

WTI Brown Bag Seminar



Title

Experiences with investors from China in the German industry: Results from an empirical study in 2017

Speaker

Wolfgang Müller, IG Metall

When

Thursday
21 March 2019
12.30-13.30

Where

Silva Casa Auditorium
World Trade Institute
Hallerstrasse 6, 3012 Bern

Abstract

An empirical study conducted in 2017 about labour relations in Chinese-invested companies mainly in the manufacturing sector found out that the investors from China left the labour relations basically untouched. Widespread fears about job losses and IP transfers to China proved wrong. The study covered more than 40 companies. Especially in the context of the Made in China 2025 programme, the German industry has a special appeal for China.

This overall picture is astounding in view of both the reservations about Chinese investments and the often negative experiences with corporate takeovers by financial investors.

The results could partially be explained as stemming from the fact that Chinese investors do not have much experience with FDI yet, nor with Western management practices. China's private companies and SOEs have been following the 'going out' strategy only for about a decade now. The results indicate that Chinese investors pursue also different strategic interests compared to financial investors. They are investing in the long term, cushion corporate crises and finance future investments. They want a bridgehead for their global expansion and for the acquisition of technology, process, and management know-how. With the acquired companies they develop 'stripped-down' products for China and for the world market and want to get rid of the cheap image that still clings to Chinese products.

So far, the results of my survey prove the widespread concerns about Chinese investments in Europe basically unfounded.

Further, they point to a fundamental question to be discussed: whether the Chinese investors represent another breed of capitalism—an alternative to the dominant Western model of neoliberal capitalism and the management practices associated with it.

Biography of the speaker

Wolfgang Müller has a master degree in social sciences and has worked as software engineer for IT companies. Since 1999, he has been the IG Metall (German trade union) representative for the Siemens group and for the automotive industry. Having lived in Beijing for several years, his research and publications focus on the economic and social developments in China.