

**„EU - China: civil society partnership for social and ecological justice“.
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**European NGO, China and the European Union’s policy on China:
Civil society perceptions, approaches and perspectives
under the microscope**

Workshop to look ahead by taking stock with self-criticism

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**China a „Sweatshop“ and the extended workbench of industrialized countries?
The product campaigns’ implicit and explicit images of China and demands**

Some very tentative and fragmented remarks

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Dear colleagues,

How do product campaigns perceive China? Which images of China do they communicate to the public – might it be implicit or explicit, intentional or unintentional? And: do they really have images of China?

Before I turn to questions like these I would like to make two preliminary remarks.

Firstly, I’m going to replace the term product campaign with consumer campaign for the simple reason that the latter is more in use. Thus I accept that it is somehow imprecise because both terms have a slightly different meaning. But this is not important here.

Secondly, I don’t want to pretend that I have the knowledge and expertise to provide answers that are at least partly comprehensive. And I have to confess: I’m more interested in encouraging our discussion than in presenting balanced decisions. Therefore I’m only going to offer very tentative and fragmented remarks.

My background is rather small: In the 1990’s I coordinated the German carpet campaign helping to introduce the trademark Rugmark for carpets not made by children. This campaign was not at all about China. From 1997 to 2004 I coordinated the German toy campaign which was and is mostly on China. And I followed – at least to a certain extent – product campaigns like the Clean Clothes Campaign and PC global which are partly on China. This remark leads me directly to my first point, to

the initial interests of consumer campaigns. Understanding the roots of modern campaigns helps to define what we can or cannot expect from consumer campaigns for labour rights.

I. The initial interests of consumer campaigns

Consumer campaigns have a long tradition, particularly in the United States. They referred to various interests of consumers. They followed religious concerns. They fought for fair business practices. They stood up for healthy products. They did so because they were concerned about the interests of consumers, as is the case today.

The consumer orientation was taken up by a new type of consumer campaigns: It was in the 1980es when consumer organizations, church groups, one world groups and others started to ask under which conditions people in the South made products for the North. 1989 saw the beginning of the Clean Clothes Campaign in the Netherlands and in the UK. Other consumer campaigns for labour rights followed.

In many cases the initiative came from solidarity or one world groups which worked on a certain country like El Salvador or the Philippines. For instance, a lockout at a clothing factory in the Philippines in 1989 was the starting point for the Clean Clothes Campaign. Nevertheless, the consumer campaigns for labour rights focussed on products and production chains. Informing about the working conditions at the end of the production chains the campaigns hoped to mobilize consumers while relying on their expected economic power.

Therefore the consumer campaigns for labour rights had to pay attention to production chains, to logistical networks, to pricing mechanisms and – above all – to the behaviour of transnational corporations. And they had to develop new ways in order to mobilize consumers. They needed clear messages rather than complex analyses. And: they did not focus on one country as such. This is the logical consequence of the chosen consumer orientated perspective. This is a matter of course.

II. The Asian labour rights perspective

Let me now turn to the point why and how the Asian labour rights perspective came in or – more precisely – how the perspective of a few labour rights groups in Hong Kong and in some other countries came in.

China appeared on the horizon of consumer campaigns for two reasons. Firstly, the campaigns went down the production chains and found themselves in China. Be it textiles, toys or electronic goods – everything was and is made in China. If you are interested in working conditions in the consumer product industry you can't escape China. Today nearly all consumer campaigns for labour rights have to deal with the situation in China even if they have a much broader geographic focus like the Clean Clothes Campaign (the supply chains of the big clothing corporations extend to many countries).

Secondly and more importantly, labour rights organizations in Hong Kong and in some other Asian countries pointed out severe violations of even core labour standards in the export production of China. They called for international solidarity. This was the case after the terrible fire at Zhili Toy Factory in Shenzhen in 1993 when 84 women died in the flames. Labour rights organizations, church bodies and trade unions answered with the foundation of the Hong Kong Toy Coalition. These organisations called upon solidarity groups and development organizations in the North for political and financial support.

The Asian labour rights groups not only called for solidarity but also offered their perceptions to the North. They had a long tradition in fighting for labour rights. The Asia Monitoring Resource Centre – one of the leading organizations – was founded as early as 1976. They started long before China became the leading exporter of consumer products. They run campaigns for labour rights in many Asian countries. Initially they did not focus on China though based in Hong Kong. And above all: they tended to accuse transnational corporations and global capitalism rather than governments or regional and local authorities. In their perception the root cause for most of the labour rights violations lay in the policies of transnational corporations as the AMRC website states (and I quote): “As international companies increased their investment in Asia, it became clear that the poor working conditions they brought required an informed response from labour and its supporters.”

Of course they analyzed economic and social developments in Asian countries. They carried out studies on labour law reforms. They stood up for democratisation. But the perception that nearly all changes and modernization processes were shaped or at least dominated by transnational corporations, the capitalistic system and – later – by the neoliberal economic globalisation was central.

This perspective influenced most European consumer campaigns for labour rights. They all have the same Hong Kong partners, namely the former Hong Kong Christian Industrial Committee (which was dissolved in 2005), the Asia Monitoring Resource Centre, Labour Action China and the China Labour Bulletin founded by Han Dongfang. Therefore it is not surprising that many publications brought out by European consumer campaigns used a similar language.

III. The consumer campaigns' perception

My third point is on the consumer campaigns' perceptions: consumer campaigns for labour rights have taken a global point of view which goes without saying. In such a perspective countries in the South including China are somehow similar workbenches for the North.

Decades ago northern transnational corporations shifted their production to low wage countries in order to maximize their profits. They force exploitative labour conditions and violations of core labour standards from – mostly medium sized – producers (including contractors and subcontractors) in China (and in many other countries). Just one example: the toy industry is highly seasonal. The month December represents about one quarter of the annual toy sales. At the same time the toy industry heavily depends on rapidly changing fashion preferences: A toy which was totally trendy yesterday might be unsellable today. Therefore the toy transnationals and the big retail-

ers tend to place their orders as late as possible. The consequences are obvious: The deadline constraints force the Chinese toy producers and contractors to call for overtime. The pricing pressure exerted by the transnationals leads to low wages.

Like labour rights groups in Hong Kong and in some other countries consumer campaigns in the North highlight global structures. As a rule, they are more interested in global than in country specific structures though some northern groups and organizations pay more attention to local conditions.

I have to qualify this rather generalizing remark, of course. Obviously, the consumer campaigns for labour rights take into account other factors. They criticise the fact that the Chinese export production industries tend to violate legal requirements. They blame the Chinese government as well as regional and local authorities for not enforcing labour laws and for oppressing any independent trade union movement. Nevertheless, the campaigns' focuses lie on global structures. This is in no way wrong or inappropriate. But this perception does not lead to detailed country specific analyses.

With this regard it is remarkable that the reports of consumer campaigns for labour rights describe working conditions and exploitative industrial relations with nearly the same words regardless of the country or industrial sector in focus. For instance: the importance and role of the Indian caste system is hardly discussed in reports on India.

A slight exaggeration yet I would like to say: whether Mexico or Thailand or even China – it doesn't really matter. From El Salvador to the Philippines and even in industrialised countries – all around the globe the same rule of the same capitalistic system. As Play Fair 2008 states in its brochure: "No medal for the Olympics on labour rights" (and I quote): "The global sporting goods industry has drawn millions of people, mainly women, into employment. From China and Indonesia to Turkey and Bulgaria, they work long hours for low wages in arduous conditions, often without the most basic employment protection. Textiles and garment manufacturing is well known for its long hours, poor wages and generally lax enforcement of labour laws. Throughout the world and especially in Asia many workers will be working overtime producing the goods needed for the approaching consumer frenzy. Many work in poorly ventilated and unsafe workshops, unable to escape exhausting overtime without the loss of an entire month's wages or more".

Following such a generalizing perception the consumer campaigns for labour rights were and are not primarily interested in elaborated and differentiated country analyses. Again: This is a matter of course and rather banal. But as trivial as it is, this has many consequences. To name but one: even if you are not interested in differentiated country analyses you certainly will have your own image of a country. I will come back to this in a few minutes.

IV. The limitations of a generalizing perception

Before I do so I would like to make some remarks on the limitations of a generalizing perception.

Let me start with the role of foreign investment and therefore with the role of transnational corporations. It goes without saying that transnationals always look for possibilities to reduce labour costs. Obviously, low wages make China attractive to them. This is one reason why they outsourced their production to Chinese contractors. This might be one reason for direct investment. But this is certainly only one side of the story.

I guess much more important is the future market relevance of China – not least for consumer products: From VW to Adidas China is already today the most important market outside the motherland of transnational corporations, at least in many cases. Therefore these corporations will stay in China even when wages increase. Remember, that Chinese workers are already paid one third more than workers in Vietnam.

In addition, it seems to be too simplistic that transnational corporations are bringing nothing else than poor working conditions as campaigns very often declare. Again: companies like Adidas, Nike or Walt Disney are responsible for many violations of labour rights. But we all know that labour rights were violated throughout the country. And we know that China's integration in the global market is Janus-faced: On the one hand, the rapid economic growth – partly based on the tremendous growth of exports – led to many social and ecological problems. On the other hand, this integration into the global market helped to reduce extreme poverty though we have to underline that poverty reduction slowed in the last ten or fifteen years.

Secondly, the generalizing view leads to an incomplete understanding of social problems. Let me give you the example of migrant workers. They are purely victims from the point of view many campaigners took. For example, the Bangkok based Committee for Asian Women – one of the leading reference groups for consumer campaigns for labour rights – wrote in May 2007 in its study “Women Migrant Workers under the Chinese Social Apartheid” as follows: “The 150 million migrant workers who have left the rural areas in search of jobs constitute a new working class that has formed alongside the old, and many of the new migrant workers are women. Under the one party state, working people are denied the basic rights of association; therefore they are totally extremely vulnerable to ‘super-exploitation’. Migrant workers are doubly vulnerable, because they are considered less educated and less skilled than urban workers, thus the market value of their labor is substantially lower. Because of the same reason, rural migrant women occupied the lowest tier of the pyramid of exploitation. These factors make the wages of migrant workers so cheap that it has attracted tremendous amounts of foreign investment” (p. 5).

No doubt: the exploitation of migrant workers is obvious, well known and often cited. But only referring to this exploitation is too simplistic. Firstly, many migrant workers are not purely victims but young people who are trying to make their way. They were and are able to escape from very backward conditions. Their mobility is somehow a motor for social change.

Secondly, their situation remarkably improved in the last fifteen years. The *hukou* system has been gradually relaxed. Nowadays, the legal status of migrant workers is rather prominent on the political agenda. And their wages increase.

Unfortunately, I can not go into details here. But I will indicate at least that there is a vivid debate on migrant labour in today's China. I'm not able to judge whether the position I'm going to present is appropriate or not. I only want to show that there are many aspects regarding migrant labour which are hardly ever discussed by consumer campaigns for labour rights. I want to draw your attention to a CSR Asia Weekly article from February 2006. CSR Asia is one of the highly professional Chinese consultants which made their profit due to the boom of the CSR industry: Today, everybody in the Chinese business community talks about Corporate Social Responsibility. The article asked whether there is a migrant labour shortage in China and stated: "As we expected in January, a shortage of migrant workers in coastal regions is being widely reported by national and local media [...]. In Guangdong in particular, there is widespread concern over the shortage." According to the article, "poor working conditions and low wages in some labour intensive companies are keeping migrant workers away, especially the so-called new generation migrant workers."

The last few years would have seen many changes: "There really is a generation gap in values between the older and younger generations. It is reported that younger workers will change jobs frequently (particularly if salaries and welfare do not meet their expectations). Although most new migrant workers do in fact want to live in urban area, it does not mean that they stay in a company that offers poor workplace conditions." And: "In Guangdong there seems to be evidence now that labour conditions are improving due to shortages. Labour shortages have seen wages rise and workplace practices improve."

I cannot decide here whether or not this perception is appropriate. But I would like to see consumer campaigns for labour rights discussing positions like the one from CSR Asia. Precondition is to supplement a generalized global view with very country specific analyses.

V. Mostly general demands

The demands consumer campaigns for labour rights have are also not very country specific. This is not surprising. They call on transnational corporations and on their suppliers to adopt and to implement comprehensive codes of conduct. They demand independent monitoring systems. They underline that workers' representation is the key for improving working conditions.

But they are realistic. They know that codes of conducts are only weak instruments and that their implementation is poor: "We know that exploitation and abuse [...] can only really be brought to an end when governments take up their responsibilities, nationally and internationally, to protect workers' rights and to hold business accountable for labour practices. Fundamentally, it will only happen when workers are able to organise to advance their own interests" as the CCC Newsletter from October 2007 stated with regard to the sportswear and athletic footwear industries.

Therefore, they call on governments to implement the ILO core labour standards including the right to collective bargaining and the right to organize. They call on governments to implement their own labour laws and – as appropriate – to amend these laws.

All these demands refer to many countries in the South. The same is true with regard to demands directed at European governments and the European Union.

It is not necessary to go into detail here because our interest is to learn if there are specific demands for China. The answer is clear: if we go through the position papers of consumer campaigns for labour rights we hardly ever find demands referring explicitly or exclusively to China. Again, this is a matter of course given the global violation of labour rights alongside supply chains.

As far as I can see the most important demands referring to China are:

- Companies should comply with new laws like the 2001 Trade Union Law and the 2007 Labour Contract Law. For instance, they should introduce a workers' representation regarding OSH issues in accordance with the Trade Union Law.
- Local and regional authorities should implement these laws on the local and regional level.
- Workers and – as appropriate – unions should take an active part in monitoring codes of conduct. This would be indispensable because many Chinese companies evade independent audits. For instance, many companies present faked bookkeeping records to auditors. (I guess this might be not only the case in China.)

How should we judge this observation? Would it be necessary, would it be possible to develop more and more comprehensive China specific demands? I don't have an answer. I only propose to come back to this question in our discussion.

VI. The need to analyze implicit images of China

Let me come to my last point: Just because consumer campaigns for labour rights are not primarily interested in elaborated and differentiated country specific analyses they still have to analyse their implicit images of a country. To be more precise: they have to analyse which implicit images of a country they communicate.

It is possible, for instance, that many campaigners know that the perception that China is foremost a workbench for the North is too simplistic. But the message the European public got from consumer campaigns for human rights seems to be: China is a workbench. Look how media quote respective statements from consumer campaigns. Obviously interested in simple messages they reduce the statements to the simple fact: in China the exploitation of workers is not only commonplace but also a key element of the Chinese system. And: We in Europe will lose our jobs because workers are exploited in China and because China does nothing to protect them. Such simplistic images of China are not only contra productive, they are also dangerous...