

CEC Bulletin

(March, 2010)

Canada – China Tripartite Roundtable on Industrial Relations and the Global Economic Crisis

The Canadian Employers Council (CEC) had the privilege of having been invited by the Canadian Government, through the arm of the International Labour Affairs Labour Program HRSDC (Labour Program), to participate in the 2009 ***“Canada – China Tripartite Roundtable on Industrial Relations and the Global Economic Crisis”***.

In accordance with the Work Plan developed by the Labour Program (Canada) and the Ministry of Human Resources and Social Security (MOHRSS) (China), the focus of the 2009 cooperative activity was in the area of industrial relations, particularly on labour dispute resolution.

The CEC was represented by its Chairperson (Normand Côté) and was asked to prepare a presentation to be delivered to a panel of business, labour and NGO representatives in Beijing on December 9, 2009. While the presentation was the culminating event, there were a number of informal and formal meetings that took place in Hong Kong, Beijing and Chongqing that proved to be enlightening and thought provoking.

The CEC would like to summarize its impression of all of the above in the following sections:

HONG KONG

We met with academics, Labour and employer representatives during a whole day and what Canadian representatives from the tripartite group (Labour Program, Canadian Labour Congress (CLC) and CEC) unanimously concluded was that there exists a very broad range of opinions on the wind of changes in China in employment law and labour relations reforms. The academics had a more pessimistic view of things with only cosmetic or perceived changes as opposed to real changes while, quite surprisingly, union advocates having a much more optimistic view of current and on-going changes.

The CEC concluded that it was very difficult to draw any official conclusions until we had met with representatives in Mainland China. As way of example, the ILO Representative in Beijing was highly critical of the views of “supposedly experts” based in Hong Kong. In her opinion, their lack of “on the ground” knowledge was the main reason for the criticism. This is contradicted by the fact that most experts in Hong Kong do have “on the ground” experience regarding China. They either teach in universities in Mainland China or have projects there.

The people we met with in Hong Kong have seen or are hopeful to see real changes in the next 5 to 10 years but remained very guarded in their optimism nevertheless. All recognize that the Trade Union movement is not really represented by an independent body. In fact they were highly critical of the All China Federation of Trade Unions (ACFTU), the only official trade union in China, expressing the opinion that they are more or less an agent of the government and have done little to encourage free collective bargaining and freedom of association.

Based on the reading the CEC did on the subject and meetings during our visit to China, we concluded that this depicted a pretty accurate picture of the current situation. That said, we could not help but concluded that once you get passed the official party position (chapter and verse), there exists a real desire for change or at least an acceptance that change is inevitable. What is less sure is the pace of change and the price one will have to pay for change.

BEIJING

Beijing was the scene of most of the “official” meetings. Of course, that being the case, we were subjected to numerous recitations of the official position of the Party. Members of the government were mostly “toeing the party line”. They all advocated for significant change and were boasting of significant change having already occurred. This was challenged by some of the other participants (Employer and NGO representatives). The CEC and CLC representatives made their respective presentations but both of us were left with the impression that our presentations were only aspirational goals in China and while they may have been shared by many in the room, nobody was prepared to openly admit to it in an open forum.

However, there was recognition, once again, that status quo was not possible. I purposely use the word “possible” because the CEC is of the opinion that while the government would likely desire things to remain unchanged, they will be forced by the social economic forces to accept or generate some changes if they are to avoid untold social unrest. In short, changes will come despite the best or worst wishes of the government. Again, controlling the pace and amount of change is the unknown factor at this stage.

However, the mere fact that the government allowed (for the first time we were told) all parties, ie. Labour, Employers, Government & NGOs and critical academics at the official table, is in itself a clear sign of change.

Furthermore, we were witnessed to a heated exchange between a official from the MOHRSS and a NGO representative (women organisation) that was embarrassing to the MOHRSS official to the point that he did not show up for the rest of the afternoon. The government was boasting of many progressive changes and the NGO representative was challenging some of his statements quite vigorously. As the CEC representative, it was a very interesting exchange (awkward but interesting) and a sign of more open criticism happening and/or being tolerated.

CHONGQING

In Chongqing we met with a large delegation of the Chongqing Bureau of the MOHRSS. In the opinion of the CEC this was clearly an exercise in propaganda and did not provoke any substantive discussions. Frankly speaking, we were very disappointed with that leg of the official meetings. At the official lunch that followed, we were subjected to the same approach. However, what was very refreshing was the discussion at the informal dinner that evening. The discussion at the dinner table was totally informal and was much more revealing of what is happening in the workforce or needs to happen. There was clear recognition that status quo is not possible or desired. The needs by the millions and millions of migrant workers who play an increasing role in the Chinese economy all the while without little or not social safety net, the ever increasing demands of the general population and China's ability to sustain the amount of economic growth required to satisfy the population are challenging to say the least. And challenging is a real euphemism.

CONCLUSION

For the CEC it was a very rewarding experience. We see a desire, and if not a desire, at the very least a need for change in labour relations in China. We were told that the government has recently named 5,000 new mediators that are very short in mediation training and that is an area where the Canadian Government can provide assistance to the China government.

It is a one-ruling party country but the government is not deaf to the growing demands for change from the working population. Private employers are the fastest growing sector and not unlike Canada most are small to medium size enterprises. They were not immune to the global economic crisis. Further, they are in need of a more structured labour relations environment if they are to weather the storm and subsequently progress and be successful.

The CEC, met separately with the Chair of the CEC equivalent in China, coincidentally called the CEC as well (China Enterprise Confederation), and we have agreed to stay in touch to provide assistance where and when needed.

On behalf of the CEC and my personal behalf, I would like to personally thank Scott Streiner, Assistant Deputy Minister, Policy, Dispute Resolution, and International Affairs, Labour Program for his wealth of knowledge on the Chinese labour relations environment and to so generously share it with us. I would also want to thank Irene Zhou, Senior Policy Analyst, International Labour Affairs, HRSDC or as I called her, the planner extraordinaire. Finally, a thank you to Tony Tracy, Representative – Atlantic Region, Canadian Labour Congress for his insight, refreshing dialogue and his camera (of course).

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The Canadian Employers Council (CEC) prepares and distributes the CEC Bulletin for its members' individual use only. This message is composed in MS Outlook and contains hyperlinks that require an HTML-enabled email program. For inquiries or comments, please contact Normand Coté of Bank of Montreal, Chair of the CEC, at normand.cote@bmo.com or Brian Burkett of Heenan Blaikie, Counsel to the CEC, at bburkett@heenan.ca.
