

Workers' Rights in China

BUSH ADMINISTRATION'S RECORD OF BROKEN PROMISES

WHAT THEY SAID	WHAT THEY DID
<p>Labor Secretary Elaine Chao: "Engagement is the key to improving Chinese working conditions."</p> <p>"The U.S. will continue to work bilaterally and within the ILO to help China develop new labor laws, improve working conditions, promote greater awareness of labor rights and enhance legal assistance for workers."</p>	<p>Chao took a trip to China in summer 2004 with Commerce Secretary Donald Evans. Chao returned with four letters of understanding pledging additional delegations, seminars and reports.</p> <p>The letters of understanding explicitly ruled out any discussion of reforming Chinese labor laws or protecting Chinese workers' rights to form unions or associate freely. Some cooperative activities have occurred, mainly in the area of occupational safety and health, including mine safety. Yet in February 2006, the Chinese government's Work Safety Administration conceded that occupational injuries and illness are increasing. According to the U.S. State Department's 2005 annual human rights report, there was a 97 percent increase in coal mine deaths in major accidents in 2005 from the previous year, with almost 6,000 coal mine deaths during the year. Although the Chinese government selected 100,000 coal miners to participate as grassroots safety supervisors in coal mines, according to the State Department, "at year's end, the degree to which the program had been implemented was unclear."</p>
<p>Commerce Secretary Donald Evans (2001–2005): "The tool that we have to press China to reform its labor standards is the designation of China as a market economy under the U.S. trade laws."</p> <p>"We're not about petitions—we're about results. Our goal is to ensure that American companies compete on a level playing field."</p> <p>"Promoting economic engagement—not economic isolation—is the best way to raise labor standards and living standards in China."</p>	<p>China has not been designated a market economy, and Chinese labor standards have not been reformed.</p> <p>The bilateral U.S.-China trade deficit has almost doubled (from \$124 billion to \$202 billion) since the AFL-CIO filed a petition in 2004 alleging an unfair trade practice by China.</p> <p>Two-way trade with China has indeed increased (by about 57 percent since 2003), but labor standards and living standards for the majority of Chinese workers have stagnated, or in many cases, deteriorated.</p>

<p>Trade Representative Robert Zoellick (2001–2005): “We do not need to conduct a yearlong investigation to know that there are serious concerns with labor rights and working conditions in China.”</p> <p>“The administration is pressing China on its overall human rights record, including worker rights, bilaterally and through the U.N. Commission on Human Rights in Geneva.”</p> <p>“We are working in the ILO...toward a Chinese labor system that better respects internationally recognized worker rights.”</p> <p>“America’s policy of leveraged engagement gives us constructive new ways to press for real results in China....Under U.S. law, the first two criteria that China must meet to be considered as a ‘market economy’ are the extent to which the currency of China is convertible and the extent to which wage rates in the foreign country are determined by free bargaining between labor and management....These statutory criteria, together with China’s strong interest in being recognized as a market economy under U.S. laws, provide us with significant leverage on labor, currency, subsidy and other issues, and we plan to use it.”</p> <p>“These concerns [about Chinese labor rights] are valid, and we have been addressing them continuously in a constructive manner.”</p>	<p>No investigation, no action.</p> <p>No evidence of effective pressure through the United Nations.</p> <p>No evidence of effective pressure through the International Labor Organization (ILO). No cases filed by the United States.</p> <p>No evidence that market economy negotiations have yielded any improvement on worker rights. Wage rates in China are still not set by “free bargaining between labor and management,” and there is no evidence that the Bush administration has even raised the issue of wage determination and free bargaining in its annual Joint Commission on Commerce and Trade (JCCT) meetings with Chinese leaders.</p> <p>No response by the U.S. trade representative when Chinese government abruptly canceled an Organization for Economic Cooperation and Development (OECD) conference on multinational corporations and labor issues in fall 2004, revoking visas of AFL-CIO President John Sweeney and other labor leaders.</p>
<p>Treasury Secretary John Snow: “China acknowledges [that it is best for the global system, for the United States, and for China to move to a flexible exchange regime] and is making progress toward this goal.”</p> <p>“I have held extensive meetings and consultations with the Chinese economic team both here in Washington and in Beijing.”</p> <p>“With steady progress clearly being made, the most effective way at this time to achieve the goal of a flexible, market-based exchange rate in China is to maintain the persistent engagement we have established rather than through a trade petition.”</p>	<p>Chinese government officials continue to “acknowledge” that a flexible exchange regime is desirable, but concrete progress has been limited. The yuan has appreciated by only 3 percent in the last two years, despite estimates that it is undervalued by 25 percent to 40 percent.</p> <p>Extensive meetings and consultations continue to be held.</p> <p>It is not clear what “steady progress” has been made in currency movement or flexibility, other than ongoing meetings and consultations.</p>