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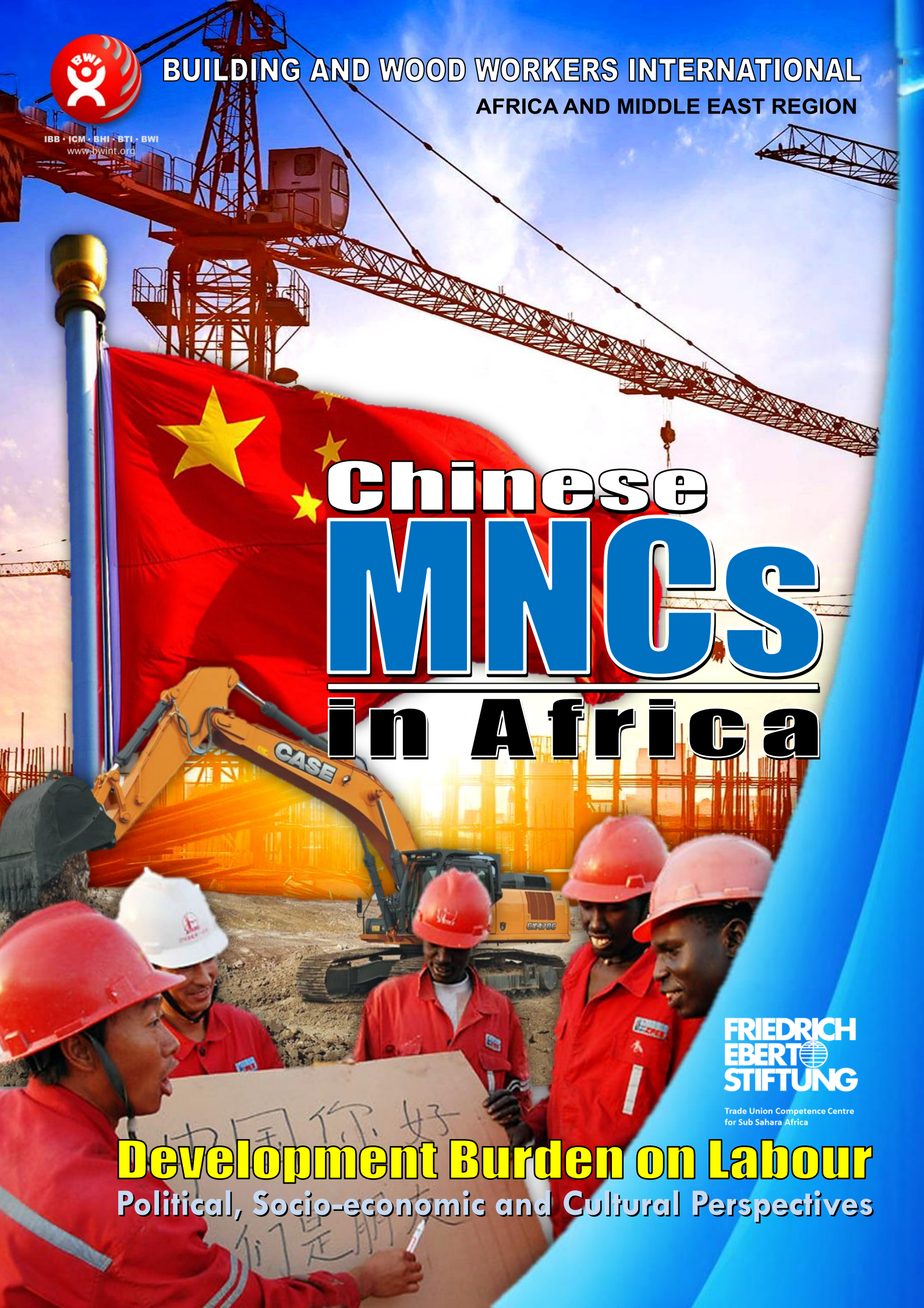
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# Chinese **MNCs** in Africa

**FRIEDRICH  
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Trade Union Competence Centre  
for Sub Sahara Africa

**Development Burden on Labour**  
Political, Socio-economic and Cultural Perspectives





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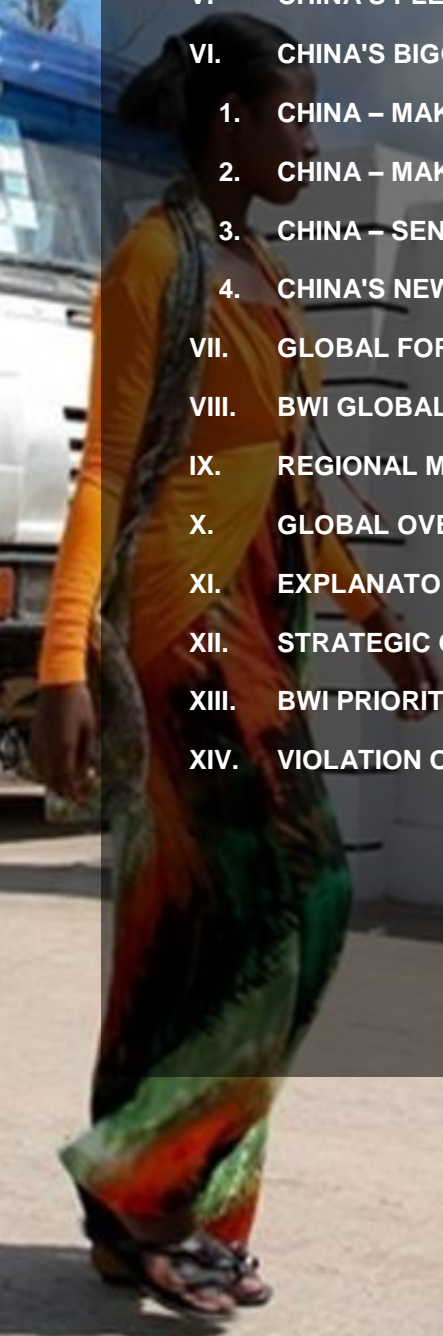


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## I. ACKNOWLEDGEMENT

This booklet is based on the research report “China in Africa: A Case Studies on Chinese Companies Labour Practises in the African Construction Sector Labour perspective”, Research done by BWI in 2012. The book also contains BWI resolutions passed during 2013 Bangkok Congress and extracts from Chinese Investments in Africa: *Opportunity or Threat for African Workers?* African Labour Research Network Study.

We are grateful for the unconditional financial support rendered to this project by Friedrich Ebert Stiftung (FES), on the researches on Multinational Companies. We also wish to thank the many of BWI affiliates who contributed on issues related to multinational companies especially Chinese MNCs in Africa.

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## II. EXECUTIVE SUMMARY



Those who follow China-Africa relations are generally in agreement that state-owned and private Chinese companies have become major investors in Africa over the past 10 years. Even Chinese individuals are investing small amounts in enterprises ranging from restaurants to acupuncture clinics. It is possible that in the past several years, China was the single largest bilateral source of annual foreign direct investment (FDI) in Africa's 54 countries.

Since the turn of the 21st century, Chinese state-owned and private enterprises have poured into African countries, seeking natural resources, new markets, and other business opportunities. China's trade with the continent has skyrocketed; in 2009, China surpassed the United States to become Africa's largest trading partner, and by 2014 flows exceeded U.S. trade with the continent by more than \$120 billion. These trends coincided with an explosion in optimism about Africa's economic growth prospects.

But now with the slowdown in China's economic growth — its GDP expanded 6.9 percent in 2015, down from 7.3 percent in 2014 and the lowest growth rate China has seen in 25 years — things are changing. China's customs office recently reported that African exports to China in 2015 fell 38 percent from 2014. In November 2015, China's Ministry of Commerce announced a 40 percent year-on-year plunge in investment to the continent, what the state-run English-language China Daily called a "collapse." As the jumbo jet that is China's economy slows — or worse, perhaps heads for a hard landing — some analysts believe the outlook for the African continent is bleak. South Africa's plunging currency, the rand, is one recent manifestation of more pain to come <http://foreignpolicy.com/2016/02/18/africa>

More than 2,000 Chinese companies have invested in Africa. Most of the investment has gone into energy, mining, construction and manufacturing. China began to increase significantly its investment in Africa at a time when Western companies, including those in the United States, were drawing back from Africa. China took advantage of opportunities and, to some extent, filled a void left by the West. However, because Western companies began investing in Africa much earlier, their cumulative investments far exceed China's FDI in Africa <https://africaupclose.wilsoncenter.org/chinas-investments-in-africa/>

The Forum on China Africa Cooperation (FOCAC) held in Johannesburg in late 2015, where Xi Jinping pledged \$60bn USD of finance for Africa, some of which would be channeled into fostering African industry—continuing to build and transform the China-Africa commercial relationship received mixed reactions from different stakeholders. A number of themes emerged at the Forum:

- **Infrastructure development and regional integration:** The need for infrastructure "corridors" and regional integration, noting that China is already actively building telecommunications and railway networks.
- **China as a responsible partner:** Whilst most participants were relentlessly positive on the outcomes of China-Africa cooperation, and there is need for a more responsible approach to debt sustainability and the financial burdens created by Chinese loans. It has been also acknowledged that Chinese companies need to respect local laws.
- **Human capital and soft infrastructure:** Hard infrastructure is not enough—a number of Chinese and African participants voiced the need for greater investment in human capital, a means for Chinese firms to 'give back' to local communities.



### III. BRIEF HISTORICAL OVERVIEW

China undeniably has helped Africa, but the onus is on the continent to manage Chinese engagement. China's rapidly expanding economic and political involvement in Africa continues to draw diverse responses from various quarters. China has today become the largest trading partner of African countries and its influence and interests extend all across the continent.



On December 4 and 5, South Africa hosted Chinese President Xi Jinping in Johannesburg for the Forum on China-Africa Cooperation (FOCAC). Notably, going above and beyond its tradition of doubling financing commitment to Africa at each FOCAC meeting, China tripled it this time. While these major commitments on different fronts were welcomed by African leaders, watchers of China-Africa relations were asking more questions, especially about the downturn of Sino-Africa economic relations in 2015 and the implications of these renewed pledges in the context of China's own economic slowdown.



### CHINA-AFRICA COOPERATION



## IV. CHINA'S PLEDGES TO AFRICA: THIS YEAR



This year's pledges from China to Africa differ from past ones. The President of China Xi's single largest commitment at the summit was a pledge of investment totaling \$60 billion. As noted above, the size of these pledges was surprising, as China had consistently doubled its financing pledges toward Africa at previous FOCAC meetings from \$5 billion in 2006, to \$10 billion in 2009, and to \$20 billion in 2012. Similarly, it is worth noting that unlike the previous pledges, which all had a three-year timeframe, China's promise this time does not come with one. Nevertheless, since the next FOCAC meeting is expected to be in 2018, China is likely to fulfill most of its commitment before announcing new ones.

Differences with past commitments also lie in the composition of the financial pledges. In 2006, China specified that the \$5 billion consisted of \$3 billion concessional loans and \$2 billion of buyer's credit. In 2009, the \$10 billion was in its entirety concessional loans. In 2012, China's contribution shifted to \$20 billion loans. And this time, the \$60 billion are defined more broadly as "investment," including \$5 billion for grants and zero-interest loans, \$35 billion for concessional loans and buyer's credit, and the rest as commercial financing. The diversified portfolio sends several messages: 1) China is more confident in the economic future of the African continent; 2) China is becoming more aggressive in its financial input in Africa; and 3) the assets owned by China on the ground in Africa are likely to grow.

### **China highlights new sectors for cooperation and downplays African natural resources**

At the summit, Xi proposed 10 overarching plans for Sino-Africa cooperation, covering almost all aspects of their economic ties: industry, agriculture, infrastructure, environment, trade facilitation, poverty alleviation, and public health. The overall direction fits in the readjustment of China's Africa policy since the inauguration of President Xi. "Industrial capacity cooperation" and "strategic complementarity" have become the two keywords for China's economic aspiration in Africa. Under China's own economic restructuring and Africa's aspiration for industrialization, modernization, and urbanization, China is keen on shifting its labour-intensive industries to Africa. Such industrial capacity cooperation is to be complemented by the export of China's excess capacity to support African infrastructure projects and capacity building through technical assistance, vocational training, and fellowship programs.

Rather strikingly, natural resources have almost completely disappeared from China's policy statements this time. Xi only mentioned natural resources once in his long speech—and only in reference to Africa's abundant economic endowment and promising future. Similarly, in the much longer elaboration on how China plans to implement these new economic and trade measures, Chinese vice minister of commerce opted to focus on how to develop and expand Africa's non-resources exports. Neither official made any reference to China's investment and cooperation with Africa on resources sectors.

This scarcity of references is not in line with the overall important role natural resources have played in China's imports from Africa. As of November 2015, the majority of African exports to China remains in natural resources. According to the statistics by Chinese customs, crude oil, iron ore, diamonds, and agricultural products together accounted for 56.5 percent of Chinese imports from Africa during the first three quarters of 2015. And this number is on the low end because China's demand for raw materials has been suppressed by its economic slowdown this year. In this sense, China's intention of downplaying the importance of natural resources in Sino-Africa trade in its policy manifestation is clear. Given the negative image associated with the large role played by



African natural resources in Sino-Africa economic relations, such an aspiration is understandable.



### **Under shifting Sino-African relations, what do these pledges really mean?**

Industrialization, diversification of trade, infrastructure development, and regional economic integration are all the right ingredients for Africa's sound economic future. However, in the near term, in light of China's own economic slowdown, questions do exist about the implications of China's economic ties with Africa and the sustainability of China's financial pledges.

First of all, a circle needs to be squared between China's grand pledges and the recent downturn of Sino-Africa economic relations. This downturn has manifested itself not only through the decrease of Sino-Africa trade but also China's plummeting investment toward the continent. According to the data from the Chinese Ministry of Commerce, trade has dropped 18 percent in the first nine months of 2015 from a year earlier, the largest decline in China's trade with Africa in recent years. On the investment side, Ministry of Commerce just revealed last month that China's direct investment in Africa stood at \$1.19 billion in the first half of 2014, falling over 40 percent year on year. The downturn is attributed to the sluggish global economic recovery, international commodity fluctuations, and the Ebola outbreaks.

Whether the drop in both trade and investment only represents a short-term fluctuation or a long-term trend remains to be seen. The Chinese vice minister of commerce is said to be "confident about China-Africa trade" because of positive developments in Africa, including its growing population, hence its labour force and market potential. However, it is widely recognized that China's own economic slowdown has suppressed its domestic demand for raw materials, which explains the large 39.3 percent drop of China's imports from Africa from this past January to September. The new initiatives announced by Xi, if implemented well, have the potential to improve the picture in the long run. However, in the near term, the shape of Sino-Africa economic relations will largely depend on China's own economic recovery, which still has some major uncertainties to say the least.

Second, the old question about the payment terms of Chinese loans remains. The majority of Chinese financing in Africa is not free grants, but loans and investments. In the past, many of the loan agreements had been backed by Africa's natural resources, as shown by the famous Angola model. Currently, as noted above, China is trying to downplay the role of natural resources in Sino-Africa relations and to evolve toward new models of economic cooperation. However, despite the sound logic, a key question emerges: If the Chinese loans are no longer backed or repaid with African resources, what **are** they backed and paid with?

There is no consensus on the answer even among Chinese analysts. Some seem to be confident that the GDP growth and tax revenue to be generated through the infrastructure projects, industrialization, and trade facilitation in Africa will gradually lead to a healthy cycle of payment for Chinese loans. Nevertheless, many more are skeptical and see that scenario as a long game and overly optimistic. Particularly given the scale of the Chinese financing, it will be extremely difficult for China to completely abandon resources in its financing schemes. Interestingly, some others have raised certain creative options focused on ownership of assets on the ground, including land.



The commercial viability of these economic agreements is of high importance for China's domestic politics. If unsuccessful, they have the potential to generate further criticism of the Chinese government, raising questions about Xi's governance and competence. Indeed, an article widely circulated on Chinese social media earlier this month called for President Xi to stop his expensive foreign visits because he sends billions of dollars to foreign countries every single time while China's domestic problems (poverty, environment, housing price, medical care, and education) exacerbate. In this sense, although Xi did make major financial pledges to Africa, unless the deals prove to be truly mutually beneficial, the domestic political and economic costs of such contributions will become an increasingly serious challenge for China from within.

In spite of China's economic slowdown and the drop in commodity prices, Africa remains the second fastest growing region behind Asia and some countries like Mozambique, Ethiopia, and the Democratic Republic of the Congo are among the fastest growing in the world. The Chinese \$60 billion deal is a calculated but bold bet, but from the perspective of African countries it is timely and supportive. From the Chinese perspective, the bet might be risky for a variety of reasons but it will for sure tie China's future closer to that of Africa.



## **Forum on China-Africa Cooperation Declaration of the Johannesburg Summit December 5<sup>th</sup> 2015**

*(Combined Version of Africa and China)*

- 1. We, the Heads of State, Government and Delegations of the People's Republic of China and 50 African countries (listed in the schedule annexed hereto), and the Chairperson of the African Union Commission, convened in Johannesburg, South Africa on the 4<sup>th</sup> and 5<sup>th</sup> of December 2015 for the Summit of the Forum on China-Africa Cooperation (FOCAC) under the theme "China-Africa Progressing Together: Win-Win Cooperation for Common Development", to consolidate solidarity and cooperation among the peoples of China and Africa.**
- 2. Coming together as Africa, with a population of 1.1 billion people, and China, with 1.3 billion people, we are committed to ushering in a new blueprint to realize opportunities for future mutual development, and to contribute to promoting world peace, stability and the development of Africa and China.**
- 3. Both African countries and China are developing countries facing common challenges of development and sharing broad common interests in a world that is undergoing and will continue to undergo profound and complex changes.**

Therefore, it is incumbent on us to continue to strengthen the current platform for collective dialogue, consolidate Africa-China traditional friendship, deepen strategic collaboration and enhance the mechanism of practical cooperation between China and Africa.

Both sides agree to upgrade the new type of strategic partnership to comprehensive strategic and cooperative partnership and promote a comprehensive upgrading of the China-Africa friendly and mutually beneficial cooperation.

- 4. We are pleased to observe that FOCAC has achieved mutually beneficial results during the past 15 years since its establishment. We highly commend the major follow-up actions initiated and implemented by the Beijing Summit and the Ministerial Conferences of FOCAC in this regard.**



5. China-Africa cooperation has been constantly enriched, covering broader areas with more diversified participants and FOCAC has become a resounding brand for China-Africa solidarity and cooperation, and a model for leading international cooperation in Africa. In this regard, we further welcome with appreciation the efforts that FOCAC has made to deepen structured ties with regional bodies such as the African Union and its structures, Regional Economic Communities and the African Development Bank.

6. We believe that China-Africa relations promote the common interests of both our peoples and continue the trend of prosperous growth evident over the last 15 years.

7. With the United Nations (UN) marking its 70<sup>th</sup> anniversary, we believe that to safeguard the results of the world victory in the World War II, international equity and justice is vital to maintaining world peace, stability and prosperity. We express our commitment to resolutely reject any attempts to misrepresent the results of World War II. While remembering the scourge of wars, we highlight that it is our common duty to build a future of peace and development.

8. We believe that, with the development of a world characterised by inter-dependence and connectivity under globalisation, and diversification at various levels, the interests of countries have become inextricably linked, with a growing sense of common destiny.

9. We underscore upholding the purposes and principles of the Charter of the UN, as well as its authority as the leading institution in international affairs.

We are committed to strengthening cooperation, coordination and support between the two sides in international organizations and multilateral mechanisms on regional and international issues of common interest, jointly advancing democracy and the rule of law in international relations, advocating for an equitable and just international order, in order to build a harmonious world of durable peace and common prosperity.

10. We believe that in the midst of complex and profound global changes, we need to be done to ensure an international system of governance that is just, equitable, representative and better suited to the political realities of the world in order to maintain peace, stability and prosperity.

11. Therefore, we are committed to the principles of multilateralism, while opposing interference in the internal affairs of countries and the use or threat of force in international affairs.

In this regard, we stand for the establishment of a just international order with win-win cooperation at its core to promote a more equitable, fair and reasonable development and to safeguard and enhance the legitimate rights and interests of the developing countries.

12. We stand for upholding the UN's core position and role in international affairs, and reaffirm the need for reform of the UN. In this regard, we reaffirm that the historical injustices endured by African countries should be undone, and priority should be given to increasing the representation of African countries in the UN Security Council (UNSC) and other agencies.

13. We furthermore underscore the significance of Africa as an important, strong, resilient and influential global player and partner, though being an active and equal participant in global affairs. In this regard, we recognise the critical role of the African Union in conflict resolution, prevention and management and commend the efforts of African countries, the African Union and Regional Economic Communities to independently resolve regional conflicts and maintain regional peace and stability. We emphasize the significance of cooperation between the UN and the AU in accordance with Chapter 8 of the UN Charter and particularly UNSC Resolutions 1809 and 2033. We reiterate that crises and disputes must be resolved peacefully through political means and advocate the doctrine of common, comprehensive, cooperative and sustainable security.



14. We welcome the adoption of the 2030 Agenda for Sustainable Development as a universal, transformative and integrated development plan. It remains important for the developed countries to honour compliments made in respect of the 2030 Agenda, in particular those relating to Goal 17, as well as continuing to meet their current commitments to ensure the full implementation of the Agenda.

15. In this regard, we also call on the international community to pay greater attention to the issues of development, show political sincerity and give priority to supporting the resolution of difficulties and challenges faced by developing countries, especially the least developed countries in Africa to independently achieve sustainable development. We urge developed countries to honour their commitments to provide aid to developing countries, African countries in particular, as we believe that the North-South imbalance in development is an important factor hindering the strong recovery and sustained growth of the world economy.

16. We support strengthened South-South cooperation and are convinced that China-Africa cooperation is a model manifestation of this. In this regard, China is committed to supporting Africa's efforts to implement Agenda 2063, its First 10-Year Implementation Plan and NEPAD and believes that they are essential to Africa's pursuit of peace, stability, integration, growth and development.

17. We oppose trade protectionism in all its forms and are in favour of advancing the World Trade Organization (WTO) Doha Development Round negotiations and safeguarding and developing an open world economy. We further welcome the first hosting of the 10th WTO Ministerial Conference in Africa, taking place from 15 to 18 December 2015 in Nairobi, Kenya, and stress the importance of a successful meeting in Nairobi that brings tangible results and meaningful outcomes on the developmental agenda for Developing and Least Developed Countries.

18. We stand for necessary reform of the existing international financial system, and the establishment of a fair, just, inclusive and orderly international financial system. Efforts should be made to truly increase the voice and representation of developing countries particularly China and African countries in the international financial institutions and the international monetary system, and strengthen the mandate of the international financial institutions in development and poverty eradication, in an effort to narrow the North-South gap. In this regard, we welcome the establishment of the BRICS New Development Bank, with its headquarters in Shanghai and the African Regional Centre in South Africa, with a focus on supporting development in Africa, in particular on infrastructure and sustainable development projects.

19. We will, in keeping with the principles of equity and "common but differentiated responsibilities and respective capabilities", support the 21st Conference of Parties to the United Nations Framework Convention on Climate Change to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention, which provides an effective solution to the global response to climate change with means of implementation required by developing countries. We further affirm the importance of addressing mitigation and adaptation in a balanced manner. Adaptation is equally a global responsibility. We further affirm that fulfilling the ultimate objective of the Convention will require strengthening the multilateral, rules-based regime and the urgent and sustained implementation of existing commitments under the Convention, including the entry into force of the Doha Amendment on the 2nd Commitment Period of the Kyoto Protocol. We acknowledge that climate change is exacerbating existing challenges in Africa and is placing additional burdens on national budgets and efforts of African States to achieve sustainable development. In this regard, the African side recognizes China's initiative in capitalising the China South-South Cooperation Fund to support African Countries combat climate change, drought and desertification.



20. We are committed to the path of peaceful development and its contribution to world peace, stability and economic growth, and are of the view that China's economic restructuring and progress will help Africa advance its own industrialization and modernization processes.

21. The African side acknowledges and appreciates the leading efforts and contribution made by China as the first responder to deliver Ebola Virus Disease emergency support to the affected countries.

22. We reaffirm our commitment to the One China policy. Both sides will continue to support each other's efforts to safeguard national sovereignty, security and development interests and to promote the causes of national reunification and regional integration respectively.

23. We support Africa's effective endeavours to safeguard and maintain regional peace and stability, aimed at achieving higher economic growth rates and promoting integration and self-reliance. China believes that Africa is a significant force of politics, economy and culture in the world.

24. We believe that China and Africa's development strategies, are complementary and characterised by mutual benefit, equality, openness, inclusiveness, accountability, and that they demonstrate the possibilities and opportunities of solidarity, mutual support and respect among the developing countries. Therefore, both sides shall explore and fully utilize their comparative strengths to promote and further improve this mutually beneficial cooperation.

25. We solemnly declare that, adhering to the principles of sincerity, practical results, affinity and good faith and the values of friendship, justice and shared interests, both China and Africa are committed to building and developing comprehensive strategic and cooperative partnership featuring political equality and mutual trust, economic cooperation for win-win results, exchanges and mutual learning between Chinese and African civilizations, mutual assistance in security affairs and solidarity and cooperation in international affairs. To this end, we will:

25.1 Remain committed to treating each other as equals and enhancing solidarity and mutual trust. Increase, improve and strengthen dialogue and cooperation between the governments of the two sides at all levels; Respect each other's core interests, accommodate each other's legitimate concerns and aspirations, cement consensus on key strategies; Promote exchanges and cooperation in the judicial, law enforcement and legislative fields; Strengthen China's cooperation with the African countries, the African Union and its structures, the Regional Economic Communities and the African Development Bank to advance the regional integration agenda, to safeguard peace and stability in Africa and to promote the socio-economic development of Africa.

25.2 Adhere to the principle of upholding justice and promoting common interests and common development. Actively pursue cooperation between our industries and develop industrial capacity, and jointly promote the process of industrialization and agricultural modernization in Africa; Focus on strengthening cooperation in infrastructure projects including, but not limited to, railways, highways, regional aviation, power, water supply, information and communication, airport and posts, as well as human resource development cooperation and capacity building; Give priority to promoting mutually beneficial cooperation in agriculture and food security, processing and manufacturing, energy resources, maritime economy, tourism, investment, trade, finance, technology transfer and other fields. We underscore the importance of intensifying cooperation in projects related to beneficiation at source, while enhancing technical and intellectual capacities; Enhance collaboration in the development of industrial production capabilities and value addition by establishing industrial parks and clusters, technology parks, special economic zones (SEZs) and engineering centres providing training for engineering and technical personnel and managers; Actively explore the linkages between China's initiatives of building the Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road and Africa's economic integration and sustainable development agenda, and seek more opportunities to promote common development and realize our common dreams.



25.3 Promote mutual learning and seek harmonious progress through mutual efforts. Share experience for development, deepen cooperation in various fields such as development assistance, medical care and public health, education, poverty eradication, science and technology and knowledge sharing, and ecological and environmental protection; recognize the importance of developing technology and innovation in advancing the economic growth of African countries in areas such as the mining and extractive industry, pharmaceuticals, information technology, and chemicals and petrochemicals, both in the area of exploration and extraction of natural resources and in their processing; Strengthen people-to-people and cultural exchanges and cooperation between the two parties and, in particular, enhance exchanges in culture and art, education, sports, tourism, press and media, and between academia, think tanks, the youth, women, trade unions and persons with disabilities, with a view to deepening the understanding and friendship between the peoples of China and Africa.

25.4 Continue to support each other on security matters and maintain peace and security. We remain committed to seeking the peaceful settlement of disputes through dialogue and consultation, and China supports Africa in its efforts to solve African problems through African solutions;

Implement the "Initiative on China-Africa Cooperative Partnership for Peace and Security", support the building of the collective security mechanism in Africa, and jointly manage non-traditional security issues and global challenges such as, but not limited to, food security, energy security, cyber security, climate change, biodiversity conservation, major communicable diseases and transnational crimes.

We firmly condemn terrorism in all its forms and we commit to combining our efforts in a coordinated and more efficient way to fight against this scourge which constitutes a global threat for humanity and its values of peace and tolerance.

25.5 Unswervingly coordinate and cooperate with each other and safeguard our common interests. In the United Nations, international financial institutions and other multilateral organizations, we will strengthen coordination and cooperation on regional and international issues of common interests, and firmly safeguard the common interests of China, Africa and other developing countries. African countries support China's hosting of the G20 Summit in 2016 and laud China's commitment to promote further cooperation between the G20 and African countries. In this regard, we appreciate and welcome the international community, especially developed countries, making active efforts and contributing to the peace, development and prosperity of Africa.

26. We welcome the outcomes of the 2nd Ministerial Forum of China-Africa Health Development and the 5<sup>th</sup> China-Africa Business Forum held in South Africa at various times over the last three months.

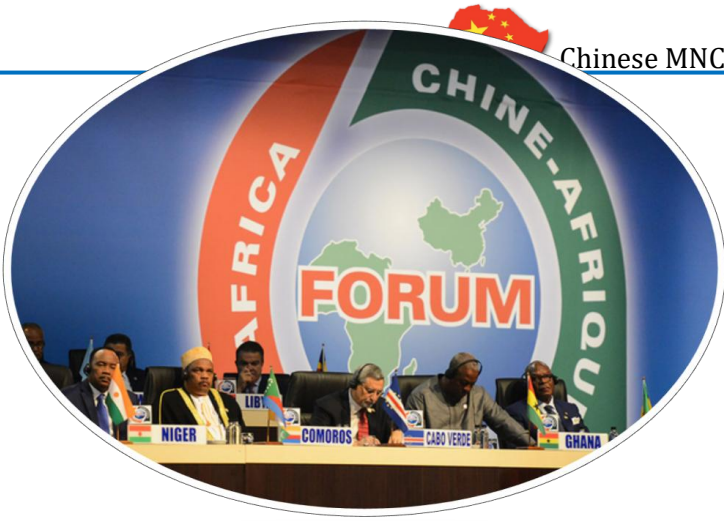
27. We commend the Ministers participating in the 6th Ministerial Conference of the Forum on China-Africa Cooperation for their dedicated efforts and outstanding work. In this regard, we have, in the spirit of this Declaration, adopted the Johannesburg Action Plan (2016-2018) of the Forum on China-Africa Cooperation. We commit ourselves to implementing the Johannesburg Action Plan and will work to ensure its successful implementation.

28. We express our profound gratitude to H.E. President Jacob Gedleyihlekisa Zuma of the Republic of South Africa, and H.E. President Xi Jinping of the People's Republic of China, for co-chairing the 2015 Johannesburg Summit of the Forum on China-Africa Cooperation (FOCAC).

29. We further express our profound gratitude to the Government and the People of the Republic of South Africa for their kind hospitality and excellent facilities for the duration of the 2015 Johannesburg Summit of the Forum on China-Africa Cooperation.

30. The 7th Ministerial Conference of FOCAC will be held in the People's Republic of China in 2018.

Chinese MNCs in Africa



## V. CHINA'S PLEDGES INVESTMENTS IN AFRICA



In many countries throughout the world, Chinese construction companies are now among the major employers, undertaking large-scale infrastructure and other projects. While BWI has knowledge and experience of working with the European multinational companies (MNCs), the Chinese companies are a different challenge. In this context, there is no tradition of social dialogue. BWI cannot draw on the support and experience of its affiliate in the home country of the MNC and there are no International Framework Agreements. The Multilateral Development Banks are not involved, so their procurement guidelines do not directly apply.

Organising campaigns on MNC worksites have been conducted in all regions. Key successes were reported in Brazil, Chile, Panama, India, Serbia, Poland, Ghana, Namibia, Kenya and Senegal.

China's re-emergence in Africa has been of interest to many. Its re-emergence in Africa is seen as a combination of optimism, concern and puzzlement. There is intense debate generated by this re-emergence, which centred on two core issues: what motivates the present engagement and what are its implications for Africa's development? However, many have argued that the engagement is apparently meant to repeat what western countries did decades ago when they exploited African resources and governed same.

China's recent economic interests and investments in Africa have put its bilateral relations with Africa under scrutiny. As a fact, the impacts of Chinese economic activities are being felt in many parts of Africa. The areas of impacts include Foreign Direct Investment (FDI), funding for infrastructural development and increasing the prices of African commodity products and introduction of low-price electronic and telecom hardware products.

### **China's Investments in Africa: increasingly diversified in recent years**

During his visit to the African Union in 2014, Chinese Premier Li Keqiang announced that China expects to achieve \$400 billion in trade volumes with Africa and raise its direct investment in the continent to \$100 billion by 2020. China's investments will be mainly in infrastructure development and be channeled through various Chinese lending agencies, including the newly established BRICS Bank. Such a sustained injection of investment capital from China is bound to create opportunities in all sectors.

While oil and mining remain an important focus, Chinese foreign direct investment (FDI) has flooded into everything from shoe manufacturing to food processing. Chinese firms have also made major investments in African infrastructure, targeting key sectors such as telecommunications, transport, construction, power plants, waste disposal and port refurbishment. Given the scale of Africa's infrastructure deficit, these investments represent a vital contribution to the continent's development.

What's driving this intensifying interest is the recognition in China that the economic landscape in Africa has fundamentally changed. Over the past decade and a half, much of Africa has enjoyed uninterrupted growth. Even during the global economic crisis, Africa proved remarkably resilient, confounding the fears of African policymakers and the international donor community, alike. Chinese investors have been far quicker than their counterparts in developed nations to acknowledge — and benefit from — this economic outperformance.

Africa's greater economic resilience has not come about by accident. In large part, it's a result of hard-won economic reforms. Over the past two decades, African policymakers have built a much more solid economic foundation. Among other measures, they have liberalized trade policies, reduced entry barriers to new businesses, privatized many

state-owned enterprises, and boosted the reliability of critical infrastructure such as electricity generation and distribution. The vast scale of investment now taking place in Africa would not have been possible without such policy advances.

Chinese investors are particularly well positioned to take advantage of the improved economic environment in Africa. The typical Chinese firm operating there is a large state-owned enterprise. These tend not to be the most efficient companies. But they do have a major competitive edge: they can avail themselves of subsidized credit from their deep-pocketed home government, enabling them to out-compete other bidders for African procurement contracts, not only other foreign investors but also African firms. Whatever their concerns about the conduct of foreign investors, many Africans recognize the benefits of their presence.

From Africa's perspective, Chinese investment – especially in basic infrastructure – is more than welcomed. It is estimated that Africa suffers from a \$900 billion infrastructure deficit: without potable water, all-weather roads, adequate power and reliable communication, African economies cannot thrive. China's focus on basic infrastructure investment will lay the groundwork for children to be able to go to school and businesses to trade. But China's arrival will bring challenges. Despite creating employment for many people, there are shortcomings of Chinese firms such as engaging in poor labour and environmental practices and the competition they bring to indigenous companies. Growing Chinese investments, so long as Africa grasps the opportunity, and there is a win-win cooperation will provide a net positive gain for African economies and people in the coming decades.

Chinese companies will need to act responsibly, even in this lax regulatory environment. But it's equally important for African policymakers to take responsibility for protecting their own society's best interests. Among other things, they must ensure that the contracts signed by foreign investors include provisions to safeguard the environment and the health of African workers.





# VI. CHINA'S BIGGEST PROJECTS IN AFRICA



## 1. CHINA – MAKING ITS MARK IN EAST AFRICA

East Africa, which is set to become the continent's fastest-growing region, is becoming an increasingly important destination for China. Additionally, East African port and rail development is being included as part of China's new concept of a 'maritime silk road', which will result in an increasing geopolitical influence within the Indian Ocean.

The recent African Economic Outlook points to East Africa's growth increasing in 2014 to more than 7%, from below 5% in 2013. It is projected to decelerate to 5.6% in 2015 and accelerate again to 6.7% in 2016. This means it will become the continent's fastest-growing region.

China, in particular, invested about \$11.7bn between 2009 and 2014 in 129 Greenfield projects, creating about 48 000 jobs, the report states. It adds that, in 2013-14, a large proportion of this investment (\$4.3bn) concentrated in oil and gas-producing countries of the West African region, although Chinese capital is diversifying into transport, construction and clothing.

But East Africa is also the central point of much of the country's investment. In May, Djibouti President Ismail Omar Guelleh revealed that China was seeking to develop a naval base in the African state's northern port of Obock. Reports indicate that Chinese investment in infrastructure projects to assist landlocked Ethiopia is valued at more than \$9bn.



It also signed an agreement last year to invest in a new railway line in East Africa, which will run from Mombasa to Nairobi and will extend eventually to Uganda, Rwanda, Burundi and South Sudan. The first stage of the project is estimated to cost \$3.8bn.

This is why Dr Ross Anthony, acting director for the Centre for Chinese Studies, explains that East Africa is important for China, as it is also a means from which to secure its sea lines of communication (SLOC), particularly with regard to the Middle East, where energy security is paramount.

"Additionally, East African port and rail development is being included as part of China's new concept of a 'maritime silk road', which will result in an increasing geopolitical influence within the Indian Ocean." US-based Asia-Pacific Centre for Security Studies' Professor Ji Guoxing said in an online statement that an SLOC is important, as world countries have depended on the free passage of goods across the seas, and the majority of Asia-Pacific countries, with their export-oriented economic structure, have even more depended on maritime transportation.

"An uninterrupted flow of shipping is critical to regional countries' survival and prosperity," he added. China's new initiatives – the "Economic Belt along the Silk Road" and "21st-Century Maritime Silk Road" – aim to re-awaken and establish regional integration in Asia, as well as propel economic globalization

<http://www.businessmedialive.co.za/china-making-its-mark-in-east-africa/>





## 2. CHINA – MAKING ITS MARK IN AFRICA

According to the largest public database of Chinese development finance in Africa, researchers claim that there are currently 3,030 active projects in Africa. China is clearly racing to deliver on commitments made in 2012, when then-president Hu Jintao offered US\$20 billion in loans to African countries, doubling its previous pledge. <http://china.aiddata.org>

But with the country fighting to stay on its high-growth lane, the 2015 Forum on China–Africa Cooperation that took place in December in South Africa was closely watched for how bad the malaise is. Ahead of that, using information from the database and other research, M&G Africa sought the biggest active development projects and deals between Africa and China, and which cost a minimum of US\$1 billion:

PROJECT	DESCRIPTION	AMOUNT (US\$)
Coastal Railway, Nigeria	In 2014 China Railway Construction Corp signed a deal worth nearly \$12 billion with Nigeria to build a railway along the West African nation’s coast—China’s largest single contract overseas. The coastal railway will stretch for 1,402km, linking Nigeria’s economic capital Lagos in the west with Calabar in the east <a href="http://mgafrica.com/article">http://mgafrica.com/article</a>	\$12 billion
Mini-City, South Africa	Chinese property group Shanghai Zendai <a href="#">is building</a> a \$7 billion mini city on the outskirts of Johannesburg in one of the largest real estate deals made by a Chinese company in South Africa. Chinese investor Shanghai Zendai heads the 1,600-hectare development called the Modderfontein New City project. When completed it is expected to become a mini city with more than 100,000 residents. According to the developer’s founder, the aim is to turn the mini metropolis into the “New York of Africa” <a href="http://mgafrica.com/article">http://mgafrica.com/article</a>	\$7 billion
Joint Venture between China International Fund and Guinea	On October 12, 2009, the China International Fund (CIF) signed an agreement with Guinea to create a holding company for investments in development projects. The project is worth \$7 billion. The deal granted Guinea a 25% stake in the newly created Guinea Development Corporation (GDC). CIF and Sonangol (a parastatal that oversees petroleum and natural gas production in Angola) would split the remaining stakes. CIF was given the rights to explore any unexploited Guinean mineral and energy resources. In return, CIF would use some of its revenue to fund infrastructural projects proposed by the Guinean government. All iron ore and associated minerals zones that cover 7,000 square km would now fall under Chinese control. In bauxite and alumina, over 10,000 square km have been attributed to GDC Mining, Oil & Gas in the Gaoual, Lélouma, Téliélé, Koundara and Labé regions. It was also reported the partnership would fund hydro power projects.	\$7 billion
Chad-Sudan Railway, Regional	In 2014, a \$5.6 billion agreement was signed between China Civil Engineering Construction Corporation and Chad’s Transport Minister for the construction of a 1,344-km railway network. The first phase will link Abéché to André on the border with Sudan, and Moundou to Ngaoundéré on the	\$5.6 billion



	border with Cameroon. The second phase will connect Moundou with N'Djamena and connected Chad's capital with border regions. The third phase will link Chad's capital with Abéché and the fourth phase will link Abéché with Nyala, Sudan.	
Cement Plants, Regional	In 2015, Dangote Cement signed contracts worth \$4.34 billion with China's Sinoma International Engineering Co. to build cement plants across Africa, as Nigeria's largest listed firm expands. The plants to be built in Cameroon, Ethiopia, Kenya, Mali, Niger, Nigeria, Senegal and Zambia, with another in Nepal, would add around 25 million tonnes to the company's existing capacity of around 45 million tonnes.	\$4.34 billion
Capital rebuilding deal, Republic of Congo	China has signed accords with Congo-Brazzaville to present them with \$1.225 billion to rebuild parts of Brazzaville that were destroyed by a deadly blast at a munitions depot in March 2012. The loan has a five-year grace period, twenty-year maturity, and 0.25% interest rate. Most of the funding will be used to rebuild areas flattened by the March 4 explosions in Mpila in the east of the city, \$68 million will go towards developing Congo's telecommunications network and another \$75 million has been earmarked for building a road in the north of the country.	\$1.23 billion
Mtwara-Dar Es Salaam Gas Pipeline, Tanzania	In 2012, Tanzanian Finance Minister, Dr. William Mgimwa, and the Deputy President of ExIm Bank, Mr. Li Jun, signed a loan agreement for \$1.2 billion with a 33-year maturity and 2% interest rate. The loan finances the natural gas pipeline linking Mtwara gas field to Dar es Salaam. Before accessing the finances, Tanzania signed a contract with three Chinese companies for construction in July of 2012. The lines are over 500km in length and will help boost power supply to the capital city.	\$1.03 billion
Thermal power deal, Zimbabwe	In July 2015, Zimbabwean company, PER Lusulu Power, signed a \$1.1 billion agreement with the China State Construction Engineering Corporation (CSCEC) to build a 600-megawatt thermal power plant, a move expected to ease power cuts in the country.	\$1.1 billion
Deep sea port, Cameroon	Cameroon signed a deal with the China Harbor Engineering Company Ltd for the country's only deep-sea port, which can accommodate the larger inter-continental trading ships. The contract value for the first phase was set at \$568 million, of which 85% was provided as a preferential loan from China's Export-Import Bank and 15% was paid by the Cameroonian government. Final construction costs were estimated to be \$1 billion.	\$1 billion
Kenya standard-gauge railway	In February 2015, work on the Kenya's biggest investment in railway infrastructure since it gained independence from Britain in 1963 <a href="#">began</a> . The Export-Import Bank of China is funding 90% of the \$3.8 billion railroad, which will connect Nairobi to Mombasa, East Africa's biggest port. It's scheduled to be completed by 2017 <a href="http://mgafrica.com/article">http://mgafrica.com/article</a>	\$3.4 billion



### 3. CHINA – SENEGAL INFRASTRUCTURE PROJECT:



On 31<sup>st</sup> December 2015, President Macky Sall announced that in 2016, the infrastructure work of the Express Regional Train (TER) Dakar - Diamniadio- Aibd, which is the first high-speed rail service of Senegal will start. The successful tenderer will be known next week while the works could start in next August or September. This will be the most expensive project ever implemented by APIX (Investment Promotion and Major Projects Agency) which falls under the presidency and the department of rail transport and rural development. The Chinese company China Railway Construction Corporation (CRCC) is the cheaper bidder for the excavations and laying of the tracks for the 36 km section of Dakar – Diamniadio. CRCC is charging 134 billion F CFA while the consortium comprising Eiffage France-Eiffage Senegal, CSE and Yapi (a Turkish company) is proposing 274 billion F CFA, which represents a difference of 140 billion F CFA. The train (TER) will serve 14 stations which construction awarded exclusively to Senegalese companies (according to a promise made by the Head of State) will cost 28 billion F CFA. The TER will transport up to 115,000 passengers per day and get them from Dakar to Blaise Diagne International Airport in less than 45 minutes. However, CRCC does not have a good press. Each year, CRCC is said to lay 1,000 km of tracks in China but it still has few shortcomings. In Algeria, the company is struggling to build the 1,216 km long East-West highway worth USD 11.4 billion (about 6,000 billion F CFA). The works that started in 2006 were supposed to be completed in 2009. In Mexico, the high-speed train project meant to link Mexico City to the industrial city of Queretaro estimated at USD 3.75 billion (more than 1,875 billion F CFA) was awarded to CRCC and other Mexican companies. The tender was cancelled in 2014 because of a financial scandal. In Senegal, CRCC is responsible for restoring the Dakar - Kidira section. Out of the 450 billion F CFA that the Dakar - Diamniadio – Aibd project will cost, European and/or Senegalese companies will get a share of more than 310 billion F CFA. With regard to the authorities, they promise full transparency in the final awarding of these contracts. Sixty companies have tendered, and we are waiting for next week to get the response.



#### 4. CHINA'S NEW PROJECTS IN MIDDLE EAST

Jordan and China on Thursday 10 September 2015 announced the signing of a number of investment agreements worth over \$7 billion. The agreements were signed on the sidelines of the 2015 China-Arab States Expo in Yinchuan, the capital of Ningxia Hui autonomous region, which was inaugurated Thursday in the presence of His Majesty King Abdullah, who opened the Jordanian pavilion.

The agreements include \$1.7 billion project to build Jordan's first oil shale-fired power plant in the Attarat area, in the south of the Kingdom, to produce around 900 megawatt of electricity.

The agreement, signed in Beijing on Wednesday in the presence of King Abdullah, stipulates that a consortium of Chinese companies and Jordan's Al Lajjun Oil Shale will build the power station in the Southern Governorate of Karak, according to Jordan Investment Board Commissioner Montaser Oqlah.

Another major agreement was a \$2.8 billion investment to construct the national railway network, in addition to an accord with China's giant Hanergy to build a 1,000 megawatt renewable energy power plant at a cost of nearly \$1 billion, Oqlah said.



*Al-Amal Psychiatric Hospital Project - Dubai-UAE*



## VII. GLOBAL FORUM ON CHINESE MNCs I

### GLOBAL FORUM ON CHINESE MNCs I

"Towards a Global Action Plan for Trade Union Building in Chinese MNCs"

30 November – 1 December 2015

**Protea Hotel Parktonian 120 De Korte Street, Braamfontein**

#### Summary

The BWI held its 1st Global Forum on Chinese MNCs in the same week as the China-Africa Cooperation Summit to send a clear message that Decent Work should be a central element in economic relations and undertakings.

China Africa Forum Cooperation has come and gone with many Rosy promises committed by China to Africa.

China has indeed committed 60 Billion US Dollars of funding support to Africa. While both sides agreed to upgrade the new type of strategic partnership to comprehensive strategic and cooperative partnership and promote a comprehensive upgrading of the China Africa friendly and mutual beneficial cooperation;

China is now Africa's largest trading partner as trade value rose from about US\$10 billion in 2000 to more than US\$198 billion in 2012 and it was projected to have reached US\$220 billion last year. It was discussed also that six out of the Top 10 Global Contractors are Chinese, whom the BWI affiliates have encountered them from Fiji to Ghana, from Pakistan to Ecuador, and from Namibia to Zambia from, Kazakhstan to Zimbabwe.

#### What does this mean for the workers and working poor?

The global picture of workers' rights in Chinese MNCs remains a challenge as was highlighted by BWI affiliates from Africa, Middle East, Asia-Pacific, Europe, BWI partners and international organisations such as ILO, International Rivers and South African Trade Union Federations who share experiences during the 1st Global Chinese MNCs Conference that BWI and its affiliates have scores of engagement with Chinese MNCs amongst others, have some victories having won issues, solved problems and disputes, and even signing collective bargaining agreements with a few companies. However, we have mainly a picture of "decent work deficits" where workers' rights are violated, where social security is not covered, limited skills is transferred, health and safety standards are ignored, unions are busted, and national labour laws are violated.

BWI and its affiliates call on China and Africa Leadership take decent work and workers' rights as a central element of its decisions and agreements. BWI asserts that there should be no "exploitation of workers for development".



## BWI GLOBAL FORUM ON CHINESE MNCS I -



### REPORT



As a side event toward the "Forum on China - Africa Cooperation (FOCAC) Meeting to be held in Johannesburg, South Africa on 04 – 05 December 2015, BWI Africa & Middle East Region hosted the first BWI Global Forum on Chinese MNCs at Parktonian Hotel in Braamfontein on 30 November – 01 December 2015 under the theme: "Towards a Global Action Plan for Trade Union Building in Chinese MNCs".

The Forum gathered together 40 participants from 22 countries representing unions in BWI sectors from Africa and MENA, Asia and Pacific, Europe, BWI Staff from Geneva and the Region and representatives of Industrial, South Africa trade unions Federations leaders from COSATU, NACTU and FEDUSA, Labour Experts from ILO, NGO policy and strategy makers like International Rivers and Labour partners.

#### **The objectives of the Forum were:**

1. Participants have comparative knowledge of the operations and trade union situation in Chinese MNCs around the world.
2. Public is informed about the challenges and other issues and concerns related to workers in Chinese MNCs as South Africa hosts the Forum on China and Africa Cooperation (FOCAC) Summit.
3. BWI has evaluated its work on Chinese MNCs and have formulated a global strategic plan for organising and engagement.

#### **Opening remarks and introduction**

The opening ceremony of the Forum started at 9:20 and was led by Piet Matosa President of AFRECO and the President of the BWI Working Group on Chinese's MNCS and moderated by Crecentia Mofokeng BWI Regional Representative for Africa and Middle East.

The first speaker, Narius Moloto General Secretary of NACTU representing BWI affiliates in South Africa has given warm greetings to all participants on behalf of the Labour movement of South Africa. He highlighted the importance of the subject of the gathering for the workers not only in Africa but also for the rest of the world. He stated that Labour movement should not compromise when the workers' rights are violated be it by a local company or any other MNC. He ended by observing that the friendship between China and African countries should not be at the disadvantage of workers.





In his opening remarks the BWI Working Group on Chinese MNCs President Piet Matosa acknowledged the presence of distinguish personalities at the first global forum on Chinese' MNCs before relating the history of China MNCs engagement in BWI.

When Africa started experiencing the struggles against Chinese Multinational Companies and put the issue on the agenda of BWI World Council, we thought it was only in Africa we were facing challenges in tackling the Chinese Multinational Companies. He said this gathering alone will tell anyone that tackling Chinese multinational companies has become a global agenda; there are issues everywhere in the Globe because Chinese MNCs are winning the bids of major infrastructure projects globally.

For Piet Matosa, as we gather in South Africa a week before the start of FOCAC, BWI want to send a clear message to African governments that as they deal with China, Decent Work and workers' rights must be top list of the agenda of the FOCAC 2015 discussions.

In wishing lively discussions and deliberations during the two days, the president funded a hope that participants will exchange best practices from different countries and will develop an action oriented Global Strategic Plan in Organizing Chinese Multinational Companies, whose results will be reviewed in the Global Congress of BWI in 2017, in Durban. After these few remarks he declared the BWI Global Forum on Chinese Multinational Companies opened.

After the opening session Crecentia Mofokeng introduced the agenda of the Forum to the participants with focus on the main objectives and expected results

### **Panel 1: Chinese Multinationals as Economic and Labour Relations Actor: Potentials and Challenges**

The first panel of the Forum was the most technical one where Labour experts from ILO and relevant specialists from International Rivers and BWI, have taken participants through existing instruments, statistics and policy and strategies developed by ILO, NGO and BWI to help the trade unions at Global, regional and national levels to tackle the challenges caused by China Investment in Africa and the rest of the globe.

Ms. Inviolata Chinyangarara, Senior Specialist: Workers' Activities ILO/ Decent Work Team presented the on **Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNEs Declaration): Relevance, Challenges and Prospects for its FULL Application in Chinese MNEs and Supply Chains**

Through this topic Inviolata outlined 5 important issues that are important for trade unions when they need to engage Chinese MNCs:

- the rise of Chinese investment globally and in Africa;
- ILO MNEs Declaration, International Labour Standards (ILS) and Decent Work Agenda
- ILS Ratifications for China and the 2008 Labour Laws in China
- Chinese MNEs Modus Operandi
- How BWI affiliates can use the MNEs Declaration at Global, Regional, National, and Enterprise levels

Inviolata ended her presentation by prosing concrete action point that BWI and affiliates should undertake at global, regional, national and enterprise level.



The second speakers of Panel 1 Rudo Sanyanga Africa Program Director from International Rivers shared the **Lessons for Policy- Chinese-financed investments in Africa.**

Rudo started by introducing International Rivers that was formed in 1985 with objectives

- To protect rivers and communities that depend on them
- to campaign against destructive dams and promote water and energy solutions for a just and sustainable world

She then observes that Chinese companies and banks are global dam builders: Nature of projects tend to be concentrated in petroleum, mineral extraction, large infrastructure such as hydro dams and agriculture.

Chinese dam-building companies now have as much as 50-60% of the world's dam-building market. Over 300 projects in 70 countries; South-East Asia, South Asia (primarily Pakistan and Nepal), Africa (40), Latin America and Eastern Europe.

**Problems:** Projects associated with environmental degradation and social conflicts (mainly rights and working conditions).

After some findings of benchmarking study and some lessons learnt from dam projects Rudo Sanyanga ended her communication with some policy recommendations that could help governments and Civil Society organizations like trade unions to jugulate the damage of China investment on the environment, workers and communities.

Jin Sook Lee the BWI Global Campaign Director presented the **BWI Global Campaign on Workers' Rights in Chinese MNCs.**

She started by highlighting that:

- The Global Economic Powers Projections from 2010 to 2050 where China is always ranked number one or number two,
- The Global Outlook for Construction, which shows that construction industry is expected to grow from US dollars 7.2 trillion in 2012 to 10 trillion by 2020
- The Largest Construction Market in 2020 where China is leading the 15<sup>th</sup> largest construction markets by 21% followed by the USA with 15% and 7% for India
- The Contribution to Global Construction Growth also lead by China with 28% ahead of USA with 16% and 10% for India
- In the Top 11 Construction Companies for 2015, 6 are Chinese including the top 3.

The BWI Global Campaign Director has then stated how fare BWI is in organizing Chinese MNC.

BWI way on organizing Chinese MNCs has 6 steps:

1. Initially I step led by the Africa and MENA Region.
2. Key area of discussion at the BWI Global MNC Conference in Madrid (October 2011)
3. Global Chinese Mapping
  - Publication: Great Leap Forward
  - Research on Case Studies
4. Resolution at the BWI World Congress (December, 2103 in Bangkok)
5. Ad Hoc Working Group on Chinese MNC
6. Development of Sino hydro Campaign

**Panel 2: The Role of South African Federations in ensuring Chinese MNCs Respect Workers' Rights**



In panel 2 moderated by Jeremias Timana from SINTICIM Mozambique, representatives from South Africa trade union federation COSATU, NACTU and FEDUSA have shown their role and contribution in ensuring the respect of workers' rights independently of the origin of MNCs.

The 3 federations recognized that organizing in Chinese is challenging for their industrial unions members but the fight should not be focused only in Chinese.

Joseph Maqhekeni, President of NACTU shared the experience of his federation who attended to high level discussions and meetings with the government of South Africa on the issue on Chinese MNCs. He also represented South Africa Labour in the BRICS meeting where unions are engaging their governments to ensure better working conditions while signing any agreement with any partner.

As representatives of the only BRICS country from Africa participants to the Forum exhorted South Africa trade unions' Federations to play a key role for the protection of workers' rights in MNCs originate from BRICS countries.

Before going to Lunch a group photograph was made for posterity

### **Panel 3: BWI and Chinese MNCs around the Africa**

The third panel of day after Lunch was a talk-show moderated by the BWI Education Secretary with participation of experienced trade union leaders from Zimbabwe, Ghana, Uganda and Namibia.

From this session it is evident that despite the challenges BWI affiliates have been able to organize around 30 Chinese MNCs in Ghana with company level and national level agreements signed, 7 MNCs organized in Namibia with CBA under negotiation, 18 MNCs organized in Uganda with 1 CBA with Sino hydro. 20 MNCs operating in Ethiopia with 3 CBAs signed in the Cement sector. At least 1 MNC is organized in Nigeria, Kenya, Tanzania, Zimbabwe, Mozambique and Togo

Organizing strategies differ from one country to another and CBAs contents are related to:

- Freedom of association
- OHS issues
- Wages
- Working conditions
- Social protection
- Working Hours
- Transport
- Lunches bonus

### **Panel 4: BWI and Chinese MNCs in Europe and Asia and Latin America**

The last panel of the day moderated by Joe Macharia from Kenya Building has shown that organizing in Chinese MNCs is not challenging for only Africa and Middle East trade unions but also for all BWI affiliates in others regions.

From Europe region, Pavel Trendafilov President of TUCEICMPRM Macedonia share the experience of his union which is the first one in Europe to sign a MOU with a Sino hydro a Chinese MNC. Despite the challenges the union has pushed to get this MOU in a sub region where all eastern European government have been invited by Chinese President to China for investment opportunities.



The Chinese MNCs have bad practices like bringing expatriate labour force where local can do the job. The experiences were all most similar to the situation in some African countries.

Edward Miller reporting for Asia - Pacific Region highlighted the emergence of Chinese investment in the region which taking other the traditional western development.

The comparative survey with tradition financial institutions confirmed the statistics and projections presented by Jin Sook in the Morning about Chine role in the Global Construction market.

In absentia of representative of Latin America, the BWI Education secretary Tos Añonuevo shared the experience of Latin America in the panel with increasing Chinese investment in the Infrastructure and Energy sectors.

The main observations after discussion is that there are similarities in the challenges and organizing experiences in all the regions. There is a need to find together best policies and strategy to engage Chinese MNCs at all levels. Projections have shown that influence in our sector is increasing so trade unions need to find news strategies to face the new situation.

The Second day of the forum was a strategic session on sub regional achievements and way forward for Chinese MNCs at Global, Regional, National and Company levels. The results for the achievements are tabulated on the next page while those on **BWI Global Action Plan on Chinese MNCs** follow 2016 results.



*Participants at the Global Forum on Chinese MNCs*

**Section 4: PROJECT ACTIVITIES****Global Forum on Chinese MNCs**

"Towards a Global Action Plan for Trade Union Buildings in Chinese MNCs"

November 30 to December 1, 2015

Strategic Planning Session (Sub-Regional Break Out Groups)

**REGION: AFRICA****Baseline Survey****A. Baseline by Country**

Country	Name of Union	Number of Companies Organised	Total Number of Members in MNCs	Number of CBAs or any Agreements Signed (Indicate if National, Sectoral or PLA)	Number of Strikes Held
1. Namibia	MANWU	7	1.605	1x construction Sector 2x PLA	8
2. Mozambique	SINTICIM	5	1.599	NA	3
3. South Africa	CEPPWAWU	1	200	NA	0
4. Zimbabwe	ZCATWU	8	1.371	2x National CBA	2
5. Zambia	NUBEGW	6	1.850	5 x CBA National 1 CBA Sectoral	1
6. Kenya	Kenya Building	24	13.000	9	30
7. Tanzania	TUICO	8	769	2	1
8. Uganda	Uganda Building	18	4.850	2	1



<b>9. Ethiopia</b>	Ethiopia Construction	6	1.025	3	1
<b>10. Togo</b>	FTBC	2	408	2	2
<b>11. Ghana</b>	CBMWU	30	1.482	30	0
<b>12. Nigeria</b>	NUCECFWW	7	17.735	3	1
<b>TOTAL</b>		<b>122</b>	<b>45.894</b>	<b>62</b>	<b>50</b>

**B. Baseline of Top Companies as Target**

Company	Sub-Region/ Country	Number of Total Workforce	Number of Workers Organized	Number of CBAs	Workers' Rights Violations and other Persistent Labour Issues
<b>China State Construction Engineering</b>	Namibia	240	232	1	
	Kenya	3.000	1.500	1	
	Ghana	365	365	1	
<b>China Communication Construction</b>	Namibia	150	32	1	None Compliance with the National Construction Agreements and Standards, OHS Violations, Long hours of work, Disregard of skills of the Local workers. No skills transfer.
	East Africa	5.460	1.700	1	
<b>China Railway Group</b>	Kenya & Ethiopia	3.200	890	1	
	Ghana	456	456	1	
<b>China Railway Construction</b>					
<b>Metallurgical Corporation of China</b>	Ethiopia	500	0	0	



<b>Sino hydro Group</b>	Zimbabwe, Zambia,	429	229	2 Nat	Low Wages, OHS Violations, Long hours of work, Sexual Harassment,  Disregard of skills of the Local workers. No skills transfer.
		1.740	351	1 Comp	
	Namibia	800	730	1Nat, 1 PLA, 2	
	East Africa	8.900	3.382	East Africa, 1	
	Ghana	250	250	Ghana	
<b>China Road and Bridge Corporation</b>	Mozambique	950	700	In Process	Low Wages, OHS Violations, Long hours of work, Disregard of skills of the Local workers.
	East Africa	8.900	6.500	2 in East Africa	

### Way Forward

As we look towards the 4<sup>th</sup> BWI World Congress that will be held in December, 2017 in South Africa, the envisaged next steps (actions, initiatives, or activities) of BWI and its affiliates' engagement towards Chinese Multinational construction companies at the following levels:

Levels	Organising	Negotiating	Influencing	Others
<b>National</b>	National centres to conduct research, coordinate, strategize and the affiliate's implements.	-Use the tripartite structures.	Campaigns inclusive of all stakeholders.	Forming Alliances with different stakeholders such as the civil societies.  Solidarity among stakeholders.
<b>Sub-Regional</b>	Sub-regional bodies and GUFs should support- Capacity building activities that will promote organizing in Chinese	Mandate Sub-regional bodies on advancing our positions as a	Lobby with sub-regional bodies to advance our position on Chinese MNCs.	



	<p>MNCs.</p> <p>Networking and sharing of best practices among affiliates and across the different sectors.</p>	<p>sub-region on Chinese MNCs.</p>	<p>-Mandate South Africa (as a member of BRICS) to advance our position on Chinese MNCs.</p>	
<b>Regional</b>	<p>Regional bodies, ILO and GUFs should support- Capacity building activities that will promote organizing in Chinese MNCs.</p> <p>Networking and sharing of best practices among affiliates and across the different sectors.</p>	<p>Mandate Regional bodies on advancing our positions as a sub-region on Chinese MNCs.</p>	<p>Lobby with Regional bodies to advance our position on Chinese MNCs.</p>	<p>Annual Chinese MNCs Network</p>
<b>Global</b>	<p>GUFs should support- Capacity building activities that will promote organizing in Chinese MNCs.</p> <p>Networking and sharing of best practices among affiliates and across the different sectors.</p>	<p>Mandate Global bodies on advancing our positions as a sub-region on Chinese MNCs.</p>	<p>-Raise awareness.</p> <p>- Lobby with Global bodies such as ITUC OECD, ILO, G20 and BRICS to advance our position on Chinese MNCs.</p>	





**REGION: ASIA PACIFIC**

**Baseline Survey**

**C. Baseline by Country**

Country	Name of Union	Number of Companies Organised	Total Number of Members in MNCs	Number of CBAs or any Agreements Signed (Indicate if National, Sectoral or PLA)	Number of Strikes Held
13. Pakistan	PFBWW/ALU	1 – Sinohydro	1700, approximately one third of the workforce	1	1, with another proposed but cancelled after demands met
14. Cambodia	BWTUC	1 – China HydroLancang			
15. Fiji	CETWU	1 – Sinohydro			

**D. Baseline of Top Companies as Target**

Company	Sub-Region/ Country	Number of Total Workforce	Number of Workers Organized	Number of CBAs	Workers’ Rights Violations and other Persistent Labour Issues
China State Construction Engineering					
China Communication Construction					
China Railway Group					



<b>China Railway Construction</b>					
<b>Metallurgical Corporation of China</b>					
<b>Sinohydro Group</b>	- Pakistan	~5000	1700	1	<ul style="list-style-type: none"> <li>▶ Non-payment of minimum wage</li> <li>▶ Non-payment of overtime pay (improper computation of overtime and holiday pays)</li> <li>▶ No provisions for health and safety</li> <li>▶ No welfare facilities (drinking water, rest areas, latrines, prayer rooms) or transport service (most recent for night shift worker)</li> <li>▶ Harassment of union members and leaders</li> <li>▶ Termination of ALU members without valid cause or due process</li> </ul>
	- Fiji	Project now completed			

**Way Forward**

As we look towards the 4<sup>th</sup> BWI World Congress that will be held in December 2017 in South Africa, the envisaged next steps (actions, initiatives or activities) of BWI and its affiliates’ engagement towards Chinese Multinational construction companies at the following levels:

Levels	Organising	Negotiating	Influencing	Others
<b>National</b>				
<b>Sub-Regional</b>				
<b>Regional</b>			Use global affiliates in shareholding countries of Asia Infrastructure Investment Bank to push for accountability policies and mechanisms tantamount to existing ILO and World Bank standards (see other document)	Fully map impact of Chinese MNCs in Asia
<b>Global</b>				



**SUB-REGION: SOUTH EAST EUROPE (MACEDONIA)**

**Baseline Survey**

**E. Baseline by Country**

Country	Name of Union	Number of Companies Organised	Total Number of Members in MNCs	Number of CBAs or any Agreements Signed (Indicate if National, Sectoral or PLA)	Number of Strikes Held
<b>16. Macedonia 2 Highways and announcement of two new projects in 2016</b>	SGIP	None, but ongoing organising drive of main contractor and in 3 out of five subcontractors workers are organised	Target 150 in Sino hydro, but not organised yet.  Out of 1.800 workers employed at subcontractor 1.500 union members  5 Chinese MNCs are expected to get new contracts	MoU with Main contractor and 5 subcontractors  CBAs signed with 2 sub-contracting companies (GIM and Beton – coverage of 1.300, but 600 workers directly working in the project)	none
<b>17. Montenegro (Highway Bar – Boljare)</b>	SGIGMCG	None, works started in May 2015	Outreach to workers started	None, but Union in discussion with the Government and initiated meeting with CCCC and CRBC	none
<b>18. Serbia Ljig – Kraljevo-Uzice</b>	SGIGM, ATURMW	Works started in 2014	None, But some subcontractors	None But some subcontractors	



**F. Baseline of Top Companies as Target**

Company	Sub-Region/ Country	Number of Total Workforce	Number of Workers Organized	Number of CBAs	Workers' rights Violations and other Persistent Labour Issues
China State Construction Engineering					
China Communication Construction	CCCC Montenegro				
China Railway Group					
China Railway Construction					
Metallurgical Corporation of China					
Sinohydro Group	Macedonia				
China Road and Bridge Corporation	CRBC Montenegro				
Shandong Hi-Speed Group	Serbia				

**Way Forward**

As we look towards the 4<sup>th</sup> BWI World Congress that will be held in December, 2017 in South Africa, the envisaged next steps (actions, initiatives, or activities) of BWI and its affiliates' engagement towards Chinese Multinational construction companies at the following levels:

Levels	Organising	Negotiating	Influencing	Others
<b>National</b>	Recruitment of workers at Sino hydro and 2 subcontractors (one from Macedonia and one	Initiate process of collective bargaining with	Influence policies on procurement and bilateral agreements with Chinese	Continuation of training on OHS in the project and workers education on their rights, as well as



	from Albania	Sino hydro	investors and MNCs	information dissemination
Sub-Regional	Promotion of positive experiences in organising Chinese MNCs through BWI – networking (first step, support to the SGIGMCG in Montenegro)	Sharing of information and experiences on good practices on application of national legislation and CBAs by Chinese MNCs – exchanging CBAs	Joint approach of all SEE Unions towards their governments on social and labour rights protection and inclusion in Chinese investments – procurement, transparency, inclusion of local construction companies with CBAs and union representation	Joint Action Day on realisation of workers’ rights in Chinese investments – same workers’ rights in different countries
Regional	Developing a data base on union gains for the whole region in the Chinese MNCs that is available to all BWI affiliates	The BWI should stimulate selected Chinese MNCs to negotiate CBA or/and other agreements that would lead to union recognition	The BWI should approach the governments in Europe, where needed, to include workers’ rights in Chinese investments and MNCs	
Global	Creation of Organisers network in Chinese MNCs	Initiate Framework Agreements with selected Chinese MNCs	Initiate dialogue with the Chinese Government on workers’ rights in Chinese MNCs	



**STATISTICAL ANALYSIS FOR MEMBERSHIP AND COLLECTIVE BARGAINING AGREEMENTS IN 2016**

**ORGANISED WORKERS AND CBAs IN CHINESE MNCS: AFRICA REGION**

**Baseline Survey**

**G. Baseline by Country**

Country	Name of Union	Number of Companies Organised	Total Number of Members in MNCs	Number of CBAs or any Agreements Signed (Indicate if National, Sectoral or PLA)	Number of Strikes Held
19.Namibia	MANWU	5	383	1x National Construction Sector 2x Plant Level Agreements	8
20.Mozambique	SINTICIM	4	863	NA	3
21.Zimbabwe	CLAWUZ	1	190	1x National CBA	0
22.Zimbabwe	ZCATWU	14	893	3x National CBA	2
23.Zambia	NUBEGW	10	910	Sectoral Level CBA 2 CBA Company Level	1
24.Kenya	Kenya Building	16	13.637	14	30
25.Tanzania	TUICO	12	1.091	3 CBAs and 4 Recognition Agreements	5
26.Uganda	Uganda Building	18	4.850	2	1
27.Ethiopia	Ethiopia Construction	6	1.025	3	1



<b>28.Togo</b>	FTBC	5	636	3	8
<b>29.Ghana</b>	CBMWU	30	1.482	30	5
<b>30.Nigeria</b>	NUCECFWW	8	4.150	6	2
<b>31.Nigeria</b>	CCESSA	8	90	1x National CBA 1x Sectoral CBA	
<b>TOTAL</b>		<b>137</b>	<b>30.200</b>	<b>74</b>	<b>66</b>

### ANALYSIS OF MEMBERSHIP AND CBAs FOR 2016

As we look towards the 4<sup>th</sup> BWI World Congress that will be held in December, 2017 in South Africa, the envisaged next steps (actions, initiatives, or activities) of BWI and its affiliates' engagement towards Chinese Multinational construction companies at the following levels:

While unions have reduced membership in 2016 compared to 2015, they can be recommended for increasing the number of CBAs and the strikes that were carried out. However, the closure or completion of projects in some areas is a reason why membership decreased. On the other hand, the situation has also been made worse by splits in the trade union movement with numerous splinter unions being formed. The petty, personal differences and disputes among trade union leaders with competing trade union federations, unable to unite.



# VIII. BWI GLOBAL ACTION PLAN ON CHINESE MNCs



## BWI Strategic Plan 2014-2017

Chinese MNCs is a major focus for BWI in 2016. In the BWI Strategic Plan it is part of the on Organizing workers in MNCs and Organizing workers in Infrastructure projects which are within the pillar of Unions



Unions	Jobs	Rights
<ul style="list-style-type: none"> <li>• Organizing workers in MNC</li> <li>• Organizing workers in Infrastructure projects</li> <li>• Promoting Forest Certification</li> <li>• Global Sports Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Safety and Health</li> <li>• Campaigning against Precarious Work</li> <li>• Combating illegal logging</li> </ul>	<ul style="list-style-type: none"> <li>• Campaign to defend Trade Union Rights</li> <li>• Global Campaign for migrant workers rights</li> <li>• Promoting gender equality and youth employment.</li> </ul>

## Major 2016 Actions and Activities



1. Implementation of Strategic Plan from 1<sup>st</sup> Global Forum on Chinese MNCs.
2. Establish a Sinohydro Corporate Network.
3. Follow-up actions in Pakistan (Tarbela Dam project)...i.e. ILO complaint.
4. “China Watch” launched globally.
5. Develop case studies highlighting labour rights violations to media.





## 2016 Expected Results and Outputs



1. 10,000 new members organized from organizing workers at Chinese MNCs
2. Established engagement with Chinese MNCs at the global level.
3. Global corporate campaign against Sino Hydro has gained momentum.
4. Chinese MNCs labour practices exposed in mainstream media.



## Global Forum Output



### National Level:

#### Organizing:

- Develop and implement organizing campaigns targeting Chinese MNCs
- Develop and implement public-media campaigns focused on Chinese MNCs.
- Conduct trainings to develop organizers, campaigners, researchers, and other resource people.

#### Negotiation:

- Negotiate CBAs or bilateral agreements with Chinese MNCs.
- Monitor compliance of CBAs and other agreements.
- Conduct trainings for negotiations.
- Advocate Chinese MNCs to be part of national bargaining councils or employers' associations.





### Influencing Policy:

- Engage and advocate government bodies for enforcement of national labour laws and OHS standards.
- Partner with national centers to advocate for labour clauses in trade agreements and other bilateral agreements with China.
- Partner with national centers to push national governments to ensure Chinese MNCs comply with national labour laws.
- National media strategy to highlight case studies of Chinese companies operating nationally.
- Advocate national government to include trade unions in the procurement process.
- Develop relationships with other stakeholders concerned with Chinese MNC operations.

## Global Forum Output

### Sub-regional and Regional Level



#### Organizing

- Exchange information of organizing strategies.
- Develop-sub regional and regional networks.
- Conduct Sub-regional and regional mappings.
- Create database of Chinese MNC operations at the sub-regional and regional level

#### Negotiating

- Exchange of CBA and other relevant documents.
- Develop strategies for sub-regional and regional negotiations.

#### Influencing Policy

- Engage sub-regional and regional trade union forums and structures.

**Note: The Regional Office should facilitate sub-regional cooperation and coordinate regional activities.**



## Global Level

### Organizing

- Support BWI affiliates to develop their capacity to organize and provide trainings if necessary.
- Consolidate BWI's organizing initiatives at the global level.
- Update global research and mappings.
- Develop public-media global campaign highlighting BWI's work as well as violations of Chinese MNCs.
- Develop a global database of Chinese MNC operations.

### Negotiating

- Compile and consolidate CBAs at the global level and develop model CBAs.
- Engage CHINA and explore a possible Memorandum of Understanding with BWI.
- Engage Chinese companies and explore IFA with BWI.
- Engage and explore IFA with China Banks and Investments institutions.



### Influencing Policy

- Engage international institutions (ILO, UN, CHINCA, World Bank, OECD, FOCAC, etc.)
- Engage the BRICS Labour Forum
- Explore engagement with international environmental and development groups.
- Review and assess bilateral and regional agreements between China and a single county or group of countries.
- As part of inside China Strategy explore Mission to China
- Establish a global "China Watch"



## IX. MILESTONES: FROM ABUJA TO TANZANIA

### MULTINATIONAL COMPANIES IN BWI SECTORS IN AFRICA & MIDDLE EAST

One of the major events held in Abuja on the 4 – 5 September 2012 was a pre-conference on Multinational Companies officiated by Honourable Ameka Nyungo Minister of Labour and employment in his opening address highlighted some of the challenges the labour market is facing as a result of globalization and need to continue to strengthen social dialogue with all social partners including unions in search of solutions.

The Country Representative of FES Tomas Mattig also joined the Minister to welcomed delegates to Abuja on behalf of FES as the funders of the Conference, in his address he highlighted the role of FES in promoting Social Justice, peace and democracy around the world and the partnership they have with the different social partners including labour movement.

The Conference looked at the situation in Nigeria where BWI affiliates and other Social partners including Multinational Companies shared the Nigerian experience in particularly how social dialogue is carried out.

The Conference special focus was on MNCs from China who are active in the region, the guest speaker for this discussion was Monina Wong from ITUC Hongkong office. Monina presentation focused on highlighting findings and lessons learned from the study commissioned by Global Unions on the operations and ownership of Chinese companies active in the region and she went on to recommend possible strategies to organise and engage these companies.

Justina Jonas from MANWU shared the Namibian experience on organising and campaigning for legislation compliance by Chinese companies. Pius Quinoo shared Ghana experience on organising and concluding collective bargaining agreement with Chinese .

Oloka Mesilamu also share the experience from Uganda where unions have been able to organise, engage and established links with unions and Mother companies of Chinese companies active in Uganda.

**BWI Africa & Middle East Regional Conference in Nigeria 2012 adopted the following:**

#### **Organizing and Campaigning:**

1. Trade union organisers should learn the **Chinese language (Mandarin)** to ensure that they can engage Chinese workers, site management and employers.
2. Trade unions should actively **recruit Chinese workers** as members of the union and defend their rights as migrant workers.
3. Unions should also establish **bilaterals** between different countries to share organising experiences in an effort to generalise gains made.
4. Affiliates should embark on **aggressive national campaigns** in organising Chinese Multinationals.
5. **Alliance formation** with environmental organisations and communities affected by projects to ensure compliance.
6. Actively **file complaints to Chinese Embassy** on non-compliance and corruption.



7. Establish relations with independent Chinese unions/workers to share experiences about how they organise strikes and defend workers' rights.

#### Research:

8. BWI should continue its work on mapping Chinese MNC's and case study research including follow up research to ensure adequate monitoring of progress.

#### Collective Bargaining:

9. Affiliates should review the minimum wage and basic conditions of employment to reflect the issues of women, youth and the general standards contained therein.
10. Continue vigorous negotiations with Chinese MNC's for recognition and CBA's.

#### Influencing Policy:

11. Affiliates should **engage labour ministries** and **labour inspectorate** to ensure compliance and TU's should **initiate stakeholder dialogue** of all the parties at national level.
12. Use Africa-wide structures such as the Organisation of African Trade Union Unity (OATUU) and the African Union (AU) as another lever to engage African heads of state to pressure transformation of labour relations ahead of Forum of China-Africa Cooperation (FOCAC) in 2015.
13. BWI and affiliates should engage the Chinese regulatory body - **State Assets Supervision and Administration Commission of the State Council (SASAC)** which is delegated by the State Council as the main body to regulate the administration of the Construction Enterprises (CE's); and the Ministry of Commerce (MoFCOM) to look at labour, social and environmental clauses/standards and compliance.
14. BWI and its affiliates should open dialogue with the **Chinese International Contractors Association (CHINCA)** including individual MNC HQ's to register grievances and establish relations. The strategic goal is to ensure an **International Framework Agreement (IFA)** in the long term with Chinese MNC's.
15. BWI should proactively but "cautiously" engage the **All-China Federation of Trade Unions (ACFTU)** to support our cause for labour law compliance, exchange information and support our demand for an IFA.



**In Dar es Salaam, Tanzania 19 – 20 August 2014 BWI Africa & Middle East Regional Seminar on Organizing and Engaging Chinese Multinational Companies in Africa and the Middle East Region Adopted the following:**

1. Organise all workers in Chinese MNCs irrespective of their gender, colour and country of origin
2. Negotiate 50 CBAs covering 25 000 members
3. Develop a regional campaign to target the anti-worker and anti-trade union practices and behaviour of Chinese MNCs in Africa and Middle East
4. Dialogue with our governments on worker friendly procurement agreements
5. Training and develop members on their rights
6. Lobby our governments to ensure that the Chinese investment help reduce poverty and unemployment and ensure economic development that benefits for all workers in Africa and Middle East
7. Lobby for the use and respect of ILO MNE declaration
8. Push for an International Framework Agreement with Chinese entity
9. Develop a strong Network on Chinese MNCs in the sub-region and region in Africa and Middle East
10. Call on BWI develop an accessible data base on Chinese MNCs
11. Call on BWI to mobilize financial and technical resources to ensure success of our programme





## X. GLOBAL OVERVIEW & CONTEXT ON CHINESE MNCs



### **On Chinese MNCs**

*In many countries throughout the world, Chinese MNCs are now among the major employers, undertaking large-scale infrastructure and other construction-related projects. Efforts to organize and negotiate collective bargaining agreements have been taken and so far unions have experienced many difficulties. While BWI has knowledge and experience in working with European multinational companies (MNCs), the Chinese MNCs is a different challenge for a number of reasons. With no tradition of social dialogue, the BWI cannot draw on the support and experience of its affiliate in the home country of the MNC and there are no International Framework Agreements. In most infrastructure projects where Chinese banks are providing financing and Multilateral Development Banks are not involved, their procurement guidelines do not directly apply*

*The Central State-owned Enterprises (known as Central Enterprise or CEs) and the Strategic State-owned Enterprises (SOEs) are subject to more comprehensive regulatory mechanisms whereas the private enterprises are not. The dominant Chinese construction companies are all Central State-owned Enterprise (CEs) under the control of the State Assets Supervision and Administration Commission (SASAC). The Communist Party of China (CPC) is the only political party that rules China. The State is subordinate to the political leadership of the Party although they operate in separate structures. This applies to the structure of the state-owned and public sector, as well as the party organizations including the mass organizations, the All China Federation of Trade Union (ACFTU), which are governed by the “dual leadership” of the upper administrative body, and the Committee of the CPC (CCPC) of the same level. Cross-employment of the CCPC members in the governing bodies of the SOEs and CEs, e.g. in the Board of Directors (BOD), Board of Supervisors, and in the trade unions further ensures the party’s political control.*

*With this structure, it means the decisions made by the BOD and the CEO, to invest in a project or to cooperate with an international trade union etc., are not purely economic decisions but need to consider the social and political implications.*

*It is important to understand the different levels of concerns of the Party and the State in promoting the globalization of Chinese MNCs. It is also important to identify the interests in terms of corporate regulations that are common to the international trade unions and the domestic needs of the Party and the State.*

### **On Labor Standards**

*There’s no indication that Chinese government plans to ratify the ILO Conventions 87 and 98. It ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 1997 with reservation on the provision on freedom of association. Freedom of association is written in the Chinese Constitution with the clause on the right to strike taken away in the amendment in 1982. The CPC, and the ACFTU following it, has always made it clear that it will walk its own way of Chinese Socialism not copying western-styled democracy and trade unionism.*

*The Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs and the All-China Federation of Industry and Commerce issued Guidelines for the Management of Employees of Overseas Chinese-funded Enterprises. While these guidelines are not mandatory, it is a first step towards labor administration regulation, in what has been previously described as a blank page. The guidelines are applicable to all Chinese companies investing abroad and to all workers, including both Chinese nationals and local workers, or workers of another nationality. “Obligations of Chinese Companies: Article 3 Chinese companies should study and strictly abide by the labor laws of China and the project country.*

*In 2003, the State Council released China’s first Environmental Impact Assessment Law, concerning large-scale infrastructure projects in China. Both China Exim and the CDB issued environmental and social impact guidelines in 2007. “Banking institutions shall strengthen the environmental and social risk management for overseas projects to which credit will be granted and make sure project sponsors abide by applicable laws and regulations on environmental protection, land, health, safety, etc. of the*



country or jurisdiction where the project is located". China Exim is active in regional financing partnerships with the Asian and African Development Banks and the World Bank, and as a consequence may need to review its standards in order to align them further to those of the other multilateral banks. In some projects that are financed by the International Finance Corporation (IFC), Chinese MNCs have to comply with its Performance Standards.

The national trade association of international contracting, labor contracting and engineering investment companies called CHINCA issue a Guide on Social Responsibility for the Chinese International Contracting Industry in 2010 which provides a broad set of principles but does not refer to Chinese national laws, the project country laws or international standards of the ILO. It states: Employee Communication and Participation: employer-employee negotiation mechanism in accordance with local laws and practices; two-way communications."

#### **On ACFTU**

ACFTU is an integral part of the Party and the State and therefore not independent. Trade union leaders are not democratically elected by workers and in most cases, trade union representatives are handpicked and often a management staff or a party secretary.

ACFTU, and the trade union of the CEs and SOEs have been silent on the labor issues regarding Chinese investments. They have no role to play in the regulatory mechanisms of the State and the CPC, which are led and run mainly by MOFCOM, the Ministry of Foreign Affairs and the Chinese embassies. The unions of the CEs and SOEs, though forming branches in the project sites, are just "stabilizers" and dependent on the CPC of the company and the management. In addition, ACFTU do not have a collective agreement with these CEs and SOEs. There are few cases of trade union committees formed in construction projects but these committees merely organize the social life of the Chinese staff.

It does not have the direct influence on Chinese MNCs operating outside China and it does not have direct control over the unions and collective negotiation with the CEs in China. There is strong sentiment that ACFTU is not considered to be a democratic and independent trade union that can fully represent and address the rights of the workers in China.

Many attempts made by the international and national trade unions to step-up engagement with ACFTU. However these efforts remain superficial and resulted to more information exchange and visits to China.

#### **On Chinese Workers Situation**

Majority of the construction workers in China are seasonal, contractual and temporary. Many of these workers do not have social security; are receiving low wages; and are exposed to unsafe and unhealthy working conditions. The construction companies do not employ any workers directly, but work with agencies that hire the workers' services and then send them to the construction sites. The construction companies assume no responsibilities vis-à-vis the construction workers other than in a limited manner in the area of safety.

#### **On International Pressure**

The United Nations Guiding Principles on Business and Human Rights are, though not binding can be an important tool to pressure companies to respect of human rights regardless of whether national law requires them to do so. Because this apply to business partners, where the Chinese MNC has links with others, it may also be possible to reach them through the other companies.

In terms of ILO, the advantage of the Committee on Freedom of Association is that it can be used whether or not the country has ratified Conventions 87 and/or 98. Complaints are filed against governments (host governments, in this case). The ILO can be an arena to pressure the Chinese government to comply with the International Core Labor Standards particularly on the right to organize and collective bargaining including the issue of agency and contract workers, which are widely used in construction sector.





## COMPOSITE 4: WORKERS RIGHTS IN CHINESE MULTINATIONAL COMPANIES (Previously resolutions 10 & 11)

SUBMITTED BY: BWI WORLD BOARD, Pakistan Federation of Building and Wood Workers (PFBWW),  
Pakistan and BWI – Nepal Affiliates Committee (NAC), Nepal

**CONSIDERING** the negative behavior of Chinese Multinational Companies (MNCs) outside China has become well known in media and has resulted in industrial and even social tensions but continues unabated;

**WHEREAS** BWI affiliates globally particularly in Africa and in South Asia have been raising the issue of how to engage Chinese MNCs on compliance with labor standards;

**WHEREAS:** China, in a strategic and political move into South Asia and Africa has become one of the biggest investors in those regions. The Chinese MNCs are now competing with large MNCs from Europe, Japan, US, Australia and Korea. All MNCs, including those from China, have a social and legal responsibility to ensure that standards are met across all of their operating units and that there is no adverse impact on the workers or the surrounding communities.

**WHEREAS:** The Chinese MNCs in several African nations, and in Nepal and Pakistan, have exhibited a general disrespect to workers rights and labour standards - discrimination in wages of local and Chinese workers, poor housing facilities, non-compliance with local labour laws, lack of / inadequate social security cover and poor OHS conditions that characterise Chinese MNCs worksites. The Neelam-Jhelum Hydropower Project, Pakistan and the Melamchi Hydropower Project, Nepal are cases in point where systematic research studies have also been carried out. Workers have been blatantly denied the right to organise, participate in union activities and bargain collectively. Those who participate in union activities have been intimidated and harassed with false complaints and charges framed against union leadership. Trade Unions in Africa have similar negative experiences and are in constant struggle to organize. Unions now have Collective Agreements with some Chinese MNCs in Ghana, Nigeria, Namibia, Uganda, Kenya and Tanzania, among others.

**BELIEVING THAT** it is essential to understand Chinese MNCs<sup>1</sup> a differentiation of the Chinese MNC in question should be noted when strategizing an approach.

**CONSIDERING** that the Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs and the All-China Federation of Industry and Commerce issued Guidelines<sup>2</sup> for the Management of Employees of Overseas Chinese-funded Enterprises which is applicable to all Chinese companies investing abroad and to all workers, including both Chinese nationals and local workers, or workers of another nationality and which call for the companies to “study and strictly abide by the labor laws of China and the project country”.

**CONSIDERING** the China Export Import Bank (EXIM) and the China Development Bank (CDB) issued environmental and social impact guidelines in 2007 which is calling to “strengthen the environmental and social risk management for overseas projects to which credit will be granted and make sure project sponsors abide by applicable laws and regulations on environmental protection, land, health, safety, etc. of the country or jurisdiction where the project is located”.

**CONSIDERING** the national trade association of international contracting, labor contracting and engineering investment companies called CHINCA issue a Guide on Social Responsibility for the Chinese International Contracting Industry in 2010 which provides a broad but set of principles that stipulates that “employer-employee negotiation mechanism in accordance with local laws and practices; two-way communications.”

**CONSIDERING** the Central State-owned Enterprise (CE) has adopted their own Corporate Social Responsibility (CSR) policies and targets, which are set by the headquarters office and disseminated to subsidiaries and suppliers. The more established CE are encouraged to join the Global Reporting Initiatives (GRI) and sign the UN Global Compact and develop company CSR guidelines and programs converging with these international tools.

**CONSIDERING** the Chinese Embassies have evolved as the major source of information and agents for mediation as MOFCOM and the local embassies have developed mechanisms to report and handle disputes and emergency situations including labor strikes (of both Chinese and foreign workers).



**CONSIDERING** that the China's official trade union confederation, the All China Federation of Trade Unions (ACFTU) is a state-controlled organization whose principles and agenda in international relations serves the diplomatic relations of the State;

**CONSIDERING** that the worsening working conditions of workers in China as evidenced by the wave of strikes, riots by migrant workers, increasing number of accidents at construction sites, and, the growing number of insecure agency, temporary and contractual workers<sup>4</sup>. The ACFTU is seen by workers as a bureaucratic organization of the government and does not represent workers interests. With the growing trade union activism at the enterprise level and the workers-initiated and democratic plant unions, the challenge for the ACFTU is to either to join the growing workers movement or become irrelevant.

**NOTING** that the ACFTU, and the trade unions of the CE have been silent and unresponsive on the labor issues regarding state investments and that ACFTU engagement with the international trade union movement is limited to comfortable labor standards such as agency work and social security and avoiding the fundamental trade union principles of freedom to form unions, the right to collective bargaining and the right to strike.

**FINALLY NOTING** that engagement with the Chinese MNCs with the objective of reaching a global framework agreement is not viable at this point due to the additional fact that engagement with the ACFTU is not seen as strategic in addressing the issues of Chinese MNCs since it does not have the direct influence on Chinese MNCs operating outside China and it does not have direct control over the unions and collective negotiation with the CE in China.

**BE IT RESOLVED THAT:**

At the national level, BWI shall develop guidelines and information mechanism on how affiliates would be able to engage and negotiate with Chinese MNCs based on the various experiences. All affiliates should report to BWI the various activities, organizing and negotiation with Chinese MNCs. The BWI calls upon its affiliates to highlight and report labour violations at the Chinese MNCs worksites and to lodge complaints with respective national Governments and the ILO. While unions have sought to organize workers through traditional recruitment methods, affiliates may adopt complementary strategies, such as:

- Approaching the clients of the construction projects in the relevant government Ministries to ensure compliance with national labor laws.
- Meeting with senior officials in the Chinese Embassy to document the ways in which Chinese companies are not in compliance with national labor laws; and issuing a media release subsequently;
- Meeting with the national contractors' association or construction industry federation to raise issues of non-compliance and unfair competition;
- Placing issues of non-compliance by Chinese companies on the agenda of tripartite sectoral social dialogue meetings;
- Lobbying for an independent regulatory body for the construction industry, which would include compliance enforcement mechanisms for all contractors;
- Launching workers' rights campaign in alliance with various stakeholders including workers' rights groups, academics, and NGOs if dialogue is not workable.

At international level, the BWI affirms that all MNCs including the Chinese MNCs have a social responsibility to ensure that local conditions/laws are honoured and minimum standards are applicable across its operations in all countries. BWI shall develop strategies on how to use the international arena<sup>5</sup> to pressure Chinese MNCs and the Chinese government in its compliance with the core labor standards. Platforms and mechanisms to be utilized shall include:

- The Human Rights Council Universal Periodic Review or the follow-up to the mandate of the Special Rapporteur United Nations Guiding Principles on Business and Human Rights.
- Bilateral Trade Agreements between China and single country or group of countries, which include social and labor standards; trade unions must lobby for the inclusion of social and labor standards in trade agreements and pressure on their respective governments to push the Chinese government and Chinese MNCs to respect and enforce these social standards.
- The various supervisory mechanisms that can be used at the ILO: the Committee on Freedom of Association or the MNE Guidelines. ILO must exert strong influence on the Chinese government to comply with the ILO standards particularly in addressing the issues of agency and contract workers in the construction sector.



- *Multilateral Development Banks (World Bank and Regional Banks). BWI shall utilize use this opportunity to raise concerns about the lack of social and environmental standards in Chinese funded projects.*
- *Global Compact and the Global Reporting Initiative (GRI) that can be a venue to create pressure on Chinese MNCs.*
- *International environmental and development NGOs that can be partners in campaigns against the negative impacts of Chinese infrastructure projects.*
- *The international trade union movement that must exert pressure on the ACFTU to take serious steps in defending workers rights inside and outside China particularly the right to organize trade unions; the right to bargain collectively; and, the right to strike.*

*On direct trade union actions, BWI shall combine knowledge build-up, campaigns and explore engagements in creating pressure. The BWI will strengthen cooperation with different stakeholders to highlight labour violations at Chinese MNCs worksites and seek responsible behaviour from the Chinese MNCs and National Governments through pressure-building at the local, regional and global level. Specifically, this shall include:*

- *Access to information should be developed about the labor relations system of the targeted Chinese companies, as well as the developments of the collective bargaining, workplace-level union elections and other trade union “reform” in China.*
- *Explore engagement with Provincial or Municipal ACFTU Branches (e.g. Guangdong Province or Shenzhen Municipal unions) or enterprise unions who have shown positive steps towards trade union representative election and collective bargaining.*
- *Conduct global campaigns to put pressure on Chinese Central Enterprises, appropriate government agencies, banks and Chinese embassies on issues affecting the workers of CE. For China to be part of the international community, China must behave in accordance with the international standards.*
- *Explore engagement with CHINCA through the international and European contractors association such as CICA and FIEC and the International Federation of Consulting Engineers, FIDIC, who have developed common international standards on contracts that include labor standards.*
- *Explore engagement with Chinese Labor NGOs, Academics and Lawyers Groups through information exchange; joint research projects on the behavior of Chinese MNCs; and legal assistance and training programs for the construction workers inside and outside China.*

**SIGNED:**  
World Board

Geneva, 16 May 2013





## XI. EXPLANATORY MATERIAL ON CHINESE MNCs

*In many countries throughout the world, Chinese MNCs are now among the major employers, undertaking large-scale infrastructure and other construction-related projects. Efforts to organize and negotiate collective bargaining agreements have been taken and so far unions have experienced many difficulties. While BWI has knowledge and experience in working with European multinational companies (MNCs), the Chinese MNCs is a different challenge for a number of reasons. With no tradition of social dialogue, the BWI cannot draw on the support and experience of its affiliate in the home country of the MNC and there are no International Framework Agreements. In most infrastructure projects where Chinese banks are providing financing and Multilateral Development Banks are not involved, their procurement guidelines do not directly apply*

*The Central State-owned Enterprises (known as Central Enterprise or CEs) and the Strategic State-owned Enterprises (SOEs) are subject to more comprehensive regulatory mechanisms whereas the private enterprises are not. The dominant Chinese construction companies are all Central State-owned Enterprise (CEs) under the control of the State Assets Supervision and Administration Commission (SASAC). The Communist Party of China (CPC) is the only political party that rules China. The State is subordinate to the political leadership of the Party although they operate in separate structures. This applies to the structure of the state-owned and public sector, as well as the party organizations including the mass organizations, the All China Federation of Trade Union (ACFTU), which are governed by the “dual leadership” of the upper administrative body, and the Committee of the CPC (CCPC) of the same level. Cross-employment of the CCPC members in the governing bodies of the SOEs and CEs, e.g. in the Board of Directors (BOD), Board of Supervisors, and in the trade unions further ensures the party’s political control.*

*With this structure, it means the decisions made by the BOD and the CEO, to invest in a project or to cooperate with an international trade union etc., are not purely economic decisions but need to consider the social and political implications.*

*It is important to understand the different levels of concerns of the Party and the State in promoting the globalization of Chinese MNCs. It is also important to identify the interests in terms of corporate regulations that are common to the international trade unions and the domestic needs of the Party and the State.*

### **2. On Labour Standards**

*There’s no indication that Chinese government plans to ratify the ILO Conventions 87 and 98. It ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 1997 with reservation on the provision on freedom of association. Freedom of association is written in the Chinese Constitution with the clause on the right to strike taken away in the amendment in 1982. The CPC, and the ACFTU following it, has always made it clear that it will walk its own way of Chinese Socialism not copying western-styled democracy and trade unionism.*

*The Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs and the All-China Federation of Industry and Commerce issued Guidelines for the Management of Employees of Overseas Chinese-funded Enterprises. While these guidelines are not mandatory, it is a first step towards labor administration regulation, in what has been previously described as a blank page. The guidelines are applicable to all Chinese companies investing abroad and to all workers, including both Chinese nationals and local workers, or workers of another nationality. “Obligations of Chinese Companies: Article 3 Chinese companies should study and strictly abide by the labor laws of China and the project country.*

*In 2003, the State Council released China’s first Environmental Impact Assessment Law, concerning large-scale infrastructure projects in China. Both China Exim and the CDB issued environmental and social impact guidelines in 2007. “Banking institutions shall strengthen the environmental and social risk management for overseas projects to which credit will be granted and make sure project sponsors abide by applicable laws and regulations on environmental protection, land, health, safety, etc. of the country or jurisdiction where the project is located”. China Exim is active in regional financing partnerships with the Asian and African Development Banks and the World Bank, and as a*



consequence may need to review its standards in order to align them further to those of the other multilateral banks. In some projects that are financed by the International Finance Corporation (IFC),

**Chinese MNCs have to comply with its Performance Standards.**

The national trade association of international contracting, labour contracting and engineering investment companies called CHINCA issue a Guide on Social Responsibility for the Chinese International Contracting Industry in 2010 which provides a broad set of principles but does not refer to Chinese national laws, the project country laws or international standards of the ILO. It states: *Employee Communication and Participation: employer-employee negotiation mechanism in accordance with local laws and practices; two-way communications.*”

**3. On ACFTU**

ACFTU is an integral part of the Party and the State and therefore not independent. Trade union leaders are not democratically elected by workers and in most cases, trade union representatives are handpicked and often a management staff or a party secretary. ACFTU, and the trade union of the CEs and SOEs have been silent on the labour issues regarding Chinese investments. They have no role to play in the regulatory mechanisms of the State and the CPC, which are led and run mainly by MOFCOM, the Ministry of Foreign Affairs and the Chinese embassies. The unions of the CEs and SOEs, though forming branches in the project sites, are just “stabilizers” and dependent on the CPC of the company and the management. In addition, ACFTU do not have a collective agreement with these CEs and SOEs. There are few cases of trade union committees formed in construction projects but these committees merely organize the social life of the Chinese staff.

It does not have the direct influence on Chinese MNCs operating outside China and it does not have direct control over the unions and collective negotiation with the CEs in China. There is strong sentiment that ACFTU is not considered to be a democratic and independent trade union that can fully represent and address the rights of the workers in China.

Many attempts made by the international and national trade unions to step-up engagement with ACFTU. However these efforts remain superficial and resulted to more information exchange and visits to China.

**4. On Chinese Workers Situation**

Majority of the construction workers in China are seasonal, contractual and temporary. Many of these workers do not have social security; are receiving low wages; and are exposed to unsafe and unhealthy working conditions. The construction companies do not employ any workers directly, but work with agencies that hire the workers’ services and then send them to the construction sites. The construction companies assume no responsibilities vis-à-vis the construction workers other than in a limited manner in the area of safety.

**5. On International Pressure**

The United Nations Guiding Principles on Business and Human Rights are, though not binding can be an important tool to pressure companies to respect of human rights regardless of whether national law requires them to do so. Because this apply to business partners, where the Chinese MNC has links with others, it may also be possible to reach them through the other companies.

In terms of ILO, the advantage of the Committee on Freedom of Association is that it can be used whether or not the country has ratified Conventions 87 and/or 98. Complaints are filed against governments (host governments, in this case). The ILO can be an arena to pressure the Chinese government to comply with the International Core Labour Standards particularly on the right to organize and collective bargaining including the issue of agency and contract workers, which are widely used in construction sector.



## XII. BWI STRATEGIC OBJECTIVES

THE STRATEGIC OBJECTIVES: ORGANISING, NEGOTIATING AND MOBILISING

**ORGANISING** in infrastructure projects, in public works, in multinational companies, and in forestry operations and wood industries worldwide. BWI will support unions to increase membership and workplace representation with a "bottom up" approach, based on rights, strong structures, a clear policy agenda and organising ability.

**NEGOTIATING** global, national, industry and company agreements in our sectors and working through global union-to-union networks. BWI will help unions raise standards through binding agreements and strengthening systems of collective bargaining to give greater coverage to workers in our sectors.

**MOBILISING** to influence policies, through global advocacy, solidarity action and global campaigns. BWI will help unions to improve their institutional capacity and build tripartite industry structures. BWI will support meaningful social dialogue and sustainable industrial policy development.

# BWI STRATEGIC OBJECTIVES



# UNIONS MAKE A DIFFERENCE

## XIII. BWI PRIORITIES 2014–2017



BWI's new four year strategy, to run from 2014 to 2017, gives priority to more intensive work with affiliates on organising, bargaining and influencing policies. This will require innovative strategies to build member activism and commitment; labour-management partnerships and agreements; institutional participation to influence industrial policies; making alliances with like-minded organisations and improving transnational union-to-union networking.

There is no single right approach. Trade unions can make use of a standards and rights toolbox to engage workers and society, governments, international institutions and industry partners globally, nationally and locally. Social networking and corporate campaigns will come to the fore in this period, and international agreements to implement labour standards will be consolidated and implemented, providing a solid knowledge base and negotiating platform for trade unions in our sectors.

Exploitative practices in construction and forestry are largely due to the use of labour contractors, a practice which prevents workers from uniting to defend their legal rights. It is imperative that we address employment relationships to make sure that the main employer guarantees equal rights throughout subcontracting and supply chains.

We need to put a stop to precarious work. We will campaign on investment in employment in the construction and timber industries. We need skills development for all workers and for young workers in particular. We must push for youth apprenticeships and vocational training to provide sustainable employment. We must persuade governments and employers to support sustainable and green jobs, and continue to promote sustainable forest management and certification.

Securing equal rights for vulnerable groups of workers is central to the organising strategy of BWI affiliates. We will increase visibility of women, migrant workers, and young trade unionists through their participation in BWI activities. We will use gender mainstreaming as a tool to achieve equality and enhance women's participation in trade union activities and structures. We will continue to showcase the Voices of BWI Women every year on 8 March – International Women's Day.

We will continue to campaign against child labour and for children's right to education. We will strengthen BWI Connect, the Global Campaign for Migrant Workers' Rights. We will ensure the rights of migrant workers through organising strategies, policy and legislative changes at the national, regional, and global level, communication campaigns and development of service-oriented programmes.

Securing justice for all means fighting for health and safety and Decent Work. This requires respect for trade union rights, international labour standards, national laws and collective bargaining agreements. More direct employment and wider collective bargaining coverage is essential to guarantee trade union and employment rights, a living wage for men and women, reasonable working hours, good standards of health, safety and welfare, and skills development. The goal is to minimise health risks for workers and maximise their employability and quality of work. BWI will take active part in improving global H&S standards, and will co-operate with the ITUC to develop a strong global strategy on H&S targeting the key UN institutions, including the ILO and WHO. BWI will push to influence the ILO agenda on H&S, including application of H&S conventions, recommendations, and the decent work programme, in order to develop higher standards of protection of workers in our sectors. BWI shall continue to be active in the social dialogue at global level and will work on agreements and good practices on

H&S in procurement and contracts. BWI will develop a H&S action plan for 2014-2017 with concrete initiatives on H&S policy making institutions. BWI will invite affiliates to take part in drafting and executing this action plan.

The BWI will mobilise unions on International Workers' Memorial Day – 28 April each year – to highlight the preventable nature of occupational deaths, injuries and ill-health, and will continue the fight to eliminate the use of asbestos worldwide. Defending health and safety standards at work is a key BWI organising priority.

Trade union-organised workers are aware of their employment rights and can bargain collectively with employers to ensure those rights are respected. Union representatives are crucial in monitoring compliance with payment schedules, contracts, agreements and personnel rules, providing information and training, inspecting the worksite to prevent hazards and improve health and safety standards, communicating with the workforce and cooperating with management, in particular through joint management-union committees.

Trade union rights are human rights. Social justice cannot be achieved without workers securing, protecting and using these rights. The BWI will campaign to defend and promote Trade Union rights and to combat anti-union behaviour world-wide.

BWI and its affiliated trade unions will push for the practical implementation of all key international labour standards both nationally and with the International Financial Institutions, and continue to support the campaign for the ratification of ILO Conventions.

BWI will initiate and participate in trade union action to address the impact of the economic crisis and climate change, through the promotion of green, decent and secure jobs. We will promote sustainable forestry management and sustainable construction.

### **BWI in Action**

BWI will organise trade unions in multinational companies and establish strong regional and global networks to help negotiate collective bargaining agreements and improve working conditions and health and safety.

BWI will strengthen social dialogue and agreements with multinational companies and with global and regional employers' associations. It will formulate policy agendas to be advanced with governments, employers and multilateral organisations, and continue to influence and monitor the activities of the Multilateral Development Banks.

BWI will develop strategic alliances with civil society groups and other stakeholders that share our overall values and specific goals. At the same time, we will improve implementation and monitoring of International Framework Agreements and initiate new agreements with responsible companies.

BWI will support trade union organising in infrastructure projects using industry agreements that have been secured on trade union rights, health and safety and international labour standards.

We will step up organising campaigns to raise the standard of living and working conditions in infrastructure projects in all regions. With regard to international sporting events, we will do this through joint union action for 'Fair Play – Fair Games'.





# 2014-2017 PRIORITIES

## **PRIORITY: ORGANISING**

Fight for and gain recognition for labour standards, health and safety and Decent Work, with these to be implemented by governments, employers and society in every country and by international institutions and multinational companies (MNCs), by:

**1 Organising and negotiating with multinational companies (MNCs)**

**2 Organising workers in major infrastructure projects and public works**

**3 Promoting forest certification, sustainable forest management and sustainable jobs in the timber trades**

**4 Organising construction projects for major sport events, under the BWI campaign banner 'Fair play – fair games'**

**5 Organise on rights to health, safety and welfare at work and push for improved international standards on health and safety**

## **PRIORITY: JOBS**

Fight for sustainable jobs in infrastructure projects, through improving climate efficiency by retrofitting buildings and homes and implementing labour and employment policies in the building, forestry and timber trades and negotiating direct employment and legal employee status for all workers, centred on a:

**6 Campaign to stop precarious work and social dumping**

**7 Combat illegal logging and promote better governance in the forestry industry to generate more job opportunities**

## **PRIORITY: RIGHTS**

Defend and promote trade union rights and equal rights for all, including young workers, women workers and migrant workers, through the BWI:

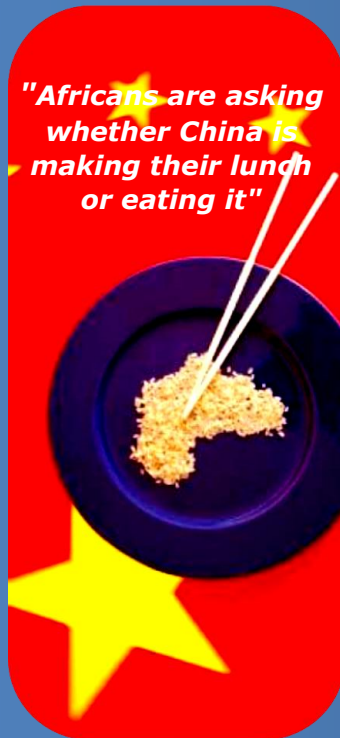
**8 Campaign to defend and promote Trade Union rights**

**9 Global Campaign for Migrant Workers' Rights, and**

**10 Campaign for Youth Employment and Gender Equality**



## XIV. VIOLATION OF WORKERS' RIGHTS: THE SENEGAL CASE



**"Africans are asking whether China is making their lunch or eating it"**

**Chinese-style ordeal at Ila'a Touba: Creeping slavery of workers... Miserable pay (450 F CFA per hour)... No union rights.**

The charges are serious and come straight from the mouth of two workers dismissed for daring to expose the poor working conditions imposed upon workers by the company in charge of the construction of the highway Ila'a Touba. Indeed, Serigne Ndiaye a welder and Abdou Khadre Diack a mechanic were dismissed by CRBC. The sin they committed was to have opened their mouth to speak out, as they rightly put it: "At CRBC, we work, we don't talk!"

While waiting to hear the side of the story from the management of China Road and Bridge Corporation (CRBC) the union could not reach them, from the discussion with these two young men, it is clear that there is an "exploitation of the Senegalese by the Chinese" in this murky project of construction of the

highway Ila'a Touba. According to Serigne Ndiaye, their situation is similar to a state of servitude. "We are treated like slaves. Those who are made to believe that we are working in good conditions are wrong. We are facing a lot of challenges. The Chinese swear and scream at us all day long. No one is allowed to complain or speak out for a better treatment. Once you dare speak, you are fired. We have been working for 9 months without any contract. We have no rights. Even if we are dismissed, we cannot claim any compensation."

The same story was related by Abdou Khadre Diack, the mechanic. "At CRBC there is no possibility of organising. No authority has once come to enquire about our situation. Their visits are limited to discussions with the Chinese. We are paid 450 F CFA for each hour of hard work. And just make sure you don't damage the company's equipment. When drivers are involved in accidents, the company covers the costs of the first treatment, but workers have to pay for the fixing of the vehicle, and continue the medical treatment from their own pocket. Because of this injustice, some colleagues are still paying 200,000 F CFA and 150,000 F CFA in debts. We are not entitled to hazard bonus. We work from Monday to Sunday. No day off is granted". The two dismissed workers call upon the Senegalese authorities to help them.

Dakaractu remains open to CRBC management in order to hear their side of the story on the situation exposed by their two workers [www.dakaractu.com](http://www.dakaractu.com)



# **BWI** AFRICA & MIDDLE EAST **REGION**



## Organising, Negotiating & Mobilising

**TO DO LIST:**

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## ABOUT BWI

The Building and Wood Workers' International (BWI) is the Global Union Federation grouping free and democratic unions with members in the Building, Building Materials, Wood, Forestry and Allied sectors. The BWI groups together around 328 trade unions representing around 12 million members in 130 countries. The Headquarters is in Geneva, Switzerland. Regional Offices and Project Offices are located in Panama and Malaysia, South Africa, India, Burkina Faso, Cambodia, Chile, Lebanon, Kenya, Russia, Peru, Brazil and Thailand. BWI's mission is to promote the development of trade unions in our sectors throughout the world and to promote and enforce workers' rights in the context of sustainable development.

BWI in Africa and Middle East region has its offices in Johannesburg and has 64 affiliates in the region and 20 affiliates in the sub-region of Southern Africa. We cooperate with various partners to build the capacity of our affiliates to continue to strengthen their voices in advocating, lobbying and campaigning for workers' rights and better working conditions for their members.


The President of the International is Per-Olof Sjöö from GS in Sweden. Deputy Presidents are Pierre Cuppens from ACV BI in Belgium and Dietmar Schäfers from IG BAU in Germany, and the General Secretary is Ambet Yuson from the Philippines. The last congress of the BWI was held in Bangkok Thailand in December 2013.

The President of Africa and Middle East is Thamsamqa Piet Matosa from South Africa and the Regional Representative is Crecentia Mofokeng from South Africa.

## GLOBAL STRENGTH

Building and Wood Workers' International (BWI) is the global voice of workers and their trade unions in the construction, building materials, forestry and wood workers industries. By connecting workers, recognising diversity, supporting organising and fighting injustice, BWI is helping to create a fairer world for the workers who are building our futures. Standing together, we call for decent work, respect for workers' rights, gender equality and sustainable growth strategies.

BWI has increasingly focused on organising workers in multinational companies (MNCs) including Chinese MNCs, given the enormous expansion in their global operations. The organising strategy comprises a number of tools, most significantly the International Framework Agreements (IFAs). The value of an IFA is its global reach, both geographically and throughout the supply chain. The challenge is to make the IFA commitments to respect workers' rights a global reality. This organising work is supported through a comprehensive communications strategy, including the company monitor at <http://blogs.bwint.org/mnc>



**Ambet YUSON**  
BWI General Secretary

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