation of its political system and its labour regime various observers<sup>1</sup> expressed at the beginning of the century a certain optimism about possible changes in society and trade unions. In the light of new laws such as the Labour Contract Law and statements of the ACFTU and party leadership about the need for trade unions to reform, such views were not entirely unreasonable at the time. The ITUC (2010), for example, while still highlighting that the ACFTU was not a genuine trade union, mentions in its 2010 report on China the organising successes of the ACFTU with western companies, as well as the changes in the legal system and experiments with some sort of collective bargaining.

A mix of mistaken assumptions, wishful thinking and desperation probably motivated strong belief in the tender signs of change. Trade union leaders engaging with the ACFTU saw this as the best of bad alternatives to gain some sort of international trade union influence on the many multinationals setting up production sites in China, and to avoid a huge blank spot on the global union map. However, strengthening trade union influence on multinationals through contacts with the ACFTU never materialized. The ACFTU itself talked a lot about collective bargaining in the framework of Chinese harmonious industrial relations. It advertised its ‘organizing success’ at famously anti-union companies like Walmart – a success made possible because Walmart was aware that it is not dealing with a trade union, but an agency of the employer friendly Chinese state.

Between 2002 and 2016, the international trade union movement did not file a single freedom-of-association complaint against Chinese authorities. In the decade before, the ICFTU had filed five complaints. In 2016, the ITUC filed and since then continuously updated a case at the ILO about arrested labour activists in China. The ILO concluded that there are systemic problems with freedom of association in China because of the ‘numerous persons arrested, disappeared, and intimidated for having tried to defend workers’ collective interests’. The ACFTU did not raise its voice in defence of persecuted workers and did not support the case brought forward against the Chinese government. Nor do they defend attacks on trade union rights outside of China. To the extent that local protests and strikes over working conditions, low pay, factory closures and unpaid wages occurred, these protests happen independently of and despite the ACFTU. The ACFTU came in at best as a state agency to help settle the dispute.

The engagement of democratic trade unions with the ACFTU as a strategy to support reform forces within the ACFTU never led to any visible successes. The ACFTU continued to denounce striking workers as hooligans and supported their suppression by the state. Experiments in the Pre-Xi era of ‘electing’ local workers’ representatives in a climate of overall authoritarian rule turned out to be a futile exercise and were anyhow abandoned in recent years. There is also no evidence that the contacts with the ACFTU were of any use to organise workers along the belt and road initiative or to put any other pressure on Chinese multinationals operating outside China.

The ACFTU apparatus, with its roughly one million fulltime officials, is constantly organising meetings, conferences, declarations, manifestations, competitions and many other inconsequential bureaucratic activities as part of the official self-legitimation of ‘Socialism with Chinese characteristics.’ Equating such slogans and propaganda events, however, with some sort of (nascent) trade unionism makes as much sense as saying that because birds and aeroplanes fly, they are both living creatures.

Xi Jinping’s tighter authoritarian grip over the ACFTU ([China Daily, 2023b](#)) as part of a general centralisation of power, and the crack down on Hong Kong, proved any dawn to be illusory. Labour NGOs are closed down. Activists are imprisoned or fled the country. ACFTU reformers and non-reformers alike bowed to Xi Jinping. The purpose of the ACFTU remained unchanged: controlling workers, ensuring stability

and following the party line to make China great again. Wishful thinking had a rendezvous with reality.

Expectations that western trade union expertise or technical assistance from the ILO will lead, under these circumstances, to any meaningful tripartism or collective bargaining have no basis in reality. There is no reason to expect better results from technical cooperation of the ILO ([ILO, 2020](#)) or enhanced experience sharing by independent trade unions with the ACFTU as long as the political regime doesn't change; or, to paraphrase Albert Einstein: 'The definition of insanity is doing the same thing over and over again, but expecting different results'.

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## 11. The ACFTU: a government agency engaging in trade union diplomacy

*-Frank Hoffer-*

As the ACFTU is not a trade union by any standards, why does the Chinese regime feel the need to have such a pseudo-trade union at all? This has historic, ideological and foreign policy reasons. A so-called socialist state has to have a mass organisation of the working class — an organisation supposedly serving the interests of workers as well as the workers' state, whereby the workers' state defines what the interests of the workers are. Authoritarian paternalism and repressive control of the working class are the resulting double function of the ACFTU. Authoritarian paternalism is then often mistaken or wilfully misread as trade union work, though it is at best fulfilling the role of state labour inspectorate, and in no way a self-organisation of workers.

### **Treated as real**

In the international arena, however, the ACFTU has become a 'real' trade union organisation to the extent that genuine trade unions treat it as real. A crucial entry point for this process has been the Workers' Group of the ILO. In the ILO, independent and state-controlled workers' organisations are sitting side by side, as dictatorships also nominate tripartite delegations to the ILO. The resulting tension between democratic tripartism and universal membership is an institutional dilemma for the ILO. For universal application of labour standards, it is desirable that as many states as possible are members of the ILO. For genuine tripartism, the governing principle of the ILO, the existence of independent workers' and employers' organisations is fundamental. The ILO has given priority to the principle of universal membership and accepted that tripartism in a considerable number of its member states is a formal fiction and not a lived reality.

Historically, the international independent trade union movement protected the integrity of the ILO by marginalising the fake trade unions and ensuring that the workers' voice at the ILO is the voice of genuine workers' organisations. Indeed, the ability of the free trade unions to ensure that government controlled 'workers' organisations' do not influence or determine the workers' group is essential for the survival of the ILO as a meaningful tripartite organisation.

The election of the workers' delegates to the ILO Governing Body every three years is crucial in this context. During the Cold War, the democratic labour movement conceded one of the 14 workers' seats on the Governing Body to the Soviet trade unions, but never voted for them.

Such a demarcation line has been crumbling concerning the ACFTU. In 2002, against the recommendation of the International Confederation of Free Trade Unions (ICFTU), the ACFTU representative was elected as a member of the workers group, beating the candidate of the Israeli Histadut. Three years later the ACFTU was voted

out as the ICFTU won the Arab vote by replacing on its list the Histradut with the Trade Union of Bahrein. However, in 2008 the ITUC changed course and the ACFTU rejoined the Governing Body of the ILO with the blessing of the ITUC. Three years later, the ITUC even recommended its members vote for the ACFTU candidate, who became the workers' delegate ([ILO, 2011](#)) with the highest number of votes. In parallel, the ACFTU became one on the largest donors to the ILO's Bureau for Workers Activities (ACTRAV) and provided millions of US dollars to ACTRAV to promote decent work, tripartism, social dialogue and South-South cooperation ([ILO, 2019](#)).

### **'Constructive dialogue'**

Through red-carpet treatment, high level meetings and financial aid, the ACFTU is charming trade unions into 'constructive dialog'. The price for the 'critical and constructive dialogue' is abstention from publicly criticising China and from joining forces with NGOs to campaign for democratic rights in China. By emphasising that industrial relations everywhere are the prerogative of trade unions the ACFTU skilfully applies to the trade union desire to be the one and only organisation that is the legitimate representative of workers in industrial relations and collective bargaining.

The ACFTU invested heavily in building links with the trade unions in particular in Asia and Africa ([OATUU, 2023](#)) to foster its international stand. Finally, the BRICS trade union forum (BTUF) gives the ACFTU an opportunity to play a key role in an international trade union gathering of five large countries outside the ITUC structure. At its last meeting, the BRICS trade unions agreed 'to advance the common interests of the BTUF bloc particularly at the ILO' ([BRICS Trade Union Forum, 2023](#)). This is challenging the concept of a united workers' group coordinated and facilitated by the ITUC.

In sum, the ACFTU has been quite successful in softening the approach of the international labour movement vis-à-vis China and shielding China against labour rights campaigns from the international trade union movement. The ACFTU, in return, accepted the lead of the international trade union movement at the ILO and the G20/L20. This is not based on any formal agreement between the organisations, but the side effect of a policy that gives priority to unity over principle.

There is no empirical evidence that the engagement and recognition of the ACFTU at international level has led to positive changes in China, helped any Chinese workers, or strengthened the international labour movement at the ILO, the G20 or elsewhere. The trade union voice is heard when and where governments and employers are confronted with the disruptive power of trade unions. The trade union voice does not become a decibel louder when international trade union leaders speak not only on behalf of the many million members of democratic trade unions but add 300 million Chinese pro- forma trade unionists. Indeed, the trade union voice might rather lose credibility as the ITUC on the one hand dismisses "the All-China Federation of Trade Unions (ACFTU), which can neither defend freedom of association – the right of a workers to join a trade union of their choice – or the right to strike, and in many workplaces acts as the transmission belt for decisions by the government or management" ([ITUC, 2022](#)), and, on the other hand, supports the ACFTU's election to

the ILO Governing Body, cooperates with the ACFTU in the L20 and gives recognition to the BRICS trade union forum by attending it.

The ACFTU cooperation with ITUC affiliates, in particular from the Global South, and the creation of the BTUF together with ITUC affiliates is at least implicitly threatening the ITUCs aspiration to be recognized as the unifying global voice of the workers on the global stage as long as quantity is mistaken for quality. With the suspended ITUC membership of the Russian trade unions, there are rumours of creating a parallel international trade union bloc on the basis of the extended BTUF (Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates joined BRICS at the beginning of 2024).

The ACFTU is in a very comfortable situation as long as the democratic international trade union movement gives high value to a fictitious global trade union unity and is worried that the Chinese could bankroll an alternative trade union block in the ILO and other international fora.

The international trade union movement should not allow itself to be intimidated by these implicit threats. It need not be worried about the attractiveness for workers of any club where organisations controlled by Xi Jinping, Vladimir Putin, Ali Khamenei or Mohammed bin Salman pretend to speak for workers. Genuine trade unions from South Africa and Brazil will have to decide how comfortable they feel in that company and how much harm it will do to their own credibility to give support to trade unions that serve dictators.

However, the ITUC needs also do some soul searching about why the ACTFU is seen by a number of its affiliates as a partner or ally. While some might just be corrupted by Chinese financial generosity, it would be far too simple as an explanation. Others might be attracted by the vision of a multipolar world challenging US hegemony or anti-colonial rhetoric, even if it is entirely without progressive content. Some might also be dissatisfied with the way decision were taken in the ITUC in the past and feel that the Southern perspective is not sufficiently reflected in its work. Here, the ITUC has it in its own hands to show the difference between an inclusive democratic workers' organisations and state agencies.

Historically, sooner or later real trade unions emerged in capitalist societies. There is no reason to assume that China will be able to suppress that forever. These changes will emerge from inside China. Those who have the courage to speak up and stand for workers' rights in China deserve and need all the international solidarity they can get. It is difficult to imagine how 'constructive engagement' with the Chinese state in the form of the ACFTU will be of any use in this context. Doing so does not help Chinese workers and instead gives recognition to an organisation that does not share trade union values, but the name only.

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## About the authors

**Ambet Yuson** is the general secretary of the Building and Wood Workers' International (BWI).

**Christopher Siu-tat Mung** is an exiled Hong Kong unionist and currently works as the executive director of the Hong Kong Labour Rights Monitor, based in the UK. Before relocating to the UK, he was the chief executive of the now defunct independent worker centre, the Hong Kong Confederation of Trade Unions.

**Frank Hoffer** is a former ILO official, an associate fellow of the Global Labour University, and non-executive director of the GLU Online Academy.

**Haoju Lu** is a graduate student in Master's program in Labor and Global Workers' Rights at Penn State. She worked as a labour rights advocate.

**Jewher Ilham** is the Forced Labor Project Coordinator of the Worker Rights Consortium ([www.workersrights.org](http://www.workersrights.org)).

**Max J. Zenglein** is Chief Economist at the Mercator Institute for China Studies (MERICS). Before joining MERICS he was an economic analyst for the German Chamber of Commerce in Shenzhen and Beijing. He is an economist by training and has studied at the University of New York at Buffalo, the Berlin School of Economics and Law, the University of Hong Kong and the University of Kassel. He received his PhD from the University of Kassel in 2015.

**Sean Sayer** is a policy advisor at the International Transport Workers' Federation (ITF), based in London, UK. He coordinates the ITF's supply chain programme, working with transport workers and their trade unions across the world.

**Tos Q. Añonuevo** is the education secretary of the BWI.

**Vasco Pedrina** is the former co-president of the Swiss Trade Union Federation (STUC) and former vice-president of BWI (Building and Wood Workers' International).

Global Labour University - Freunde und Förderer e.V.

Prenzlauer Allee 186, Berlin 10405, Germany

[www.global-labour-university.org](http://www.global-labour-university.org)

[scherrer@uni-kassel.de](mailto:scherrer@uni-kassel.de)