



Maneuver on labor law faces block

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The efforts of the country's largest producer of telecommunications equipment to terminate employment contracts with more than 7,000 workers before a new labor contract law comes into effect may face an invalidation ruling by the courts, according to local media.

The actions of Huawei Technologies Co are being described as one of the four invalid moves by corporations that "maliciously dodge" signing employment contracts with no fixed termination dates - or open-ended contracts -- that come under a new set of regulations jointly issued by the higher people's court of Guangdong province and the Guangdong arbitration committee of labor disputes.

The new regulations stipulate that employers who force workers to quit and sign new labor contracts with the intention to erase their employment history with the company could be subject to invalidation of the new contracts.

So far, no Huawei employee is said to have brought the issue to mediation centers or law enforcement bodies.

"The regulations do not specially target the incident (of Huawei), but now it can restrict and invalidate actions similar to Huawei's," an official of the Guangdong labor department was quoted by China Youth Daily as saying.

The other invalid moves or malpractices stipulated include signing contracts with workers in the name of an associate company, illegally outsourcing human resources and other behavior that is said to breach the principles of fairness and credibility.

The new regulations are part of the authorities' efforts to provide judging criteria and standardize procedures for handling labor disputes between the courts and labor arbitration agencies.

Shenzhen-based Huawei has been under the spotlight for launching a controversial "voluntary resignation" scheme last October. It involved asking more than 7,000 of its workers, who had been with the company for the past eight years or more, to terminate their original contracts in return for a considerably large compensation payout and a chance to reapply for their previous positions.

Before the new regulations, which came into effect on July 7, the labor department said the company did not violate the Labor Contract Law, which came into effect on Jan 1, because the moves were a result of voluntary negotiations between the employer and employees.

Huawei did not comment on the China Youth Daily report yesterday.

More companies are reportedly getting involved in labor arbitration with the implementation of the Labor Contract Law, which many see as greatly improving workers' awareness of their rights in the workplace.

The number of cases involving labor dispute that were handled by all-level labor arbitration agencies in the first half of this year in Guangdong tripled year on year.

During the same period, Guangdong courts handled about 40,000 labor dispute cases, up 157.7 percent from last year. Those from the labor-intensive Pearl River Delta area accounted for 96.5 percent of all the cases.

Source: China Daily