



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2010/2301(INI)

17.6.2011

OPINION

of the Committee on Employment and Social Affairs

for the Committee on International Trade

EU and China: unbalanced trade?
(2010/2301(INI))

Rapporteur: Dirk Sterckx

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the EU and China are among each other's biggest trading partners,
- B. whereas, despite the high growth rates recorded in China over the past 20 years, there has been a considerable increase in the country's unemployment rate,
 - 1. Calls on the Commission to intensify the existing dialogue on employment and social policy and to enter into a structured social dialogue with China in the framework of the High Level Economic and Trade Dialogue (HLD);
 - 2. Notes the competition between different social systems resulting from the opening up of the world market; notes a rise in the level of informal work in urban areas as well as violations of the principles of decent work despite the existence of a legislative framework governing employment conditions; notes that, although the opening up of the Chinese economy has brought major benefits such as better access to the employment market and a fall in rural unemployment, not all segments of the Chinese population have equally benefited from the economic growth and there are large disparities emerging between urban and rural parts of the country; points out that inequalities in incomes, access to employment, social welfare, health and education between the urban and rural populations constitute a significant cohesion policy challenge for China;
 - 3. Calls for trade competition between China and the EU to be based on clearly established rules allowing mutual emulation and business stability and optimisation, in order not to go against employees' interests;
 - 4. Stresses the impact which China, as the biggest exporting country, has on the world economy and the responsibility which this entails to comply with minimum social standards; welcomes the efforts made by Chinese central and local government in this area; emphasises that a comprehensive law complying with all international standards, on social security and health care, and strict and efficient monitoring of compliance with legislation on employment conditions, are indispensable; points out that sustainably funding a stable social security and healthcare system that generates the same benefits in all of the country's provinces is one of the biggest challenges for the Chinese government; stresses in this connection the Social Security Reform Cooperation Project between the EU and China, which aims to give Chinese citizens access to adequate and affordable social insurance;
 - 5. Stresses the impact which China has on the world economy, its responsibility to comply with minimum social standards and the importance of trade relations between the EU and China; stresses that observance of human and social rights is essential in the cooperation between the EU and China; underlines the importance of compliance with and a rapid implementation of all rules of the International Labour Organisation and the World Trade Organisation, including the right to freely form independent trade unions; supports the

pursuit of decent pay and working conditions; calls for mutual respect for labour legislation, especially the prevention of illegal forms of labour such as child labour and prison labour; notes the improvements made by the Chinese government regarding better conditions for employees, yet observes that workers' rights are not always respected due to poor enforcement of labour laws and employers frequently failing to comply with environmental, health and safety standards, which thus leads to dangerous work environments; calls for a thorough improvement of the legislation concerned; stresses the importance of better supply-chain control with regard to working conditions; expects the Chinese government and Chinese firms to take the GSP+ as the standard for their everyday work;

6. Considers the intensification of the dialogue between the EU and China, which was launched in 2009 to improve working conditions and to reduce the number of occupational accidents and cases of occupational disease, to be an essential measure; underlines the necessity for exchanges of commercial and social good practices; calls for an exchange of best practices between the EU and Chinese trade unions in order to contribute to improving the working conditions of the labour force and fulfilling the ILO conventions;
7. Considers that the ILO should be given responsibility for monitoring observance of these rights;
8. Calls for a further improvement of EU development aid, especially in such areas as employment, protection of safety and health at work, poverty eradication, public health and hygiene, education and improvement of the life conditions of children;
9. Emphasises the importance for global trade of the further improvement of the Chinese labour force;
10. Emphasises the importance of exchanging experience and best practices in the field of employment opportunities for developing green jobs, when dealing with the economic, social and environmental impact on climate change;
11. Calls for the further development of improved cooperation on employment of legal immigrants and protection of the rights and interests of migrant workers and enhanced coordination in international labour affairs;
12. Notes that the Chinese population is getting older and that the seemingly endless growth in the available workforce, in particular lower-skilled workers, appears to be drying up; notes that a shift in trade from China to other South-East Asian countries is taking place as a result of potential cost advantages; calls, therefore, on the Commission to introduce an integrated European policy for the South-East Asia region that will prevent European multinationals from engaging in socially irresponsible practices in those countries; observes that a stronger awareness of employment standards should arise in China's growing middle class – an awareness which is relatively undeveloped in the population as a whole at present;
13. Notes that scientific analysis differs as regards the impact of European direct foreign investment in China on employment in Europe; notes that some studies indicate that there

might not be any measurably negative impact on employment in Europe, and that direct foreign investment might to some extent have a positive effect on employment in the European branches of the companies concerned; takes note also of studies that indicate certain negative impacts on employment in Europe;

14. Considers that imports of counterfeit goods from China not only pose a threat to the health and safety of EU consumers but also have an adverse impact on employment within the EU;
15. Calls on European businesses operating in China to apply the highest international standards and best practices in corporate social responsibility with regard to workers;
16. Notes the increased clampdown on democratic rights by the Chinese regime in recent months including the jailing and persecution of trade unionists.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	16.6.2011
Result of final vote	+: 35 -: 6 0: 2
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Mara Bizzotto, Philippe Boulland, Milan Cabrnock, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Tadeusz Cymański, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Ilda Figueiredo, Marian Harkin, Nadja Hirsch, Liisa Jaakonsaari, Danuta Jazłowiecka, Martin Kastler, Jean Lambert, Patrick Le Hyaric, Veronica Lope Fontagné, Elizabeth Lynne, Elisabeth Morin-Chartier, Csaba Őry, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
Substitute(s) present for the final vote	Vilija Blinkevičiūtė, Julie Girling, Kinga Göncz, Sergio Gutiérrez Prieto, Richard Howitt, Filiz Hakaeva Hyusmenova, Jan Kozłowski, Evelyn Regner, Dirk Sterckx