VIEWS

Li Ke

Trade unions' new role in tech revolution

This year marks the 100th anniversary of the founding of the All-China Federation of Trade Unions. On Monday, in his important speech to mark the anniversary on May 1, President Xi Jinping highlighted the need to comprehensively enhance the quality of the workforce amid the new round of technological revolution and industrial transformation.

What Xi pointed out is the right direction for the federation at a time when productive forces and the relations of production are undergoing profound changes. The federation is poised to make significant contributions to Chinese modernization by cultivating highly skilled workers and uniting workers under the leadership of the Communist Party of China.

As the main force of the working class in China, industrial workers are a pillar for promoting the innovation and application of new technologies. To accelerate industrial upgrading and enhance the core competitiveness of enterprises, efforts should be made to deepen reform of industrial workers and cultivate workers with new strengths.

In October, the central authorities issued a guideline to promote the reform and cultivation of first-class industrial technical workers, helping them cope with the challenges brought by the rapidly evolving new technologies and new business models. As a bridge between the Party and the working people, trade unions play a crucial role in employee education, among others.

In recent years, the federation has continuously promoted improvement in the quality of workers and their status to cultivate more master craftsmen and high-skilled workers. It has also organized talent training camps, helped build a system for schools that are training craftsmen across the nation, and built platforms specialized in imparting intelligent skills, boosting learning and broadening the channels of training.

In particular, with the rapid progress of the digital economy and prevalent smart-manufacturing, the federation attaches significant importance to improving the digital literacy and skills of industrial workers to proficiently use new intelligent tools and adapt to the progress of new quality productive forces.

Focusing on the upgrading of manufacturing, new technologies and the new occupations brought by them, the federation innovatively hosts professional skills competitions, selecting master craftsmen while supporting the progress of diligent youngsters, skilled workers and hard-working personnel.

Trade unions at all levels are also fully leveraging their strengths to organize skills competitions in various sectors or those related to particular positions, helping the participants share the benefits of competition. The Wenzhou Federation of Trade Unions in Zhejiang province has hosted skills competitions for five consecutive years, all aimed at improving the skills of employees.

Similarly, Beijing, Tianjin and Hebei province have jointly hosted contests focused on four categories — cybersecurity, new applications of blockchain technology, aerospace model processing and robotic system integration — to promote new quality productive forces. These contests encouraged a large number of workers to learn new skills and hone their abilities.

By organizing national, regional and sectoral competitions, trade unions at all levels are motivating enthusiasm and inspiring the innovation of workers. By focusing on digital empowerment, they help employees enhance their skills and optimize the classification and tiered development of talents.

In addition to talent cultivation, trade unions are continually expanding their range of services. With new employment forms appearing with the rise of the platform economy, they aim to provide their services to those in the new sectors, such as food delivery riders and ride-hailing drivers, who are troubled by ambiguous employment relations with employers and the absence of social guarantees.

In order to help these employees register with trade unions, enjoy corresponding services, and safeguard their legitimate rights, the All-China Federation of Trade Unions has initiated a three-year action plan to urge more relevant enterprises to set up trade unions and provide services. The practice of Nanjing in Jiangsu province and Zhejiang province provides beneficial reference.

Nanjing has introduced digital methods to provide "collective and one-stop registration" for those with new labor relations, while Zhejiang is promoting the establishment of trade unions in emerging sectors, thereby expanding services for van drivers, livestreamers and household service providers, among others.

Once established, these trade unions should fulfill their functions, take advantage of their connections with the people and provide services and assistance centered around labor standards, collective consultation and collective contracts for workers in emerging employment forms.

Continual efforts have been made to build a rights protection system for these workers. Employers are encouraged to buy insurance policies for accidents or injuries their employees might suffer at work or to provide them medical assistance through trade unions. Platform enterprises are required to establish a consultation mechanism with trade unions and representatives of employees.

Take Alibaba Group's Ele.me, a food delivery giant in China, for example. Its trade union has established a comprehensive employee representative conference system to improve negotiation and coordination. The platform company also operates various dispute resolution methods, such as the trade union's labor law supervision committee, dispute mediation center and round table meetings.

These efforts continuously enrich mechanisms to prevent disputes at the source, comprehensively upgrade rider rights protection and promote mutual benefit between the company and the riders.

Local progress drives overall progress. With the ongoing advancement of trade unions nationwide, the protection of workers' rights will be strengthened, and their skills evolve with the development of the digital economy, driving new advancements contributing to Chinese modernization.

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The views don't necessarily represent those of China Daily.

MA XUEJING / CHINA DAILY

Klaus F. Zimmermann

Tariff will not be panacea for US woes

The global economy has endured major turbulence due to the United States' aggressive economic policy of imposing high punitive tariffs on imports to extract maximum economic benefits. True, markets have shown resilience, but only up to a certain point.

The volatility caused by the unexpected imposition of tariffs, sudden rollbacks, and communication strategies largely conducted via social media has created deep uncertainty for investors, corporations and global supply chains.

Global Lens

The very strong negative reactions of international stock markets played a key role in forcing the moderation of the US' most extreme tariff proposals. The fear of financial instability and backlash from investors contributed to the softening of positions and pushed the US administration toward partial rollbacks and renewed talks.

The US' trade strategy lacks consistency and economic rationale. High tariffs were presented as a means of protecting domestic industries, relocating jobs and forcing trade concessions. But these measures are expected to backfire in key areas: consumer prices in the US are expected to rise, household purchasing power to weaken, and investment to slow down.

Worse, supply chains that took decades to build are feared to have been disrupted, with the effects predicted to shift global trade routes and investment flows. The broader goals of the policy — namely, reducing dependence on foreign manufacturing and bringing jobs back to the US — are in conflict with the mechanisms used to pursue them. Trade wars undermine global specialization and the efficiency gains made possible by comparative advantage.

Economic theory dating as far back as to Adam Smith and David Ricardo teaches us that international trade enables countries to allocate resources where they are most productive. Even if one country could theoretically produce all goods more efficiently, mutual gains may still arise from specialization and trade. Today's supply chains reflect this logic. For instance, a single Apple computer integrates components and expertise from across the globe, particularly from China.

Instead of strengthening the US economy, the erratic use of tariffs as a policy tool creates distortions. The belief that tariffs can finance government budgets, stimulate domestic investment and accelerate growth overlooks both economic fundamentals and global interdependencies. What will occur instead are inflationary pressure, reduced consumer confidence, and a more fragile economic outlook.

At the core of Washington's strategy is an outdated model of economic nationalism combined with a view of geopolitics that treats trading partners as competitors and global leadership as a zero-sum game. The idea that the US can run the global economy like a monopolistic corporation — extracting tributes or concessions in exchange for market access or security guarantees — ignores the complexity of global governance. The US does enjoy certain advantages, such as issuing the world's reserve currency and having unmatched military power, but that doesn't mean it should act like a global hegemon.

China is the main target of the US tariff war. But it cannot afford to appear weak in the face of the public confrontation. Direct concessions will damage China's image, both domestically and internationally. The trade conflict has already escalated to the point where bilateral tariffs are well over 100 percent and, if sustained, trade flows between the two countries will likely come to a virtual standstill.

Beyond tariffs, China holds other strategic levers. As one of the largest holders of US Treasury securities, it could theoretically inflict financial pain by selling them in large volumes, although such a move would also hurt China's own interests.

Strategically, China may intend to rebalance its economic relationships. Investing in the European Union is one potential path, particularly in response to the US' export restrictions. Germany, as the economic heart of the EU, offers a possible destination for Chinese capital given its new government's intention to debt-finance huge infrastructure investments, in case the country (and the EU) moderates its recent de-risking strategy toward China.

This brings regional partnerships, such as the EU-China trade partnership, into sharper focus. These partnerships can serve as stabilizers in an increasingly fractured global trade environment. While the US-China rivalry dominates headlines, the EU has positioned itself as a balancing force, leveraging its commitment to multilateralism and rules-based trade.

By pursuing frameworks currently on hold, such as the Comprehensive Agreement on Investment, and working toward pragmatic compromises — such as minimum pricing on Chinese-made electric vehicles instead of outright tariffs — the EU may demonstrate that collaboration, not confrontation, is still possible. China has already implemented parts of the CAI such as easing financial sector restrictions and addressing forced technology transfers and environmental commitments. Unresolved issues, mainly concerning State-owned enterprises and subsidy transparency, are still crucial. If enforced, they could drive long-needed structural reforms in China, while also supporting free trade.

Considering these factors, what steps can be taken to end the global trade conflict?

A possible solution lies in rebuilding multilateral cooperation. Unilateralism and tariff wars fuel only uncertainty and fragmentation. Hence, countries should return to the negotiating table, not just to resolve specific disputes, but also to renew trust in international institutions and rules-based trade.

Ending the trade war also requires recognizing that global economic power is no longer unipolar. We must accept a world where leadership is earned through cooperation, not coercion. Trading partners cannot be coerced into agreement, and a sustainable global trade order depends on balanced relationships, where mutual benefit, not dominance, guides policy.

Tariffs should be replaced by clear, enforceable agreements that promote fair trade practices while preserving the benefits of openness, and mechanisms to address labor rights, environmental concerns, and intellectual property must be modernized.

The alternative to cooperation is long-term economic fragmentation — slower growth, higher prices and diminished global influence for all. With the right approach, the current crisis can be transformed into an opportunity to reinvigorate global trade and provide a course away from confrontation and toward sustainable, inclusive prosperity.

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Qi Bin

Abusive port fees blackmail global shipping sector

What is the USTR's proposal?

On April 17, 2025, the Office of the US Trade Representative released the final notice of action regarding its investigation into what it called "China's unfair practices in the shipbuilding and maritime logistics sectors". With regard to the draft Federal Register Notice and the accompanying press release, the United States is set to levy fees on vessels arriving at US ports which are owned, operated or built by China.

This measure will be rolled out in two phases. The first is scheduled to begin on Oct 14. During this stage, the US will start charging fees which are calculated based on the net tonnage of arriving vessels. For ships with Chinese operators or owners, the fee will commence at $50 per net ton and gradually increase to $140 per net ton over a three-year period.

For Chinese-built ships, the fee will begin at $18 per net ton and increase to $33 per net ton within the same three-year span. The second phase will be initiated three years later. At that point, the US will place restrictions on the transportation of liquefied natural gas by foreign vessels, with these curbs intensifying incrementally until 2047.

The USTR Notice defined "Chinese ownership" in terms of legal title, beneficial ownership and effective control. Nevertheless, when it came to defining a vessel's "operator", the USTR simply referred to a US Customs and Border Protection form, which fails to offer a clear-cut definition of the term.

All these fees are imposed under the authority of Section 301 of the Trade Act of 1974. This section empowers the USTR to counter any foreign country's action which is considered "unjustifiable and burdens or restricts United States commerce". Evidently, such practices blatantly violate a fundamental tenet of the World Trade Organization system, the principle of non-discrimination under the Trade-Related Investment Measures.

This principle serves as the cornerstone of an orderly international trade environment. Imposing higher fees on vessels which are either owned, operated or built by China arriving at US ports is a discriminatory trade practice targeting China and other countries. It severely breaches WTO rules and significantly undermines the rules-based multilateral trading system and the international economic and trade order.

From a practical perspective, the measure may disrupt global shipping and ultimately harm US customers and businesses more than it impacts China.

Moreover, the USTR's actions may also violate the 2003 Sino-US Maritime Agreement, as well as other US laws. For instance, the USTR's use of its Section 301 authority may be in violation of the export clause in the US Constitution. As a result, it is highly likely that affected stakeholders will challenge the legality and validity of these practices on administrative, constitutional and procedural grounds.

Although the US port fees are aimed at countering China's dominance in the shipbuilding industry, the general view is that they will not lead to a renaissance in US shipbuilding. US shipyards generally face limited capacity and a lack of price competitiveness. A container ship built in China costs approximately $55 million, while a comparable US-made ship comes with a price tag of around $330 million.

China holds the position of the world's largest shipbuilder. According to Clarksons Research's 2024 annual review of the shipbuilding industry, around 66 percent of all new ship orders placed in 2024 were awarded to Chinese shipyards, while the US accounted for a mere 0.1 percent. In terms of shipbuilding output, China commands a 53-percent market share, meaning that 53 percent of all ships delivered globally in 2024 were manufactured in China. Charging hefty port fees for vessels that have already been built and delivered by China and are owned or operated by Chinese or non-Chinese entities is meaningless in terms of revitalizing the US shipbuilding industry.

From a practical perspective, the measure may disrupt global shipping and ultimately harm US customers and businesses more than it impacts China. Decoupling with and penalizing Chinese shipping will only disrupt the US logistics system and its supply chains.

On the one hand, large shipping lines have significant fleets of Chinese-built vessels, and Chinese-owned operators transport vast quantities of goods to the US. On the other hand, data from Lloyd's List Intelligence shows that only 9 percent of Chinese-built ships called at US ports in the first quarter of 2024, which is a relatively small proportion. These shipping lines can redeploy their vessels to non-US services, reducing the number of Chinese-built ships visiting US ports. Eventually, US businesses and consumers will bear the brunt, facing higher prices as increased shipping costs drive up inflation, thus affecting importers, exporters and American households alike.

In conclusion, the USTR seems to have grossly miscalculated the importance of China in the global shipbuilding industry and its trade relations with the US. Targeting Chinese-built ships operated by global shipping lines that serve the US not only violates WTO rules and US laws, but is also detrimental to the interests of the United States and its people.

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