



MULTINATIONAL COMPANIES

SOCIO-POLITICO-ECONOMIC
& CULTURAL PERSPECTIVES

CHINESE MNCs IN AFRICA

THE 'DRAGON EFFECT'

Does CHINA REBRANDING in Africa
raising expectations for Africans?

AMANDLA SPOTLIGHT

KBCTFIEU, KENYA

Interview with Joe Macharia



2018 Edition

Organizing Chinese MNCs
BWI ACTION PLAN
2018-2021



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DESTINATION **CHINA**
BWI 'tackles the bull by its horns'

China

REBRANDING





CHINESE

MULTINATIONAL COMPANIES
IN AFRICA



2018

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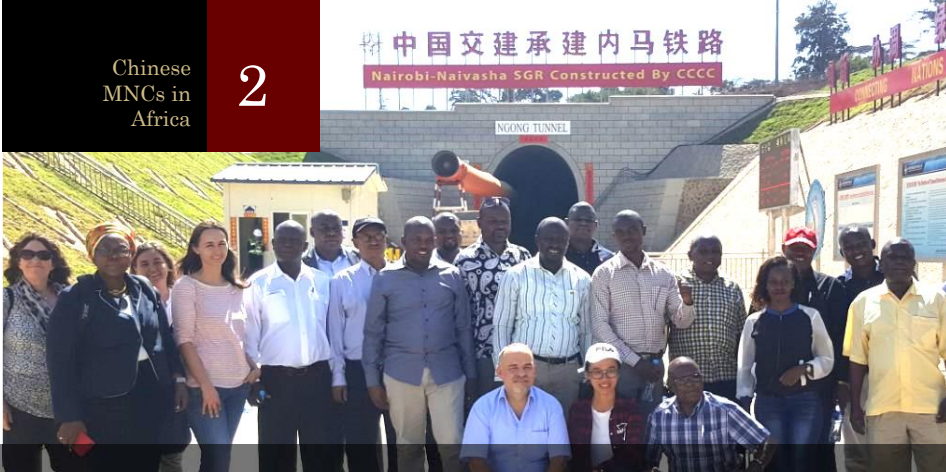
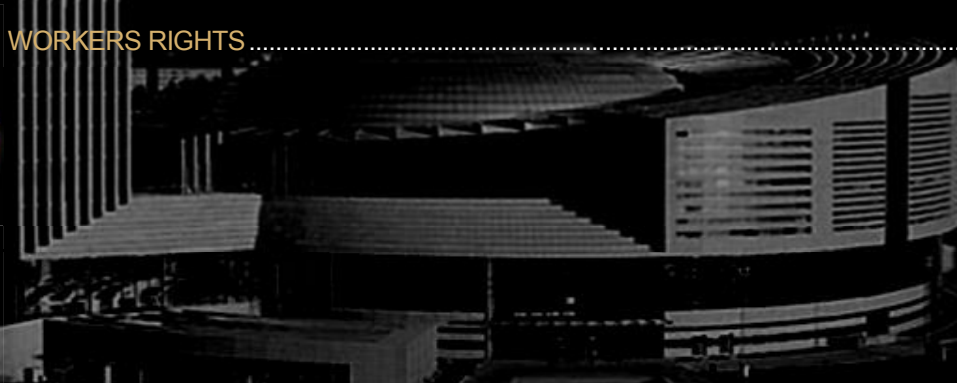


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ACKNOWLEDGEMENT

We are grateful

There has been a significant interest by the media, academia and think tanks about the growing Africa-China relations. In recent years, a non-traditional partner (China) have emerged as a force in major construction projects. The increasing involvement of China in Africa's construction industry has meant that the usual Western country economic and political stronghold in Sub-Saharan Africa is now challenged.

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, strategy formulated during the first BWI Global Forum on Chinese MNCs, BWI High Political Mission to China (2018), extracts and case studies of Bureau for Workers Activities INTERNATIONAL LABOUR ORGANIZATION in collaboration with Building and Wood Workers International (BWI) referred to as ILO Working Paper, July 2018.

We are grateful for the unconditional financial support rendered to this project by Friedrich Ebert Stiftung (FES) especially through Africa networking on Chinese Multinational Companies. We also want to thank all our partners such as UtoU, FNV, SASK, Solidar Suisse, 3F, IndustriEnergi, IGBAU and many of BWI affiliates who contributed and continue to contribute on issues related to multinational companies especially Chinese MNCs in Africa.

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

Executive Summary

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.

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.



Chairman Mao Zedong with Asian, African and Latin American friends in 1959

Brief

HISTORICAL OVERVIEW



BWIOVERVIEW

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.

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 project 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.”

OVERVIEW ON CHINESE MNCs



Chinese Union: **ACFTU**

ACFTU (All-China Federation of Trade Union) 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.

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.

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.



International
Labour
Organization

THE DISCOVERY

ABSURDITY OF CHINA'S TRADE UNION LAW & ACFTU

Revealed in Jasic Labour Dispute

In the recent Shenzhen Jasic labour dispute which attracted much attention, the workers made a daring move to self-organize a trade union under the existing legal framework of China. However, workers' aim to organize their lawful union was shattered by the Trade Union Law and the All-China Federation of Trade Union (ACFTU).

When the workers were organizing their union, the ACFTU used the Trade Union Law as an instrument to abuse the power granted by the law. The ACFTU confused truth and falsehood, claiming the workers' application according to legal procedures was illegal and irrational action. The official media repeatedly emphasized that the workers should organize their union according to the Trade Union Law, Constitution of the All-China Federation of Trade Unions, and Procedures in Setting-up Trade Unions. This article will analyze how the ACFTU abused public authorities to limitlessly "extend" and "re-interpret" these "three legal instruments, and expose the lies of the ACFTU.

RIGHTS SMOTHERED BY LAWS

Freedom of association never Protected

Besides manipulating the organization of trade unions, the Chinese Communist Party also uses other approaches to control grassroots workers' organization. The ACFTU set up hurdles to firmly grasp leadership of grassroots trade unions, making it extremely difficult for workers to set up their trade unions from below. Controls on leadership of grassroots trade unions include:

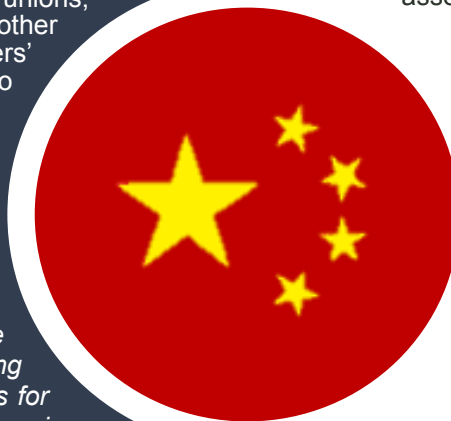
"Before holding the representatives assembly or the general assembly, the trade union of next higher level should be consulted on the formation of the committee and auditing committee of the trade union, list of candidates for chairperson and vice-chairperson of the trade union, and chairperson and vice-chairperson of the auditing committee." (Article 6, General regulations on establishment of grassroots trade union, Shenzhen Federation of Trade Union).

The election results of the grassroots trade union commit-



tees, their standing committees, chairmen, "vice-chairmen and auditing commissions shall be reported to the next higher trade union organizations for approval." (Article 27, Constitution of the All-China Federation of Trade Unions).

The full control of higher level trade unions on the lower level trade unions allows the ACFTU to reject "inappropriate" candidates to be union leaders. The enterprise can also reject candidates and arrange pro-employer worker representatives to become committee members through the above regulations. As a consequence, the Chinese workers' rights to organize trade unions are countered with extremely inequality in power. The power endorsed by laws and regulations to the ACFTU is also a pre-condition for collusion between the trade unions and the enterprises and trade-off of workers' freedom of association.



The Trade Union Law Became a Tool to Suppress Self-Organization of Workers

Before Mi Jiu-ping and his peers started to recruit union members formally, they consulted the Shenzhen FTU in writing and asked what they could do if they were dismissed for organizing union and recruiting union members. The



Shenzhen FTU called to reply that if they were retaliated or dismissed, the FTU would provide assistance. This is in line with Article 3 of the Trade Union Law: *"All workers doing physical or mental work in enterprises, public institutions and government organs within Chinese territory... shall have the right to participate in and form trade union organizations pursuant to the law, regardless of their nationality, race, sex, occupation, religious beliefs or level of education."*

However, when Mi Jiu-ing was relocated and dismissed by the employer for organizing the trade union, the local FTU did not provide any assistance. On the contrary, it stood by the employer and accused the workers for organizing the union illegally. Inconsistency in ACFTU's actions reflected the fact that it was not truly defending for the rights of workers. As such, not only had the ACFTU not fulfilled her responsibilities as stated in the Trade Union Law, it even condoned the employers to dismiss workers, and help to suppress the development of grassroots organization by condemning the workers' actions as illegal. The ACFTU used the laws and regulations as instruments to achieve its political purpose by "expanding" and "re-interpreting" them. The Jasic case is clear evidence on how the ACFTU abused power to suppress union organization by grassroots workers.

Lower level follows higher level: A clear fact about unions in China

The essence of the Trade Union Law is clearly stipulated in Article 11: *"Trade union organizations at the various levels shall be established in accordance with the principle of democratic centralism"*. Article 9 of Chapter 2 of the Constitution of the All-China Federation of Trade Unions further elaborated on this:

The Chinese trade unions apply the principle of democratic centralism, the main contents of which are as follows:

1. Individual union members are subordinate to the trade union organization, the minority to the majority, and the lower trade union organizations to the higher trade union organizations.

In short, powers to organize and to lead trade unions in China are all in the hands of the ACFTU, on legal and practical basis, under the "three legal instruments". Whenever the ACFTU felt its leadership in union organization threatened, it would unscrupulously use the

"three legal instruments" to stop workers from self-organizing. The Jasic workers was not asking for true freedom of association, but just to set up a union led by workers under the existing legal framework. Even if the workers successfully set up the organizing committee, the ACFTU could still change the leadership with other means. The experience of the Jasic workers showed that the ACFTU was just too keen to suppress grassroots organizations.

The Chinese government has always claimed that Chinese workers enjoy rights to association according to the provisions of the constitution and it did not violate the International Labour Convention's terms on freedom of association, but its lies were exposed by the Jasic labour dispute. Even when workers followed the framework of the Trade Union Law to set up their trade unions, the ACFTU could use its power to manipulate procedures and interpret laws and regulations to stop the workers from setting-up a union. According to the Trade Union Law and Constitution of the All-China Federation of Trade Unions, the ACFTU has absolute control on union organization as the higher level FTU controls all decision-making in the procedures. The grassroots workers have no opportunity to organize union from below. The Trade Union Law is but a weapon of the Chinese government to suppress independent labour movement and take away workers' rights.



BWI MISSION TO

Report Highlights

MEMBERS OF THE BWI MISSION TEAM

- | | |
|----------------------|---------------------------------------|
| 1. Per-Olof Sjöo | President - GS Sweden |
| 2. Dietmar Schaefers | Deputy President - IGBAU Germany |
| 3. Dave Noonan | National Secretary – CFMEU, Australia |
| 4. Pius Quainoo, | General Secretary - CBMWU Ghana |
| 5. Ambet Yuson, | General Secretary - BWI |



I. MEETING WITH ACFTU

1. 19TH CPC NATIONAL CONGRESS RESOLUTIONS, OCTOBER 2017

- Socialism with Chinese Characteristics/ Modernization of Socialism
- by 2035, modernise China economically
- by 2050, China as democratic and harmonious nation
- President Xi Jin Ping Message to ACFTU: Follow party leadership; protect Workers legitimate rights; mass-oriented trade union work; apply reform spirit in promoting union

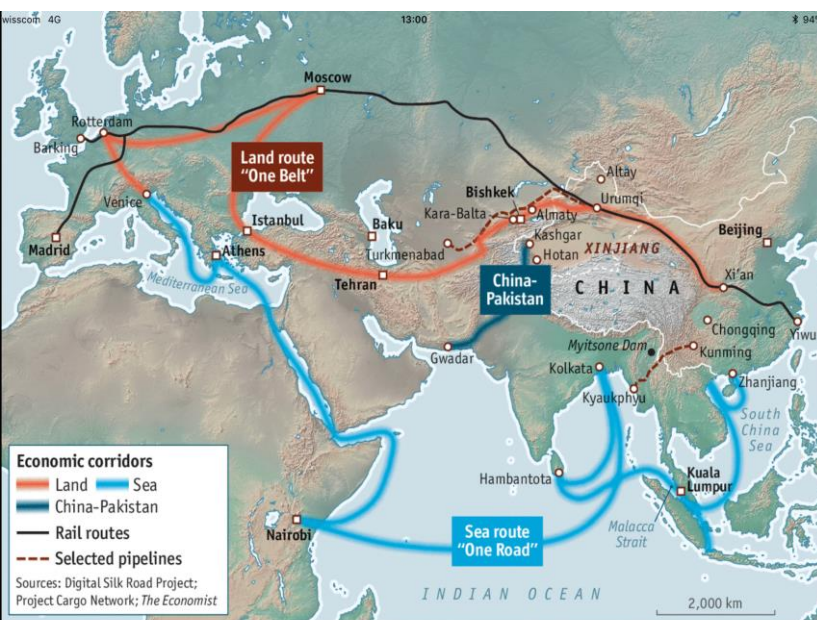
work; people to people diplomacy.

2. BELT AND ROAD INITIATIVE

- President Xi Jinping proposed to build the Silk Road Economic Belt and the 21st Century Maritime Silk Road. China will boost financial support and add 100 Billion RMB into the Silk Road Fund. China will sign economic and trade agreements with over 30 countries.
- China will start scientific and technological innovation, cultural exchange, promote cooperation in science and

Technology Park and facilitate technical transfer.

- China will provide 60B RMB to develop livelihood projects; 2 billion RMB for emergency food aid and 1 billion USD for South-South Cooperation Aid Fund.
- ACFTU is promoting decent work and the Belt and Road Initiative by developing cooperation with trade unions and cooperation agreements with international organizations.



Economist.com

2.2 Outcomes in implementing B&R

■ C. continuously facilitating trade



3. CHINA TRADE UNION – ACFTU

The meeting with All-China Federation of Trade Unions.

- The ACFTU delegation was led by Jiang Guangping, Vice-Chair and International Director.
- Membership: 303 million and Grassroots members: 2.8 million
- Trade Union Reform: correct direction is the party-line; cohesiveness and influence of trade unions; be more people orientated in changing lives of ten thousands of workers;
- Workers Protection Programs: provide services to rural and migrant workers; employment protection; social security; job loss insurance; improve medical insurance; improve inspection system
- Grassroots Work: There are 2.8 million grassroots members. The ACFTU role is to organise peasants / migrant workers particularly in non-public enterprise; establish grassroots union structure and elect workers representatives; and conduct workplace inspection.

4. NATIONAL COMMITTEE OF SEAFARERS AND CONSTRUCTION WORKERS

- Membership: 50 million from 40 industrial unions and 83,000 companies
- Actual construction work is done by rural migrant workers (around 45 million)
- The union provides legal advice; conduct inspection; vocational training; provides welfare services to members; campaign on issues such as nonpayment of wages and long working hours for migrant workers.

5. NATIONAL COMMITTEE OF CHINESE MACHINERY, METAL AND BUILDING WORKERS UNION

- There are 55.82 million workers in the manufacturing of building materials
- 37.8 million are members of the trade union
- 84% of the companies are covered by collective bargaining agreements
- Workers of cement companies such as Lafarge and other are members of the building material trade union.

6. FORESTRY AND AGRICULTURE TRADE UNION

- There are 20 million workers in the forestry and agriculture sector
- 19 million are members of the trade union
- The union sits in the board of the Chinese certification body (as Vice-Chair)
- The union is actively promoting the forest certification with Chinese characteristics.

7. ACFTU RESPONSE TO BWI

- ACFTU invited BWI to have trade union cooperation in promoting labor standards in the Belt and Road Initiative.
- ACFTU expressed interest in sharing BWI experiences in promoting decent work in mega-sporting events in relation to China hosting the 2022 Winter Olympics.
- ACFTU welcomes the BWI's Global Cement Report and expressed interest in sharing information on the cement industry and labor standards.
- ACFTU expressed interest in sharing experiences on forest certification.

II. MEETING WITH CCC-CRBC-CHEC

8. THE CHINA CONSTRUCTION COMPANY

is the number 3 in the ENR Top 10 international construction companies. The CRBC and CHEC are part of the CCCC. The company recently acquired John Holland (Australia) and Aecon-Canada (but Canadian government rejected). CCCC activities are 70% domestic and 30% international.

9. TRADE UNION BRANCHES

are organised in the CCCC, CRBC and CHEC and the following are the key trade union leaders at the same time key company officials:

- Yao Yanmin is a member of CCCC Board of Supervisors and Vice-Chairman of CCCC Federation of Trade Unions
- Cai Chuansheng is the CCCC President of the Federation of Trade Unions at the same time the CCCC Vice-president for International Projects
- Trade union presidents of CRBC and CHEC were also present.

10. HEALTH AND SAFETY IN

Dave Noonan informed the union reps that John Holland now acquired by CCCC have bad record on health and safety in Australia.

Mr. Cai responded that CCCC normally keep the local management and do not intervene in the operations. However, CCCC would welcome a report or information on bad health and safety practices in Australia.

11. HEALTH AND SAFETY IN MONTENEGRO.

Ambet Yuson raised the two (2) fatalities in the CRBC project in Montenegro. Mr. Cai was fully aware of the situation on the filed and would welcome information from the trade union.

12. DISCUSSION ON COOPERATION:

- Sharing of contacts of local offices and BWI affiliates in countries of operations
- Exchange information of problems or best practices in the field (e.g. accidents in
- Montenegro; OSH records

in Australia)

- Possible joint visits in some project sites (e.g. Philippines)
- people to people diplomacy.

III. MEETING WITH CHINCA, POWER CHINA AND OTHER COMPANIES

13. CHINA INTERNATIONAL CONTRACTORS ASSOCIATION (CHINCA)

is composed of more than 1,000 international construction companies. The primary task of CHINCA is to promote Corporate Social Responsibility and Sustainable Development including health and safety standards among the member companies. CHINCA ensures that member-companies comply with the mandatory legal labor standards and promotes voluntary community services and welfare program in various countries. CHINCA publishes regular CSR Report.



Construction-site and Field Visit

14. ZHANG XIANG, CHINCA's SECRETARY GENERAL

CHINCA convenes an Annual Investment Forum in Macao. CHINCA has relations with CICA (International contractors Association) and IFAWPCA (Asia-Pacific Association).



15. POWER CHINA

ENR No. 3 top international contractor is the mother company of Sinohydro. It has an operations in 110 countries with more than 1000 projects and 70,000 employees around the world. Power China has 70% operation in China and the rest are mostly in Africa.

16. DISCUSSION ON POSSIBLE COOPERATION

- Share BWI and CHINCA contacts in countries of its respective members
- Exchange information of problems or best practices in the field / CHINCA can accept complaints and pass information to its members
- Invite CHINCA in BWI events with employers
- Participate in CHINCA Annual Investment Forum in Macao
- Power China is open to receive information or complaints (e.g. Sinohydro in Pakistan).



17. VISIT TO THE CONSTRUCTION SITE:

The Mission Team visited the construction of the **103-floor Chow Tai Took Tower** in Tianjin. The China Construction Eight Engineering Division - CSCEC is the main builder. There are 3,500 workers with 1,000 regular workers (all members of the union) and the rest migrant-grassroots workers (50% union members). The union president is a company manager and also the party deputy secretary.



~~Made in China~~

Agreed ✓
in China



V. MEETING WITH ILO & FES

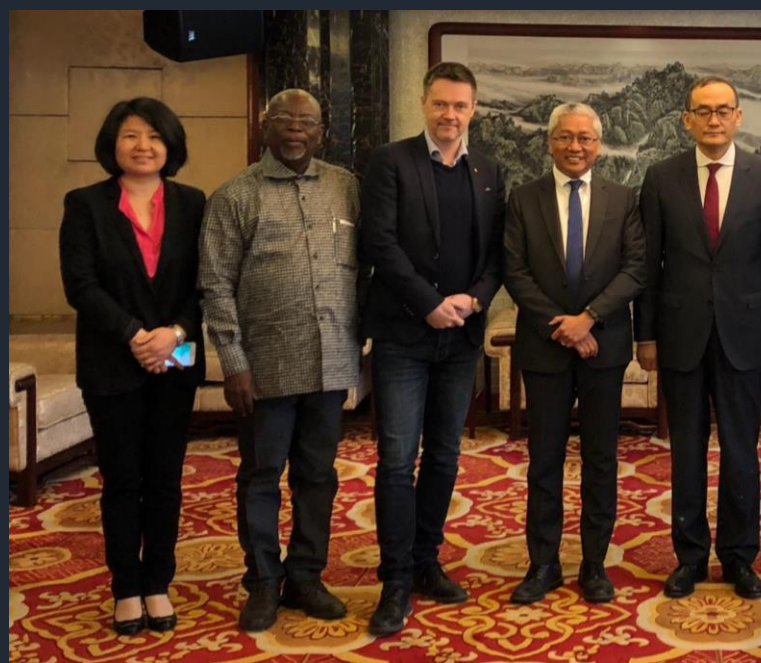
19. Members of the Mission Team held informal meetings with the Claire Courteil, ILO China Director and the FES Director of Beijing Office. Both ILO and FES encourage BWI to work with the Chinese trade unions on concrete and practical issues.



RECOMMENDATIONS OF THE MISSION TEAM

20. ACFTU

- Cooperation on Promoting ILO Labor Standards on the Belt and Road Initiative (Examples: Joint Conference, Joint Mission on Project Sites, etc..)
- Exchange experiences on decent work and sports leading to Beijing 2022 Winter Olympics (examples: Conference on Best Practices: London, Vancouver, Sydney)
- Exchange / Sharing information, research and industry update: Cement,
- Construction and on Forest Certification
- Joint Conference on Forest Certification

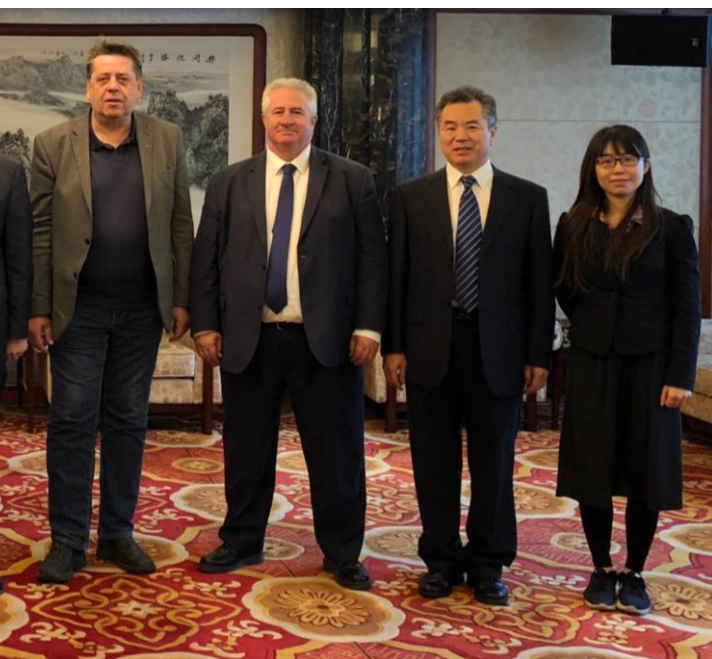


21. CHINCA

- Participate in the. Annual CHINCA Forum in Macao (June 2019)
- Exchange/sharing of contacts of BWI affiliates and CHINCA members in key countries
- CHINCA open to accept information (complaints) on labor disputes with companies on specific construction sites. CHINCA can be the link with companies
- Joint ACFTU-CHINCA-BWI Conference on Decent Work in the Belt and Road Initiatives and Best Practices/CSR

IMMEDIATE ACTIONS

- Letter to CHINCA, CCCC and Power China with a short information of BWI and list of contacts of affiliated unions in key countries
- Invite to Geneva to discuss possible joint activities
- Conduct mapping research of key construction projects in the Belt and Road Initiative
- Prepare Case Studies or Report on Australia (OSH), Pakistan (CBA), Montenegro (Union Recognition)
- Meeting with possible partners who can support BWI such as ILO and FES.
- Follow-up meeting BWI and ACFTU



22. CCCC / POWER CHINA

- Develop regular contact / relations with the companies through sharing of BWI and company contacts on the ground and relevant information such as health and safety situation of John Holland (Australia).
- Send formal information about cases or information of labor rights issues on specific project sites (e.g. Montenegro for CRBC and Pakistan for Sinohydro).



18. The Mission Team visited the ACFTU Provincial Trade Union and the **Workers Service Centre**. This center provides to migrant/ grassroots workers welfare services such as social protection, legal assistance, training program, wage claims, and others.



2018



What's in

The 2018 Beijing Summit of the Forum on China-Africa Cooperation holds from September 3 to 4

To diversify the pool of Chinese investors in Africa, Beijing has pledged “to encourage Chinese companies to make at least \$10 billion of investment in Africa in the next three years.” In the past, this was not included in China’s FOCAC commitments, illustrating a conscious push by the Chinese government for more Chinese companies, including private investors, to invest in Africa. The \$10 billion is included in the \$60 billion of support China pledges, but the specification is that such investment will be made “by companies.” Most likely, Chinese state financial institutions will encourage and induce such investment by contributing to or jointly funding such projects.

CHINESE INVESTMENTS IN AFRICA REMAIN SMALL

The new commitment to boost Chinese investment to Africa inadvertently reveals an inconvenient truth in China’s economic engagement in Africa. Despite all the enthusiasm about China investing more in Africa, the actual volume of Chinese investment in African remains small, both in absolute terms and in comparison with other regions.

In 2017, China’s foreign direct investment toward Africa was \$3.1 billion, 2.5 percent of China’s global foreign direct investment that year, the smallest among all continents. In comparison, Chinese companies’ acquisition in Latin America in 2017 alone was \$18 billion. In terms of investment stock, Chinese investment in Latin America has surpassed \$200 billion by the end of 2017, twice that of Chinese investment in Africa, which surpassed \$100 billion by the end of 2017.

The composition of Chinese financing also reveals another, perhaps deeper, inconvenient truth. Given that China pronounces that it has fulfilled its pledged \$60 billion of financing to Africa under the 2015 FOCAC commitment, (including \$5 billion for grants and zero-interest loans), and given the Chinese foreign direct investment to Africa in 2016 (\$3.3 billion) and in 2017 (\$3.1 billion) totaled \$6.4 billion, what the numbers do manifest is that: The overwhelming majority of Chinese financing to Africa are neither grants nor investment, but loans of various forms. China may not be the biggest creditor of Africa, but this serves to substantiate the wide-spread conviction that China is creating

more debt for Africa (although the Chinese counterargument has been that the long-term economic capacity building effect of the Chinese loans significantly outweighs their downsides).

DIVERSIFICATION OF AFRICAN EXPORTS PROMISED, BUT...

The Beijing Summit also includes a \$5 billion special fund for financing Chinese imports from Africa. Indeed, in the “Trade Facilitation” action, China declares its decision to “increase imports, particularly non-resource products from Africa.” This has consistently been a claim by the Chinese government, but its ability to increase non-resource imports from Africa also depends on the region’s ability to generate such products. Chinese official statistics no longer provide a detailed breakdown of categories of Chinese imports from Africa.

However, the top African exporters to China are indeed resource-rich, ranking down from South Africa to Angola, Zambia, Republic of Congo, and Democratic Republic of Congo in 2017. If South Africa, China’s biggest trading partner on the continent and the largest African exporter to China, could serve as

for Africa?

19

Chinese
MNCs in
Africa



THE GAME IS ON: HEAD OR TAIL?

an example, according to data from China's Ministry of Commerce, natural resources (mineral resources and base metals) together accounted for 86.2 percent of the country's exports to China in 2017, up from the 83.7 percent in 2016.

WHAT DOES THIS MEAN?

There is still a long way to go for the diversification of African exports to China. In brief, judging from the volume and composition of China's 2018 FOCAC financial pledges to Africa, China's commitment remains strong, but appears to be more cautious and calculating than its pledges from the past summit. The concessional side of Chinese financing is being moderated, while China has grown visibly more focused on the commercial and viability aspects. From the traditional model of "resources for infrastructure," China appears to be morphing toward the next stage: equity investment by a more diverse group of investors supported by state development finance. Meanwhile, Africa still has major catch-up to do to attract more Chinese investment and to diversify its trade relations with China.

<https://www.brookings.edu/blog/africa-in-focus/2018/09/05/chinas-2018-financial-commitments-to-africa-adjustment-and-recalibration/>

CHINA'S 2018 FINANCIAL COMMITMENTS TO AFRICA: ADJUSTMENT & RECALIBRATION

As expected, Chinese President Xi Jinping delivered a keynote speech at the summit, illustrating the priority areas of China's engagement with Africa in the coming three years. In his speech, Xi announced Eight Actions to succeed his 2015 "Ten Cooperation Plans" at the 2015 FOCAC Johannesburg Summit. He renewed another financing commitment of \$60 billion to Africa, although the changing composition of the committed financing reflects key recalibrations by China.

STAGNATING FINANCIAL PLEDGE AND DECREASING CONCESSIONALITY

Traditionally, China had a pattern of doubling or tripling recent FOCAC pledges: from \$5 billion in 2006 to \$10 billion in 2009, to \$20 billion in 2012, and to \$60 billion in 2015. Deviating from this pattern, China's financing pledge at the Beijing Summit remains the same as three years ago. While no one expects China's financing pledges to continue to double or triple indefinitely, the stagnation of any growth indirectly reflects a cautious attitude on China's part. This could be attributed to a few factors, including the negative impact of the trade war on the Chinese economy, the rising concern over its capital outflow, the continued growth of bad debt in China, as well as the domestic

criticism of Beijing squandering taxpayers' money to buy foreign affinity.

The most noticeable change to Beijing's financing pledges lies in its composition. Judging by the language alone, the overall level of concessionality and preferentiality of the Chinese financing is decreasing. To begin with, the amount for grants, zero-interest loans, concessional loans, and credit lines have decreased from the \$40 billion in the 2015 commitment to \$35 billion. Concessional loans, which were combined with export credits to reach \$35 billion in 2015, are now put in the same category with grants and zero-interest loans in 2018. Although the total of these three items (grants, zero-interest loans, and concessional loans) reaches \$15 billion, it remains a question whether the free grants and zero-interest loans will match the 2015 level (\$5 billion). Although China still pledges \$20 billion of credit lines, the credit is no longer specifically confined to the export credit as it was in 2015, and there is no mentioning of such credits being preferential. In addition, the specification from 2015 on the enhancement of the concessionality of the concessional loans is removed from China's pledges this year. This could be the most indicative of China's heightened concerns about the returns and commercial viability of the Chinese financing.

MORPHING FROM LOANS TO INVESTMENT

China is committed to set up a \$10-billion special fund for development financing, reflecting China's changing model of financial engagement in Africa. Evolving away from the previous "resources for infrastructure" model, China has been increasingly keen on utilizing financing provided by Chinese development finance institutions, such as China Development Bank and China-Africa Development Fund, to support Chinese companies' equity investment in Africa.

<https://www.brookings.edu/blog/africa-in-focus/2018/09/05/chinas-2018-financial-commitments-to-africa-adjustment-and-recalibration/>



BEIJING

DECLARATION

2018



TOWARD AN EVEN STRONGER CHINA-AFRICA COMMUNITY WITH A SHARED FUTURE

1.1 We, the Heads of State, Government and Delegations of the People's Republic of China and 53 African countries, and the Chairperson of the African Union Commission (AUC), gathered in China on the 3rd and 4th of September for the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). Under the theme "China and Africa: Toward an Even Stronger Community with a Shared Future through Win-Win Cooperation" and committed to the development of FOCAC and to deepening China-Africa comprehensive strategic and cooperative partnership, we adopted by consensus the Beijing Declaration-Toward an Even Stronger China-Africa Community with a Shared Future.

1.2 We extend warm congratulations to the Republic of the Gambia, the Democratic Republic of Sao Tome and Principe, and Burkina Faso on becoming new members of FOCAC following the Johannesburg Summit.

2. In a world of major development, transformation and adjustments, peace and development remain our common aspirations. Growing interconnection and interdependence among countries has made collaboration the

only viable way to effectively address terrorism, conflicts, wealth gaps, poverty, climate change, land degradation, food insecurity, major communicable diseases, protectionism and other global challenges.

3.1 Recalling and fully endorsing the vision of "a community with a shared future for mankind" and "China-Africa community with a shared future", which has been articulated by leaders of China and Africa on both bilateral and multilateral occasions in recent years, we call on all countries to work in concert toward a community with a shared future for mankind, an open, inclusive, clean, and beautiful world that enjoys lasting peace, universal security, and common prosperity, and a new type of international relations featuring mutual respect, fairness, justice, and win-win cooperation, with a view to upholding and advancing world peace and development.

3.2 We believe that China and Africa are a community with a shared future. China is the largest developing country. Africa is the continent with the most developing countries. Sharing weal and woe, the Chinese and African peoples have forged a deep friendship

rooted in our similar historical experiences, development tasks and political aspirations. We agree to strengthen collective dialogue, enhance traditional friendship, deepen practical cooperation, and work together toward an even stronger China-Africa community with a shared future.

4.1 We applaud that, under the Belt and Road Initiative, the principle of extensive consultation, joint contribution and shared benefits is observed; market principles and international norms are followed; openness, transparency, and win-win results are advocated and practiced; efforts are made to develop inclusive, accessible and reasonably priced infrastructure that delivers extensive benefits and are consistent with the national conditions and laws and regulations of related countries, with a view to promoting high-quality and sustainable development for all. The Belt and Road development responds to the call of the times and brings benefits to all peoples.

4.2 Africa, being part of the historical and natural extension of the Belt and Road, has been an important participant in this initiative. The cooperation between China and Africa under the

Belt and Road Initiative will generate more resources and means, expand the market and space for African development, and broaden its development prospects. We agree to form a strong synergy between the Belt and Road Initiative and the 2030 Agenda for Sustainable Development of the United Nations, Agenda 2063 of the African Union (AU), as well as the development strategies of African countries. The closer connectivity in policy, infrastructure, trade, finance and people-to-people ties, strengthened industrial capacity cooperation under the Belt and Road Initiative, and greater cooperation in the planning of African infrastructure and industrial development will lend new impetus to the win-win cooperation and common development between China and Africa.

4.3 African countries support China in hosting the second Belt and Road Forum for International Cooperation in 2019. China welcomes African countries' active participation in the Forum.

5.1 We applaud the role FOCAC has played over the past 18 years to promote China-Africa relations. The follow-up actions and the implementation of the outcomes of the Johannesburg Summit, including the "ten cooperation plans" and the FOCAC Johannesburg Action Plan (2016-2018), have produced fruitful results.

5.2 We recognize that the FOCAC mechanism is increasingly efficient and has become a leading player in international cooperation with Africa. We agree to uphold the

existing mechanism and preserve its uniqueness and strengths to further advance China-Africa relations and cooperation in the new era. We also agree to make the Forum a major platform for China-Africa cooperation under the Belt and Road Initiative.

6. China will continue to strengthen solidarity and cooperation with African countries in keeping with the principle of upholding justice while pursuing shared interests and the principle of sincerity, real results, affinity and good faith, as proposed by H.E. President Xi Jinping. We are committed to working together to leverage our respective strengths, accommodating each other's concerns, and developing and enriching the China-Africa comprehensive strategic and cooperative partnership to the benefit of the Chinese and African peoples.

7.1 China commends the African integration process, and pledges its continued support for Africa's efforts in seeking strength through unity, accelerating integration, upholding peace and stability, and achieving even faster economic growth. China takes note of the encouraging progress achieved in these areas at the AU Summits in recent years.

7.2 We welcome China's stronger cooperation with the AU, its agencies and African regional economic organizations, and support the AUC in playing a constructive role in promoting China-Africa transnational and trans-regional cooperation. China welcomes a representational office of the AU in Beijing, and supports AU reform to

enhance its capacity building and efficiency.

8. We agree to continue to give each other firm support in upholding territorial integrity, sovereignty, security and development interests. African members of FOCAC reaffirm their commitment to the one-China principle, and their support for China's reunification and China's efforts in resolving territorial and maritime disputes peacefully through friendly consultation and negotiation. China reaffirms its commitment, on the basis of the one-China principle, to growing friendship and cooperation with all African countries and sharing with them its development opportunities. China reiterates its firm commitment to the principle of non-interference in others' internal affairs and supports African countries in independently exploring development paths suited to their national conditions.

9. China pledges to work with African countries to synergize development strategies and increase experience-sharing on governance, poverty reduction and development, particularly on rural socio-economic development, gender equality and women and youth empowerment. China supports African countries in working for development and rejuvenation and acting on Agenda 2063 and its first ten-year implementation plan, with a view to achieving independent and sustainable development.

10. We applaud the remarkable progress and positive results achieved by China and Africa in anti-corruption cooperation.

We will continue to bear zero tolerance toward corruption and strengthen the institutions and mechanisms for anti-corruption cooperation. We welcome the launching of the African Anti-Corruption Year, and will take it as an opportunity to further enhance South-South cooperation and experience-sharing in a joint effort to fight corruption and promote integrity.

11. We commend the principle of common, intensive, green, safe and open development agreed by both sides to enhance mutually beneficial cooperation under the new circumstances, and applaud the fruitful China-Africa economic and trade cooperation, particularly the remarkable results of cooperation in such areas as trade, investment, financing and infrastructure. We believe that economic and trade cooperation remains the anchor and the propeller for China-Africa relations. China will continue to, in keeping with the principle of mutual benefit and win-win cooperation, help enhance Africa's production capacity in the secondary and tertiary industries, and promote the transformation and upgrading of China-Africa economic and trade cooperation focusing on improving Africa's internally driven growth that reduces reliance on export of raw materials. China will, as always, offer assistance and support to Africa's development with no political strings attached. Africa reaffirms its commitment to sustainable, diversified and coordinated socio-economic development to ensure mutually beneficial outcomes.

12. We call on the international community to join efforts in promoting trade and investment for development and making economic globalization more open, inclusive, balanced and beneficial to all. Faced with the current severe situation, we firmly uphold multilateralism and oppose all forms of

unilateralism and protectionism, support a WTO-centered, rules-based multilateral trading regime that is transparent, non-discriminatory, open and inclusive, and support the efforts for an open and inclusive world economy. We will work for the normal operation of the WTO dispute settlement mechanism and continue to implement the outcomes of previous ministerial meetings. We resolve to enhance cooperation within such mechanisms as the G77+China, and take concrete actions to uphold the multilateral trading regime and support development across the world.

13.1 The African leaders welcome the major measures for further opening-up announced by H.E. President Xi Jinping at the opening ceremony of the Boao Forum for Asia Annual Conference 2018, and commend the concrete and targeted efforts made by China in such areas as capacity building. They believe that such measures and efforts will benefit African countries and beyond, and that China's development has brought important opportunities and impetus to an open world economy. The African leaders welcome the first China International Import Expo to be held in Shanghai in November, 2018 and would like to take an active part in it.

13.2 China commends the important outcomes of the African Union Extraordinary Summit, held in Kigali Rwanda in March 2018, on the African Continental Free Trade Area, and welcomes the launching of the Single African Air Transport Market and the decisions supporting the free movement of people and goods. China supports early progress in developing African Continental Free Trade Area and the Single African Air Transport Market.



China will strengthen cooperation with Africa in trade and investment facilitation, and step up related policy communication, information sharing and capacity building. China supports African countries in enhancing connectivity, infrastructure development and industrialization. China encourages companies from both sides to explore more ways of mutually beneficial cooperation based on the law of the market.

13.3 Africa appreciates the support that China has rendered to its railway development, particularly the related goals set forth by the AU Agenda 2063, and welcomes China as a strategic partner in its railway development. Africa welcomes more investment from China in its tourism industry and looks to further expand China-Africa aviation cooperation.

14. We welcome the G20 Initiative on Supporting

Industrialization in Africa and Least Developed Countries and urge developed countries to honor their official development assistance commitments to developing countries, especially those in Africa, on time and in full, and to provide more support in terms of funding, technology and capacity building for the full implementation of the 2030 Agenda for Sustainable Development.

15. We call on all countries to respect the diversity of civilizations and stress that people-to-people and cultural exchanges are of great significance for increasing mutual understanding, friendship and cooperation between the Chinese and African peoples. We encourage further exchanges, mutual learning, and cooperation in culture, education, science, technology, sports, health, tourism, media and at sub-national levels, to further consolidate the public support for China-Africa relations.

16.1 We underscore the importance of advocating common, comprehensive, cooperative and sustainable security. We commit ourselves to addressing disputes and differences through dialogue and consultation, making coordinated efforts to deal with both traditional and non-traditional security threats and opposing terrorism in whatever form, for whatever cause, and wherever it occurs.

16.2 China firmly supports African countries and regional organizations such as the AU in their efforts to independently resolve African problems in the African way. China

supports the building of the African Standby Force and the African Capacity for the Immediate Response to Crisis, and other active measures by regional countries in countering terrorist threats. China supports predictable and sustainable UN funding for Africa's independent peace operations and the initiative to "Silence the Guns in Africa by Year 2020". In light of the need of Africa, China will continue to play a constructive role in providing good offices and mediation of African hotspot issues. We welcome closer communication and coordination between China and Africa in the UN Security Council. We will enhance coordination and cooperation on affairs related to African peace and security to uphold our common interests through the meetings and consultations between China and Africa's non-permanent members of the Security Council. We welcome closer cooperation between China and the African Union Peace and Security Council (AUPSC) through meetings and consultations, as it serves our common interests.

16.3 We note the serious challenges of displacement and migration in Africa, and the efforts by the African Union, sub-regional organizations and African countries in addressing the issues within the framework of Agenda 2063 and through other related channels. China and Africa will discuss ways to strengthen cooperation in such areas as humanitarian

response, early warning, climate change, drought and desertification and disaster management and response.

17. We emphasize the importance of upholding the purposes and principles of the UN Charter and supporting the active role of the UN in international affairs. We advocate mutual respect and equal consultation, firmly reject Cold-War mentality and

power politics, and embrace the new approach to state-to-state relations that favors dialogue over confrontation, partnership over alliance. We follow the principle of achieving shared benefits through consultation and collaboration in global governance, advocate multilateralism and democracy in international relations, and believe that all countries are

equal, irrespective of their size, strength or wealth. We oppose interference in others' internal affairs and arbitrary use or threat of force in international affairs, and reaffirm the need to deepen mutual understanding and enhance coordination and collaboration with each other at the UN and other fora.

18. We call for necessary reforms of the UN including its Security Council to better fulfill their responsibilities prescribed in the UN Charter and enhance the UN's capacity to deal with global threats and challenges and strengthen global governance. We emphasize that the historical injustice endured by African countries should be corrected, that priority should be given to increasing the representation of African countries at the UN Security Council and other agencies, and that concerted efforts should be made to steer the reform of the international governance system toward better serving the common interests of developing countries. China will enhance communication and coordination with Africa's non-permanent members of the Security Council to jointly uphold the common interests of the two sides and developing countries as a whole. We also call for

reforms of international financial institutions including the Bretton Woods institutions.

19.1 We call for the conclusion of the work program under the Paris Agreement by the 24th Session of the Conference of the Parties (COP 24) of the United Nations Framework Convention on Climate Change (UNFCCC), and reaffirm our unwavering commitment to jointly tackling climate change in accordance with the Marrakech Action Proclamation for Our Climate and Sustainable Development adopted at COP22 of the UNFCCC. We are determined to take environment-friendly approaches, work together to respond to climate change, protect marine biodiversity, strengthen marine research, develop blue economy, and foster a global ecosystem for green development to protect our common home for human survival and create an environment conducive to the development of small island countries. We call on developed countries to honor their commitments at an early date and to support African countries with funding, technology transfer and capacity building to deal with climate change and protect the environment.

19.2 China speaks highly of Africa's efforts in protecting wildlife, takes note of the challenges confronting Africa, and will work with Africa to fight illegal trade in wildlife and provide necessary support in this field.

20. We congratulate South Africa on successfully hosting the 10th BRICS Summit and the BRICS Outreach which is comprised of the BRICS Plus Initiative and the BRICS Leaders-Africa Outreach Dialogue Forum. The Leaders applaud the outcome documents and measures adopted at the BRICS Summit as being fruitful and laying a solid foundation for the second "Golden Decade" of BRICS Cooperation. The Summit will strengthen collaboration among countries concerned and help them benefit from the fourth industrial revolution.

21. We commend the Ministers participating in the seventh FOCAC Ministerial Conference for their dedicated efforts and outstanding work in formulating the Beijing Action Plan (2019-2021) of the Forum on China-Africa Cooperation in the spirit of this Declaration. With the Action Plan adopted, both sides will now work closely for its timely and full implementation.

22.1 We express gratitude to H.E. President Xi Jinping of the People's Republic of China and H.E. President Cyril Ramaphosa of the Republic of South Africa for co-chairing the 2018 Beijing Summit of FOCAC.

22.2 We express gratitude to South Africa for the contribution it has made to FOCAC's development and China-Africa relations during its co-chairmanship from 2012 to 2018.

23. We express gratitude to the government and people of the People's Republic of China for the warm hospitality and excellent facilitation during the 2018 Beijing Summit of FOCAC.

24. We welcome the Republic of Senegal as the next co-chair of FOCAC. The Eighth FOCAC Ministerial Conference will be held in the Republic of Senegal in 2021.



China Investments in Africa

Tencent 腾讯

CHINESE GIANTS

The 'Dragon Effect' ...

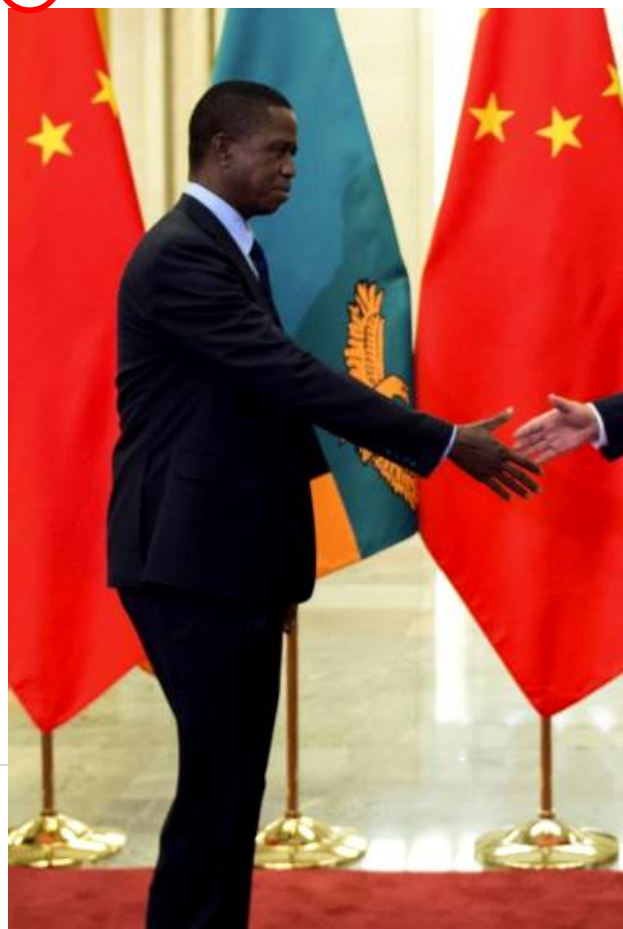
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WIN - WIN PARTNERSHIP



MOBILIZED

5 GIANT CHINESE INFRASTRUCTURE PROJECTS



Top 10 African destinations for Chinese investment

Total capital investment 2003-2017* (\$bn)



*year to date
Source: fDi markets

or INSTITUTIONAL **CAPTURE?**

CHINA | INVESTMENT PLEDGES

The multilateral development banks are not involved, so their procurement guidelines do not directly apply.

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 channelled 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.



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.

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.

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.



*The Creeping Hegemony of China
Expressed through Private Investors...*

BWI AFFILIATE:

Inspired by the new BWI Africa and Middle East Strategic Plan 2018-2021, East Africa unions adopted theory of Change and new strategies of organizing IFIs and MNCs Infrastructure projects. Some unions have acquired experience in Organizing and Negotiating with Chinese MNCs. During a site visit we met Joe Macharia, the Education Secretary of KBCTFIEU of Kenya who is sharing his rich experience in organizing in CCCC a Chinese MNC operating in Kenya.



Joe Macharia

AMANDLA

KBCTFIEU

*Organizing a Chinese MNC:
Inspiration & Determination*



SPOTLIGHT

Kenya Building

During the field visit at China Communication Construction

Company (CCCC), it was realized that the union has a good working relationship with the company, what is the reason behind that?

China Communication Construction Company (CCCC) is the mother company of China road and Bridge cooperation (CRBC) that has been operating in Kenya for many years from 1990s. Note that CCCC just came to Kenya around 2015 and was awarded the construction of 2nd phase of the standard gauge railway project from Nairobi to Naivasha.

The 1st phase of the SGR from Mombasa to Nairobi was done by China road and Bridge cooperation. Therefore, the management of CCCC is the same as that of the China Road and Bridge cooperation (CRBC). The second phase of the SGR was a continuation of the 1st phase. The CBA between our union and CCCC was a review of the CBA between our union and CRBC.

The working relationship between KBCTFIEU and CCCC is therefore a continuation and based of the long relationship that has existed between the union and CRBC. As stated the relationship has a long history dated way back in 1990s and has had its ups and downs.

In a nutshell, the union has had to use the dispute resolution procedure all the way to industrial court to attain a recognition agreement and a CBA in the year 2007. This was after the union attained an arrest warrant from Industrial Court against the managing director of CRBC. Ever since there is mutual respect from both parties and the Union has been able to review subsequent CBAs with the company in their different projects.

The company reported to have over 3000 employees, how does the union work to ensure service delivery to its members.

Actually the 2nd phase of the SGR project has over 10,000 workers currently in different sections of the project ie sections 1 to 6. Section three has about 3000 workers.

In each of the sections we have a fulltime union officer/organizer that is responsible for the section in terms of service delivery to workers. The role of the union organizer is to carry out recruitment, organizing and dispute resolution at the site level. Each organizer works under the supervision of the area Branch secretary who reports to the Union head office.

At each site there are several shop stewards each for different departments and then the chief shop steward for the whole section. This ensures that we have a union representative in each department to reach out to each employee.

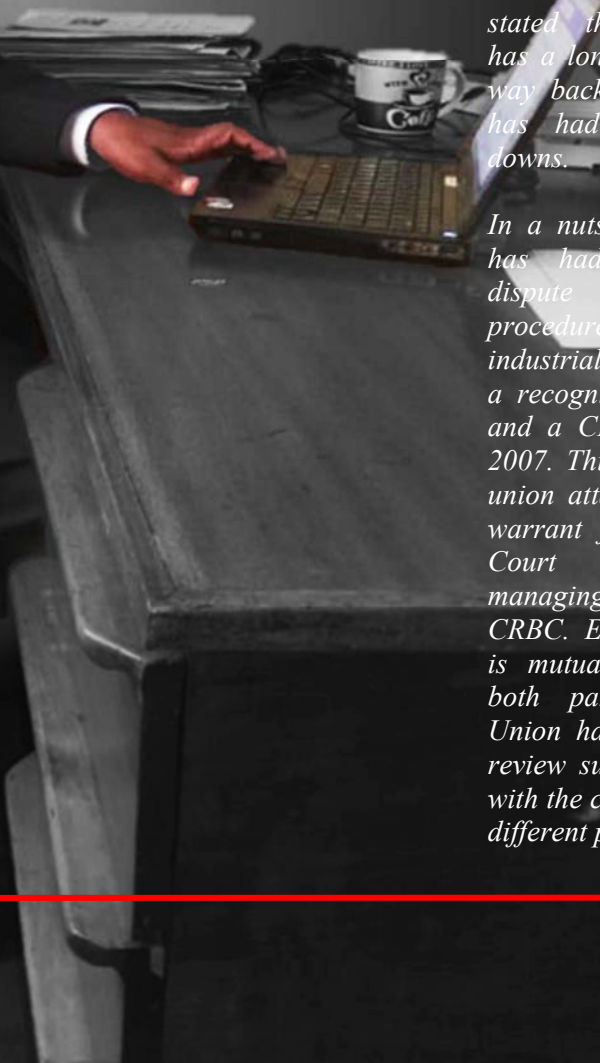
How do you handle trade disputes arising from the company?

As stated above we have a full-time union

organizer for each section of the company's project with the role of organizing recruitment and dispute resolution. Under the organizer we have department shop stewards and the chief shop steward. Any dispute that cannot be resolved by the department shop steward is forwarded to the chief shop steward. If a dispute is not resolved by him then it's forwarded to the organizers who if not able to resolve can forward a dispute to the Branch secretary and or head office. It is important to note that most of disputes are resolved even before they reach to the Branch secretary.

Do you have challenges in dealing with the company relating to labour matters?

There are different challenges emanating from different sections of the projects. While in general there is good working relation with CCCC, there are different companies working under the main contractor or rather the said companies could be sister companies with CCCC.





Section two has a very bad attitude towards union and has been frustrating union activities while working and encouraging community leaders to act as workers representatives. This is because of political interference and following an incidence that was reported whereby Chinese workers were roughed up, beaten and even hospitalized following incitement from local politician who manipulate locals ignorance to demand that only local community people should be employed in that section. Due to that type of intimidation to the company and workers from other parts of the country, the union has had big challenge in dealing with labour matters which

are subjected to local community style of resolving a dispute by involving traditional chiefs and leaders who are totally ignorant of Kenya's labour laws.

In section Five, again due to the same political interference and local traditional cultures, the relationship between the union and company is not that good despite the company and the local community leaders depending on our CBA as the only document of reference. The management are fearful of local community who at one time again invaded the camp resulting to a police shooting down two people. The same was reported in local daily news of January 2018.

What made your success in organizing

and recruiting in CCCC contrary to other Chinese MNCs?

The long history and the genesis of the relationship between this union and the company has enabled the union to marshal resources towards recruitment of workers of CCCC. The project is the biggest in the history of Kenya, employing the biggest number of workers at one time and place.

Following successful completion of phase one of the SGR project, workers and the company learned the importance of a CBA and this was an achievement for the union who was quick to use it as a selling factor to workers employed in the second phase of the project. Many of workers who worked and completed phase one were also employed in phase two and thus easy for the union to carry out recruitment. The CBA was popular among workers because when workers in phase one were declared redundancy they were promptly paid their final dues as per the CBA.

Due to existing good industrial relationship,

the union officers had unlimited access to each and every part of the project including enclosed workshops for the purpose of recruitment. Unlike other Chinese MNCs, the management did not use counter intimidation campaigns against workers where others threaten workers with dismissals if they join union. In the case of CCCC when the union submit check off forms for union deductions it is promptly acted upon and union fee is deducted and remitted to the union. Other Chinese MNCs it has to be disputed even when it is unnecessary to do so.

In your opinion are there best practices that can be duplicated by other trade unions organizing Chinese MNCs?

Being in touch constantly with workers has given the union strength and popularity among workers and hence respect from employers and management of CCCC. Despite having a CBA constant monitoring of its implementation is key. Training of organizers and shop stewards was vital to ensure quality

and timely service delivery to members. It is important to involve other stakeholders and the union should have moved fast to build bridges with local community traditional leaders.

During the visit it was notable that OHS was a big challenge as most employees were working without PPEs, what action have you taken to address this?

After the visit the union convened a meeting with head office of the SGR project to discuss on various issues that

emanated from the site visit. One of the issues was subcontracting works as well as OHS and mainly provision of protective clothing's. The main challenge is the fact that the company is required by law to give some jobs to subcontractors to do jobs like slope protections, landscaping, Calvert sections etc that also engages many employees. This are the main challenge for the union but the company wrote a letter to all their sub contractors urging them to observe Kenya law on OHS.

Subsequent follow up by the union officers has been done on the employees of the main contractor and its reported that section four has provided protective clothing to their workers who did not have them.

What were the reactions from the workers, trade union and the employer after the field visit?

Workers were exited to learn that the trade union movement in Africa is concerned about their welfare and that they are part of a movement beyond the

Kenyan borders. They wished for a more interactive sessions during the visit that was however limited in time.

The employer as usual was sceptical of the mission and in our view tried to avoid more exposures on their side and as usual tried to paint the best picture. Following an expose' on the SGR operator the company expected us to engage the media but that was not the right thing to do at that time. They are still waiting for a report and reactions from BWI.



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



MULTINATIONAL COMPANIES IN AFRICA MAJOR PROJECTS

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 http://mgafrica.com/article	\$12 billion
Mini-City, South Africa	Chinese property group Shanghai Zendai is building 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" http://mgafrica.com/article	\$7 billion
Joint Venture between China International Fund and Guinea, 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 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.	\$5.6 billion

MULTINATIONAL COMPANIES

MAJOR PROJECTS IN AFRICA

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Chinese
MNCs in
Africa

Cement Regional Plants,	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 Mgemwa, 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 begun . 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 http://mgafrika.com/article	\$3.4 billion



CHINA'S 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/>

CHINA'S MARK ON THE CONTINENT

OVER 3,030 ACTIVE PROJECTS

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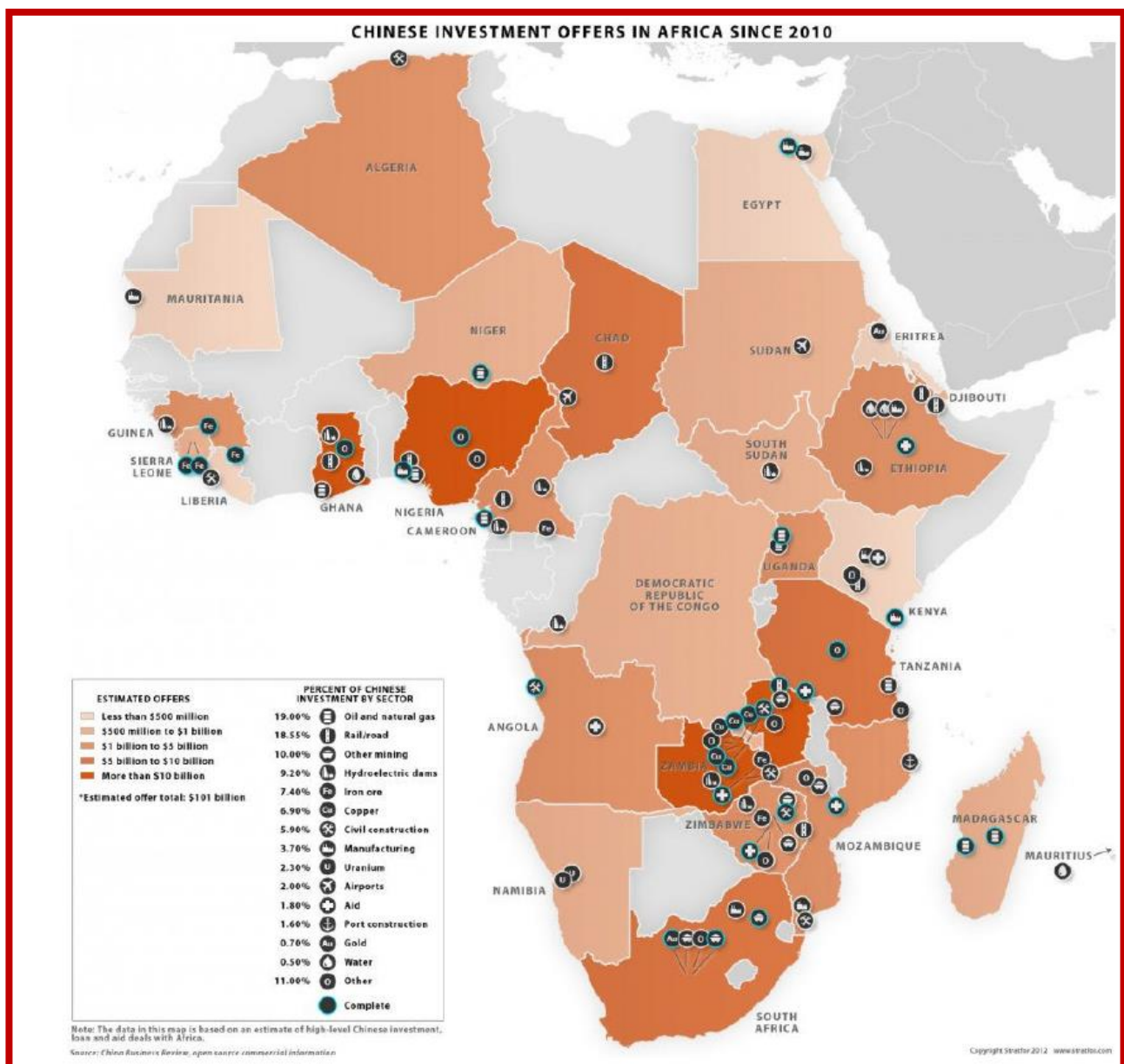
Chinese
MNCs in
Africa



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.



IN WEST AFRICA & MIDDLE EAST

On 31st 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 FCFA). The works that started in 2006 were supposed to be completed in 2009.

In **Senegal**, CRCC is responsible for restoring the Dakar - Kidira section. Out of the 450 billion FCFA that the Dakar - Diamniadio – Aibd project will cost, European and/or Senegalese companies will get a share of more than 310 billion FCFA. Authorities had promised full transparency in the final awarding of these contracts. Sixty companies have tendered, and we are waiting for next week to get the response.



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.

RESEARCH PROJECT
In collaboration with BWI



CHINESE CONSTRUCTION COMPANIES IN AFRICA

HIGHLIGHTS

Preliminary Study Findings

FREEDOM OF ASSOCIATION – TRADE UNIONISM

COUNTRY	RESEARCH FINDINGS
Ethiopia	<p>All respondents affirmed that all the Chinese owned MNEs did not respect freedom of association.</p> <p>“Chinese companies do not want to see trade unions in their enterprises” The case of CRBC and CGSCC: elected trade union leaders were fired by the enterprises as soon as they were elected. The union was immediately dissolved.</p>
Ghana	<p>Workers are prevented from forming or joining trade unions</p> <p>“They never wanted us to form or join a trade union...We have tried to form a union several times but it did not get anywhere. Some of our colleagues have been laid off work because of this.”</p>
Zambia	<p>None of the 200 workers at the site belonged to a trade union</p> <p>“Usually we just get the brave ones to go and speak to the HR manager” “It is very difficult to air our views as we are threatened to be fired...”</p>
Zimbabwe	<p>Workers who participate in trade union activities are either arbitrary transferred to other sites which are remote where they cannot communicate with the union or union officials or are threatened with non-renewal of contracts.</p> <p>Due to their vulnerable state and fear of job loss or non-renewal of contract, some casual workers had to succumb to the demands of the employer</p>
Kenya	<p>One of CCCC sites - resistance to unionization by the management resulting in industrial action.</p> <p>Workers were victimized and others dismissed. However the trade union took legal redress on behalf of the employees who were thereafter reinstated.</p>

WAGES

COUNTRY	RESEARCH FINDINGS
Ethiopia	No minimum wages in Ethiopia Chinese construction MNEs pays very low wages, insufficient to cover basic needs of the workers
Ghana	Minimum wage in Ghana is GHS 261.36 (USD 61.00) Gross salaries at CHEC range between GHS600 (USD 140.00) to GHS 1,300 (USD 302.00)
Zambia	The average wage was K884 (USD 88.40), compared to industrial sector average of K1,834 (USD 184.34)-less than half. Minimum wage in Zambia is USD 147.40. Therefore - wages at Jiangxi construction are lower than the prevailing industrial average, and far lower than the estimated national living wage for Zambia.
Kenya	The study established that CCCC pays all workers above the minimum wage of Kshs. 411 per hour per the sector wage order of 2017
Zimbabwe	No payslips - leaves the worker vulnerable to the manipulations and exploitation by the management. Majority earn between US\$201-US\$300 which is below the sectoral minimum wage which is US\$310.76 Underpayment is a serious problem. "But we just work because we do not have any alternative. There are no jobs in this economy."

SAFETY, HEALTH AND ENVIRONMENT (OSHE)

COUNTRY	RESEARCH FINDINGS
Ghana	<ul style="list-style-type: none"> • Presence of a Health and Safety Department • However, problems of adequacy of rest/wash/changing facilities for both men and women workers • Workers are concerned about high levels of accidents, and lack of proper care in case of accidents
Kenya (positive case)	<ul style="list-style-type: none"> • Frequent trainings by management on safety on site and site safety procedures • Toilets well kept and cleaned frequently. • Payment of injured workers
Zambia	<ul style="list-style-type: none"> • Availability of an OSHE policy and provision of PPC/E • Workers satisfied by the changing rooms, toilets and showers
Zimbabwe	<ul style="list-style-type: none"> • Presence of OSHE committee but OSHE issues were being dealt with by the Workers' Committee • However, reports of serious violations of safety and health rights of workers. <ul style="list-style-type: none"> ✓ Unsafe drinking water –Water tests undertaken by the University of Zimbabwe confirmed this ✓ "After working hours, the Chinese managers close the taps of the water tank and lock them barring us from accessing the water even in the evening" ✓ Inhabitable and overcrowded site shelters with poor ventilation ✓ Chinese employers disregard the provisions of the CBA in terms of provision of adequate PPC and PPE, thus, violates this right.

EMPLOYMENT OF LOCAL WORKERS?

COUNTRY	RESEARCH FINDINGS
Ghana	90% are Chinese (other nationalities include Guinea, Philippines and South Africa)
Zimbabwe	"The management of the company are all Chinese nationals, so they keep their information and policies as a secret to the union" ZCATWU Official.

NON-WAGE BENEFITS

COUNTRY	STATUS
Ghana	No access to paid annual leave, paid sick leave, maternity or medical care.
Zambia	None of these are provided - Pension fund contribution; medical aid; paid vacation; paid sick leave; paid maternity Training is inadequate

INDUSTRIAL ACTION / HARASSMENT / ABUSE

COUNTRY	STATUS
Ghana	<p>"These Chinese people they don't like being challenged. If you challenge them (stand up to them for something bad they are doing), they will say, "You, bad, go".</p> <p>Threats of non-renewal of contracts "So it is always Yes Sir, Yes Master. As for CHEC, we are under slavery"</p>
Kenya	<p>The supervisors call workers names like "mavakappi" – a vulgar Chinese word. Another common abuse to workers was "ali baba" which means a thief! The Union General Secretary was once called "ali baba" by a Chinese supervisor. The case was handed to management and final government authorities and the supervisor was deported immediately.</p>

Conclusions and recommendations

The growing China-Africa relationship is certainly slowly and fundamentally altering the global economic order. As the Senegalese President Abdoulaye Wade was quoted in 2005: *'between countries, there are no friends, only interests'* as he was announcing Senegal's de-recognition of Taiwan and establishment of diplomatic relations with China. Another African diplomat was quoted: "... *China has no friends, only interests'* (African diplomat, commenting on Pres. Hu Jintao's 2004 visit to oil-rich Gabon). Thus, China's late entry into Africa should not be seen as a friendly gesture alone. It is resource seeking and its investments in infrastructure a much need act after the continent's decades of reliance on the west for FDIs, aid and other developmental initiatives.

Chinese investments came at a time when Africa is yet to recover from the effects of the Washington Consensus, which promoted widespread privatization, pre-mature liberalization of African economies, deregulation and various other austerity measures meted out against many African countries. Most African governments thus see the China Africa relationship at least a guaranteed coupon out of the deepening poverty, indebtedness, growing unemployment and ability of governments to make sovereign decisions over their domestic economic and social affairs. It is within this context that the Africa China relationship has to be understood. However, the relationship should not turn out to be that of a 'horse and a rider,' especially, for African workers. Thus, to prevent further marginalization of African workers in Chinese enterprises, we recommend the following:

- Trade and investment negotiations should take place with the full participation of social partners. Trade unions are critical in this regard to ensure that labour safeguards form a central part of trade negotiations and investment deals.
- For better enforcement and oversight, trade unions have to take up their rightful space in their country's investment and trade boards/committees, immigration selection boards, national tender and procurement structures and where the law does not prescribe their participation, they should demand law reforms to include clauses of representation of social partners
- Trade unions have to intensify their organizing efforts in Chinese owned enterprises and ensure that their members and even Chinese workers are sensitized enough to take action when their rights to belong to a trade union and to collective bargaining are violated.
- Promote global framework agreements to bring conformity to investment agreements between China and African countries instead of bilateral agreements
- Systematically document evidence of labour rights violations and poor labour practices in Chinese owned enterprises to use as evidence in national and global campaigns

'China has no friends, only interests...'



BASELINE INFORMATION FOR CHINESE MNCs

COUNTRY	NAME OF UNION	NUMBER OF COMPANIES ORGANISED	TOTAL NUMBER OF MEMBERS	NUMBER OF CBAS OR ANY AGREEMENTS SIGNED (NATIONAL/SECTORAL/COMPANY/PLA)	NUMBER OF STRIKES HELD
Angola	SNIMCMA	4	N/A	N/A	Nil
Namibia	MANWU	7	1 500	1 National CBA; 4 PLA	10
Malawi	BCCEAWU	5	336	N/A	Nil
Mauritius	CMWEU	12	N/A	N/A	2
Mozambique	SINTICIM	4	6 000	N/A	4
South Africa	CEPPWAWU	1	206	N/A	Nil
Zambia	NUBEGW	10	6 500	1 National CBA; 2 Company Level	1
Zimbabwe	CLAWUZ	2	465	1 National CBA	1
Zimbabwe	ZCATWU	11	1 173	2 National CBAs	2
Ethiopia	Ethiopia Federation	10	1 441	6 Company CBAs	1
Kenya	Kenya Building	23	28 000	9 Company CBAs	33
Kenya	KQMWU	3	300	N/A	Nil
Tanzania	TAMICO	6	700	2 CBAs	2
Tanzania	TUICO	43	3 256	6 CBAs 2 Recognition Agreements	3
Rwanda	STECOMA	5	160	N/A	Nil
Uganda	UBCCECAWU	11	8 364	6 CBAs	1
Ghana	CBMWU	10	5 160	6 CBAs	Nil
Ghana	TWU	1	162	1 National CBA	Nil
Nigeria	CCESSA	3	250	1 National CBA	Nil
Nigeria	NUCECFWW	5	7 000	4 CBAs	1
Senegal	SNTC/BTP	2	N/A	N/A	Nil
Togo	FTBC	2	405	2	2
TOTAL		170	71 378	56	63

BASELINE BY COUNTRY

COUNTRY	NAME OF UNION	TARGETED CHINESE COMPANIES	MAIN ISSUES AT WORKPLACE	NEEDS OR GAPS	RECOMMENDATIONS FOR 2018-2020
ANGOLA	SNIMCMA				
NAMIBIA	MANWU	CHEC, Zhongei Engineering Group, China Railway, China Jiangxi International	<ul style="list-style-type: none"> -Non-compliance with minimum wage -Non-compliance with OHS -Lack of social security -Gender based violence (sexual harassment) 	<ul style="list-style-type: none"> -OHS campaign material -Lack of funding -Limited transport 	<ul style="list-style-type: none"> -Use of ILO supervisory mechanisms when workers' rights are violated -Pressurise government to enforce labour issues -Support on organising and collective bargaining
MALAWI	BCCEAWU	China Jiangsu, China Shanghai	<ul style="list-style-type: none"> -Non-compliance on labour law -Non-compliance with OHS -Gender based violence (Sexual harassment) 	<ul style="list-style-type: none"> - Campaign material in local language -Improve follow ups - Implement check off systems 	<ul style="list-style-type: none"> -Country research on Chinese companies -Training of shop stewards -Create awareness on OHS -Workshop with union members
MAURITIUS	CMWEU		<ul style="list-style-type: none"> -exploitation of migrant workers -Poor working conditions -Non-compliance with labour law -Discrimination 	<ul style="list-style-type: none"> -Active role for youth in organising -Site visits on regular basis -Campaign material in local language -Pressurise the government -Create awareness on workers exploitation by Chinese companies 	<ul style="list-style-type: none"> -Worker education about their rights -OHS training -Equip youth -More publication and campaigns through social media -More workshops and training at union and national level.
MOZAMBIQUE	SINTICIM				
ZAMBIA	NUBEGW	CGC, Sino Hydro	<ul style="list-style-type: none"> -OHS policies -Establish OHS committees -Allowances such as education, transport 	<ul style="list-style-type: none"> -Skills on recruitment and organising -Development of training material in English and local language -Enhanced membership database 	<ul style="list-style-type: none"> -Campaigning against outsourcing and subcontracting -Training on organising and recruitment -Ensure compliance of Chinese

		and medical			
ZIMBABWE	CLAWUZ	Sino-Zimbabwe	<ul style="list-style-type: none"> -Address CBA violations -Casualisation -Working conditions -Outsourcing and failure to supervise subcontractors -Interference by HR in workers' committee 	<ul style="list-style-type: none"> -Enhanced skills on lobbying and advocacy -Formation and training of OHS committees 	<ul style="list-style-type: none"> MNCs to national labour laws -Lobby and advocacy on decent work agenda in Chinese MNCs.
ZIMBABWE	ZCATWU	Duflex, Newview	<ul style="list-style-type: none"> -Training on CBA and code of conduct -Training workers on OHS -Improved working relationship between employer and union representatives -Suppression of unions by government 	<ul style="list-style-type: none"> -Frequent visits to workplace -Campaign material to be available in English and local language -Courses like paralegal should be availed to workers -Training shop stewards -OHS training 	<ul style="list-style-type: none"> Workshops and training for shop stewards and organisers -Need for research and publications at national level -Translate campaign material into local languages
ETHIOPIA	Ethiopia Federation	-CGC, CCCC, CRBC	<ul style="list-style-type: none"> -Awareness creation -Prepare draft CBA with members -Lack of PPEs 	<ul style="list-style-type: none"> -Data collection -Language barrier -Lack of social security -Lack of financial and human resources in the union 	<ul style="list-style-type: none"> -Mapping -Research and study Campaign against violation of workers' rights -Organise more Chinese MNCs
KENYA	Kenya Building	-China Civil Eng, China Jiansu, Shcol Corporation	<ul style="list-style-type: none"> -Sub contracting and outsourcing -Non-implementation of CBAs -Non-remittance of union dues 	<ul style="list-style-type: none"> -Training shop stewards -Workplace campaigns -Advocacy on implementation of CBAs and labour laws 	<ul style="list-style-type: none"> -Training shop stewards -Training union officials -Training field organisers -Advocacy
KENYA	KQMWU	-China Wuyi, Shengli Construction, Sino Hydro	<ul style="list-style-type: none"> -Casualisation -Language Barrier -Familiarise with labour laws -Poor working 	<ul style="list-style-type: none"> -Trained shop stewards and organisers -Campaign material in local languages -Improved CBAs 	<ul style="list-style-type: none"> OHS trainings -Campaign against outsourcing and subcontracting -Advocacy on ILO CLS -Research on Chinese MNCs

TANZANIA	TAMICO	-CCECC, Sino CHICO, Sino Hydro, CRJE, CGCOC	conditions -Culture of Locals -Employers are anti-union -Lack of trade unionism among employees -Non-remittance of union dues -Victimisation of employees joining the union -Lack of support by government	-Need funds to reach distant projects -Educating workers on their rights -Improved communication within the union -Employ more staff	-Training organisers on new ways of organising. -Create awareness among workers -Training trade union leaders -Pressurise government on workers' welfare
TANZANIA	TUICO	-Group Six Company -Hongwei Int Company -Longlan Wood Company -Cheon Kwang Industrial	-Recognition of TU -Violation of workers' rights -Lack of employment contracts -Language barrier	-Learn Chinese language -Training on organising in Chinese companies -Mapping and Research on Chinese MNCs -Transport -Workshops on Chinese companies	-BWI to conduct more network meetings -Engage government in ensuring Chinese management understand labour laws -Establish policies of recruitment of more women under equality
RWANDA	STECOMA	-CHICO, CRBC, CCCC	-Language barrier -Sub contracting -Little knowledge on negotiation on the side of Chinese -Lack of security	-Negotiation training -Lobbying governments on including labour issues in the contracts they sign with China -Negotiate with Rwanda Public Procurement Authority about C094	-Campaign against subcontracting -Sharing experience with other unions about CBAs -Lobby governments on workers' welfare
UGANDA	UBCCECAW U	CCCC, CHICO, CRBC, China Railway	-Lower wages/salaries -Lack of implementation on CBAs -Non-compliance with labour law -Inadequate supply of	-Inadequate funds for organising -Inadequate literature on Chinese MNCs -Inadequate organisers -Failure by government to handle labour issues appropriately	-Education and training of workers -Training trade union leaders on negotiation skills -Study visits by BWI to different countries -Publication of Chinese MNCs

GHANA	CBMWU	CHQC, Yantai International	<p>PPEs</p> <ul style="list-style-type: none"> -Inadequate treatment/compensation of injured workers at workplace -Lack of communication/language barrier -Lack of PPEs -Victimisation of workers -Violating workers' rights 	<ul style="list-style-type: none"> -Training organisers -Educate company executives on the importance of good relationship with workers -Workplace visits regularly 	<p>development.</p> <ul style="list-style-type: none"> -Training officials frequently -Campaign for workers' rights -Research and public on Chinese MNCs -Thematic expose on Chinese MNCs
	<p>GHANA</p> <p>NIGERIA</p>	<p>TWU</p> <p>CCESSA</p> <p>CCCC, CCECC, Sino Hydro, China Railway</p>	<ul style="list-style-type: none"> -Non-compliance with CBA -Language barrier -Fear of job security by workers -Local HR with no authority and mandate 	<ul style="list-style-type: none"> -Train at least 10 more organisers -Union representative who can speak Chinese language -Access to worksites 	<ul style="list-style-type: none"> -Improved CBAs -Trainings for shop stewards -Exchange visits -Collaboration with Chinese unions and workers
NIGERIA	NUCECFW W	CCCC, CCECC	<ul style="list-style-type: none"> - Failure to comply with HSE - Non-implementation of the CBA - Violating workers' rights - Casualisation - Inability of some shop stewards to report issues to the leadership 	<ul style="list-style-type: none"> -Improvement in the CBAs -Support from leadership -Mobilising workers for picketing when the need arises -Good relationship with law enforcers 	<ul style="list-style-type: none"> -Train more shop stewards -Campaigns against the government that support Chinese -Lobby government to reveal contracts signed with Chinese



The BWI world congress held in Durban 2017 adopted the 4-year (2018-2021) strategic plan that will guide the actions for the BWI globally. The strategic plan has three goals and seven convergences as below:

CONVERGENCES

1. Rights for All
2. Safe Work
3. Youth in Unions
4. Gender Equality

5. Sustainable Industries
6. Fair Games
7. Organized Value Chain

REGIONAL ACTION PLAN 2018-2021



RIGHTS FOR ALL

Unions have participated in social dialogue and negotiations as steps to ensure decent living and working

conditions for workers through increased salaries, wages and other benefits.

A total of more than 11,500 new members (about 1300 female and 42 migrant workers) were recruited by unions in the region between the period Jan-August 2018.

A total of 10 CBAs signed at company level, sectoral and national level covering around 40,000 workers.

Regional Goal 2018-2021

Targets

Organised 12,500 new members per year; 50,000 new members in 4 years and targeting 30,000 new paying members in BWI by 2021 (**Amandla! A total of 300 000 paying members in the region as the base target**).

Unions sign 40 CBAs covering 100,000 workers

Main regional actions will include:

- Regional Organising Academy
- New Organising Strategies
- Regional Wage Campaign
- Regional Collective Bargainers Conference
- Manual on Organising and Union Sustainability
- Regional Forum of Migrants and Refugees Alliance
- Signing of at least 3 Memorandum of Understanding on migrant workers



SAFE WORK

A total of 33 unions from 18 countries participated in the 28 April campaign work place campaign to emphasize on OHS focusing on BWI theme; "UNIONS MAKE WORK SAFE", with more than 1,000 workers directly involved in the campaign and benefiting more than 50,000 indirectly.

Regional Goal 2018-2021

Targets

To ensure that at least 12 unions have negotiated CBAs with clauses on OHS and regularly monitor their implementation. BWI OHS studies and publication translated into different countries official languages has been distributed to at least 100,000 workers.

Main regional actions will include:

- Start 25 Kilos cement bag campaign in the region
- Publication of OHS material for affiliates
- Regional OHS Training
- Regional OHS Labour Inspectors Networking

Participate in Global events such as 28 April Actions to ensure companies comply with OHS regulations.

YOUTH IN UNIONS



In 2018 the region prioritized the empowerment of youth in order to build a 'new successor generation' for the continuation of the labour movement. A total of 25 youth (12 men and 13 women) were targeted from 19 unions in 11 countries. The youth were empowered with skills on leadership, campaign development, political and economic analysis of the region, called upon unions for youth inclusivity, strengthening and setting youth structures in the unions and engage policy on youth unemployment. The youth agreed on the campaign theme, **'It Is Our Time'**.

Regional Goal 2018-2021

Target

Our goal is to ensure that at least 20 women participate in Global and regional forums and 10 new women leaders are active in BWI structures. 1,000 women in the region are trained on gender issues and trained in various topics.

Main regional actions will include:

- We intend to organise Regional Campaign on Valuing Women's work

- We will organise Regional Women seminars and networks
- We intend to conduct an Assessment of Women in trades in the region
- Conduct an organising Pilot Project on Women in various Trades
- Strengthen sub-regional and regional women and youth networks
- Popularise the outcome of the ILO discussions on Gender based violence in the various Trades
- Participate to Global events such as 8 March focusing on campaign against Gender Violence and Ending Macho Culture in our Unions



GENDER EQUALITY

The 4th World Congress in Durban adopted a firm resolution for 30% women representation in all activities and structures of BWI. As was expressed by a number of trade union women delegates, BWI affiliates have been active in raising awareness to stop gender-based violence. To continue these efforts, unions in the region participated in the International Women's Day campaign under the BWI 2018 **Theme: Power to the Women---Stop Gender-Based Violence.** 38 unions from 20 countries benefiting more than 10,000 women.

Regional Goal 2018-2021

Target

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SUSTAINABLE INDUSTRIES

Industries continue to transform in various ways in BWI sectors hence the need to develop a clear regional strategy to build, defend and influence in the sector.

Regional Goal 2018-2021

Targets

At least 20 unions have campaigned to promote green and decent jobs
More than 3 BWI affiliates in wood and forest are new members of the forest certification system and unions in wood and forest sector have used forest certification as tool to organise at least 5,000 new members

Main region actions will include:

- Write a briefing paper and projects mapping document of Africa Development Bank
- Establish Africa Forestry Watch – Labour conditions in the industry

- Participate in the Yellow Card Campaign
Establish Regional Wood and Forestry Conference.



FAIR GAMES

BWI adopted a strategy to organise under mega sport events since 2010 in South Africa. Since then this strategy is an ongoing agenda of BWI globally.

Regional Goal 2018-2021

Targets

Affiliates in the region are engaging national, sub-regional and regional sports bodies and participate in campaigns to ensure decent work in every country that has major sport events.

Main regional actions will include:

- Produce Scanning Paper on All Africa Games 2019
- Strengthen our strategy for Qatar.

representatives to participate at both regional and global levels.

Regional Goal 2018-2021

Targets

At least 22 unions are focusing on strategic organising and 10 unions participated in network on value chain. A research and publication on IFIs are carried out in East Africa and unions are pushing for organising.

At least 5 IFIs and PIPs are mapped, and database created for each affiliate and are using labour standards to gain improvement in working conditions.

At least 15 unions participated and share information on the MNCs including Chinese MNCs conferences.

Unions launch corporate campaigns at least in 3 MNCs including Chinese MNC and organise at 2 new networks at sub-regional or regional level

At least 10 unions are using new forms of organising and have increased organised and recruited 10,000 new members in new forms of organising

At least 2 new company networks organised

Main regional actions will include:

- Regional Innovative Unionism Workshop
- Strengthen Regional Chinese MNCs Network
- Strengthen Regional Construction MNC Network
- Regional Infrastructure Research Training
- Mapping of Dangote Plants and develop Organising strategy
- Develop a Regional Value Chain Map
- Establish Wood and Forestry Network
Organise Regional Infrastructure Conference.



ORGANIZED VALUE CHAINS

Unions continue to lose membership in the various chain of the sectors of BWI and not fully represented. There is need to map all the areas along value chain for union representation in BWI

20 unions from 14 countries with around more than 70,000 members in 136 Chinese MNCs, with 48 signed CBAs at company, sectoral and national levels. The BWI has been providing resources, platforms for unions to exchange and learn from each other and union

ORGANISING IN CHINESE MNCs

BWI MILESTONES IN SECTORS IN AFRICA AND MIDDLE EAST

The congress period 2014-2017 has seen unions from different sub regions and countries campaigned against violation of workers' rights especially by MNCs including Chinese MNCs. Focus has been given to Chinese MNCs as they are dominant in the region. This has been the issue since 2014 and resulted in BWI holding its first Global Forum on Chinese MNCs in South Africa. This resulted in the formulation of a strategic plan on engaging with Chinese MNCs. In 2016, the first Regional Strategy Network on Chinese MNCs was established and unions shared their frustrations, challenges, success and strategy on organising and engaging in Chinese MNCs. There has also been a significant number of membership in Chinese MNCs, 30.200 new members in 137 Chinese MNCs, signed 74 CBAs and held 66 strikes in 2016.

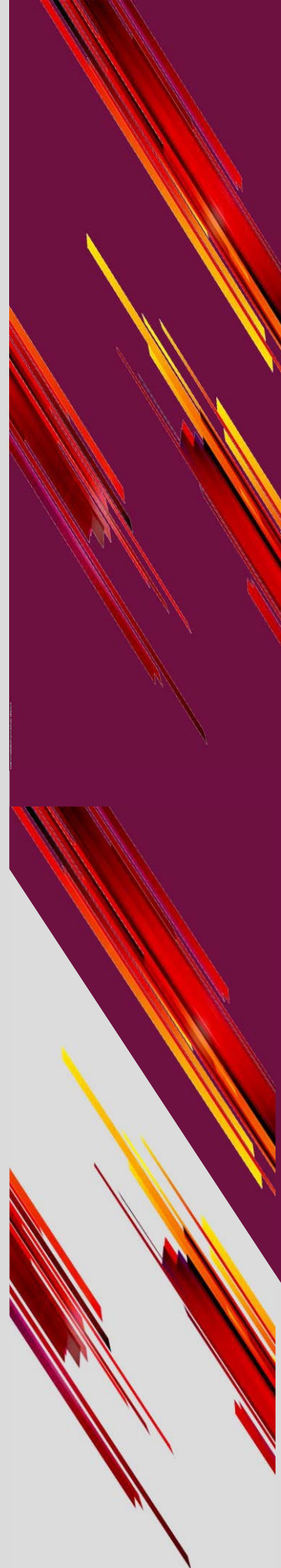
Unions from West Africa, Southern Africa, and East Africa (NUCECFWW, CBMWU, MANWU, UBCCEAWU-Malawi, ZCATWU, CLAWUZ, NUBEGW, SINTICIM, UBCCECAWU-Uganda, Kenya Building, TAMICO, TUICO, Ethiopia Federation, STECOMA, KQMWU) organised a total of 43,000 membership in Chinese MNCs in 153 Chinese MNCs, more than 60 signed CBAs by end of October 2017. Compared to 2016 figures, there has been an increase in total membership and companies where these unions are organising. This shows that China continues to increase its investment in Africa and despite challenges unions are facing, all is not gloomy.

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.



ORGANISING IN CHINESE MNCs

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.

Influencing Policy (Cont.)

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.



Strengthening BWI Organizing in Chinese MNCs – Nairobi 2018



**SUPPORTING CHINESE MNCs NETWORK
IN BWI AFRICA & MIDDLE EAST REGION**

**FRIEDRICH
EBERT
STIFTUNG**



A BWI 'BITE' on Chinese MNCs

"In order to address the Chinese MNCs issue and ensure that our members' rights are protected, we are 'tackling the bull by its horns' in the sense that, we are undertaking missions to China where we're directly engaging both those MNCs and the Unions in China;

- *We have envisaged further discussions and joint activities with these stakeholders,*
- *We will be conducting a mapping exercise of key construction projects such as the Belt and Road Initiative*
- *Case Studies or Report on Australia (OSH), Pakistan (CBA), Montenegro (Union Recognition) are being prepared*
- *For this, we have the support in principle of our valuable partners in particular the ILO and FES".*



ORGANISING & CAMPAIGNING

ABOUT BWI

Membership

BWI groups together around 334 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, Australia, Burkina Faso, Bulgaria, Lebanon, Kenya, South Korea, Russia, Argentina, Peru and Brazil.

Mission

BWI 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.

CRECENTIA MOFOKENG

AFRICA & MIDDLE EAST REGIONAL
REPRESENTATIVE



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 Neelum-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 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 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. 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 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.

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CHINESE

MNCs

[MULTINATIONAL COMPANIES]

in Africa

FRIEDRICH
EBERT
STIFTUNG

SOCIO-POLITICO-ECONOMIC & CULTURAL PERSPECTIVES



2018 Ed.



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