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Call for law to punish fleeing bosses

The National People's Congress (NPC) should introduce a new legislation that makes it a crime for business owners to flee without paying workers, a senior Guangdong official said on Tuesday.

Liu Youjun, deputy director of the provincial labor and social security department, said his proposal will be officially submitted to the NPC at next year's session.

In Dongguan, a major manufacturing base in Guangdong, 117 firms closed down in September and October.

In each case, the owners fled, leaving more than 20,000 people without wages, the Hong Kong-based Takungpao reported yesterday.

Local governments and taxpayers were left to pick up the bill, it said.

There is currently no criminal law covering this sort of behavior, Liu said.

Labor and social security departments can issue administrative punishments to business owners, such as preventing them from investing in the future, but they are not enough to stop unscrupulous operators from re-offending, he said.

The only effective solution is to introduce a law that makes it a crime for company bosses to flee their failing businesses, he said.

Meanwhile, Liu Bingquan, director of Guangdong's small and medium enterprise bureau, told NPC deputies on a visit to Guangzhou yesterday that in the first 10 months of the year, 15,661 local SMEs either closed down, suspended their operations or moved away.

In some parts of Guangzhou, local government teams have even been set up to monitor suspect firms to ensure their owners do not flee, he said.

However, not all company chiefs are on the verge of fleeing.

Harley Seyedin, president of the American Chamber of Commerce (AmCham) in South China, told China Daily: "Multinational firms don't behave like that.

"They want to expand their businesses in China, and many will be hiring more people next year."

A recent study conducted by AmCham found that most of its 1,300 member companies in South China had decided to shift the focus of their business from America and Europe to China.

"The Chinese market is getting stronger compared with the Western market," Seyedin said.

"So firms are hiring more people, rather than laying them off."

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LIU YOUJUN
Deputy director of the
Guangdong provincial
labor and social security
department

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