

Panel 17 : Panel 17 - The rise of China as a technology superpower – what does this mean for European jobs?

Reported by Cagla Gur(ETUI)

How globalization and digitalization affect the future of work should be considered currently. The main scheme of the panel is that how China economic in the world is moving rapidly and its policies are so ambitious. First of all, the Chinese capital has different nature. The nature and evolution of capitalism, even the way of reaction to economic crises is different from the Western world economies. For instance; in Anglo Saxon countries, the impact of economic investment is expected to be immediate whereas China enters market and is patient to get output from investment. In other words, the most important feature of Chinese economy is being patient in investment activities instead of expect immediate results.

One of the panelists' presentation is about China path towards technical leadership and its impact on Europe. According to him, China is more closed economy, but it will be expected to open economy. High technological manufacturing has started to be important and it is supposed to create new jobs. The main aims for China in 2025 is to modernize the industrial production that is similar with 4.0 industry, to strength key industries that are more high technology and sophisticated industrial sectors and to establish position in upper range of value chain. However, China's economy plan is driven by government and there is strong role of government through top down decision in economy. Because of the fact that state decides, not the market, the state share of funds in 2014-2015 is mostly semiconductors. The important feature of china economy is that government set priority on battery powered vehicles and provide massive support. It begin to set industry standards and build value chain in China.

The crucial point that discussed by panelists that how Chinese economy affect European countries. Firstly, the companies has been under pressure about their profits and there has been big pressure on workers' wages. Secondly, not only worker but also high skilled white color jobs has started to face rising competition because China no longer just focus on cheap manufacturing.

Secondly, the motivation of China economy in Central and Eastern Europe is mostly carried out as Foreign Direct Investment. The share of investment in CEE even is higher than previous times due to the indirect FDI.¹ However, the motivation of China in CEE countries remains the secondary importance compared to Germany, France investments and it is mainly market seeking in CEE countries. Due to the mix motivation of investment strategies, we observe **knowledge intensive in some countries but also market seeking combined with export platform**. Therefore, the main point is that there is no clear pattern of Chinese investors over time in CEE countries.

Another panelists emphasize the point of importance of Chinese growing technology that we should not underestimate and disregarded. It should be given more attention because of the high population of China and production strategies that will be harmful for wages of workers in Europe. They have autonomy in some sectors as %80 of production and own all companies in these sectors. However, now in the long term scale, there has been transformation towards sustainable societies. One of the big problem in China, the companies do not take attention to carry out environmental friendly production and the state do not have strong policies and intention to protect.

¹ **indirect fdi**: the utilization of affiliates abroad as intermediaries for investment in third countries for different reasons

Another problem that is related with workers' right is that we observe high concentration of workers in mega factories. The workers are working under hard conditions. For instance, 40.000 people are working in one company located in Shenzhen. However, because of state policies, it is hard to negotiate about worker rights as trade union. For the future, they have hope and expectation towards more open and transparent negotiations.

In brief, there has been growing economy and technology in China. Because of the different structure of evolution of capitalism, the way of developing is different from most of the Western countries. The state capitalism is influential, rather than market economy. Due to the fact that China is no longer just cheap manufacturing country, the workers in Europe start to face the competition also in high skilled jobs. Therefore, trade union role is important while the confrontation of the increasing power of China economy technology in the global world.