

Challenges to Statutory Rights of Labors of MNEs and Its Countermeasures in the Context of COVID-19

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Abstract. The protection of workers' rights has always been a topic of concern, especially in the era of COVID-19, when labor-management relations have sparked new social conflicts. This paper introduces and analyzes the existing problems, causes, solutions, and suggestions for the infringement of labor's human rights in multinational enterprises (MNEs). Due to the sudden attack of the epidemic, some multinational companies' orders are reduced owing to the restrictions on logistics, transportation, and blockade, and the companies' upper classes lay off grassroots staff, causing the social unemployment rate to rise sharply. Before the mature emergency treatment of infectious diseases, a large amount of leadership of multinational companies lacks the awareness of infectious disease prevention and control plans, which do not limit employees gathering or peak dining and issue labor safety supplies. The negligence is to create the working environment of relatively sufficient infection for employees, violating the worker's rights of life and health. At the same time, despite the huge number of unemployed populations due to the epidemic, workers in some industries become more burdened with work and bear great physical and psychological pressure on the contrary. As COVID-19 has created a huge demand for medical resources, medical technology multinationals are increasingly squeezing their employees to increase production volume. There are many reasons for these problems, such as a single approach to human rights protection, an unbalanced employment structure, unclear monitoring subjects, etc. This paper uses case study, data collection, and comparative research to analyze the existing problems faced by the enterprises. Based on this, the article has put forward suggestions for companies, including strengthening self-management, expanding the scope of human rights protection, the state upgrading the industrial structure, and legislators to further improve the system of protecting workers' rights.

Keywords: Labor Rights, MNEs, COVID-19.

1. Introduction

The COVID-19 pandemic has presented unique and tremendous challenges for multinational corporations and their labors many of whom have suffered huge invasions of human rights. In the meanwhile, the connotation of human rights expands in the new era, which is no longer limited to the most basic rights, like the right to life. Otherwise, the standards of labor rights ascend to higher levels, such as the right to rest, the right to development, and so forth. On the one hand, many multinational companies are faced with the crisis of layoffs and poor sales owing to the interruption of international trade. As employees of these enterprises, they face the prospect of job losses and wage cuts in that their elementary right to remuneration for work cannot be guaranteed. On the other hand, as the epidemic evolves, some new industries have sprung up and some pharmaceutical or vaccine companies need more workers. As a consequence, their employees may be squeezed, not given enough time off, and sometimes even exposed to unsafe working conditions. In this case, their fundamental labor rights cannot be guaranteed either. The coronavirus disrupted the pace of the world's accelerating convergence and the COVID-19 pandemic has had severe negative impacts on national economies, therefore, imposing more restrictions on cross-border trade in goods and services, thus creating obstacles to the development of multinational companies and their labors. Due to the sudden outbreak of an epidemic, more attention should be paid to the protection of human rights and the improvement of the working environment. The ruined job market urgently needs to change, or else, it will result in irreparable damage to individuals and countries. This paper will discuss the issues

mentioned above and point out measures to solve the problem of human rights invasion, providing a development path for employees and multinational corporations in the post-epidemic era.

2. New issues arising in the context of the COVID-19 pandemic

The social and economic impacts of the COVID-19 pandemic since 2020 have been huge and dramatic, with impact disparities between various sectors and regions. Whether in the US, Europe, or China, fear of infection, social distancing, and various regions' stay-at-home orders prompted business closures and severe declines in demand for travel, accommodations, restaurants, and entertainment, among other industries. This kind of sudden blow has also changed the status quo of multinational corporations which rely on cross-border deals. It has not only transformed the working conditions of employees of multinational companies in different walks of life but also sometimes even violated human rights.

2.1. Continuously increasing unemployment rate

The global outbreak of COVID-19 not only poses a serious threat to human life and health but also has an unprecedented impact on the economic development of all countries. A decline in economic growth will lead to a rise in unemployment, which will hurt the job market, thus, inevitably, affecting the employment of employees of transnational corporations negatively. This epidemic has led to massive layoffs, furloughs, and surges in unemployment claims, with predictions for further declines in the gross domestic product (GDP). China was the first country to detect and report COVID-19. Taking China as an example, due to the impact of COVID-19, China's economic growth was slowing. It is estimated that the number of new jobs created by the epidemic in 2020 will decrease by 1,421,600 in the optimistic scenario, and by 6,786,100 in the pessimistic scenario, raising the unemployment rate by about 1% [1]. At the same time, in the United States, real GDP fell at an annualized rate of 4.8% in the first quarter of 2020 (compared with a 2.1% growth rate in the fourth quarter of 2019). In April 2020, total nonfarm payroll employment fell by 20.5 million, and the unemployment rate rose to 14.7%, according to the Department of Labor. The Federal Reserve Bank of New York's weekly economic index (WEI) measures real economic activity using high-frequency data, including retail sales, unemployment claims, tax collections, fuel sales, steel production, and electricity consumption. That index shows a dramatic decline in economic activity due to the pandemic [2].

Whole macroeconomy growth and unemployment rate relations influence each other through investment, consumption, import and export, and government purchase. Among them, investment, consumption, and import and export are referred to as the "troika" of the economy [1]. The recovery and growth of investment, consumption, and import and export in the post-epidemic era are under great pressure in all respects. In the overall economic environment depression, individuals are experiencing a struggling period, too. Due to the escalation of epidemic prevention and control policies of trading partners, some countries even adopted the policy of closing the border in which case, this blockade hampered cross-border trade seriously. Although the government had issued policies and preferential policies to encourage the resumption of work and production, the decline in export orders and the severe obstruction of cross-border transactions have not been fully alleviated. Multinational companies' shortages of opening rates and orders would lead to a decline in labor hiring. In the meanwhile, the decline of the company's operating rate, accompanied by the rise in employee unemployment and wage skimping, violates employment rights and the right of workers to obtain remuneration.

Long-term job separations can give rise to an erosion of skills and loss of opportunities that can lead to long-lasting negative effects on employment and earnings. The negative effects of long-term job loss on long-term growth are not limited to a smaller number of the labor force, but also potentially include detrimental effects on productivity growth. Workers generally accumulate more skills and experience over their careers that boost their productivity, increasing their contribution to GDP. Long-

term job loss can interrupt that productivity growth, even if it happens in their most productive stage pitifully [3].

2.2. Employees exposed to dangerous or infectious working conditions

COVID-19 is a highly contagious disease, ranging from no symptoms or mild ones to respiratory failure and death. There is no vaccine to prevent COVID-19 and there is no known cure or anti-viral treatment in the early days. Not only is the coronavirus a threat to the rights to life and health, but also the impact of the crisis on the labor right goes well beyond medical and public health concerns. Due to early superficial social perceptions of the coronavirus, multinational companies were unable to develop reasonable policies to provide a safe working environment for employees. The lack of mandatory regulations on wearing masks in public work areas, keeping physical distancing, and home quarantine of positive symptoms or their close contacts has contributed to wider diagnosis among employees, which should be held accountable by the management of multinational corporations. This severe situation ought to be attributed to some multinational enterprises' failure to adequately respond to warnings to prepare for pandemics. Such unconscious behaviors violate workers' right to occupational safety and health protection. Labor Law of the People's Republic of China formulated articles of law that laborer has authority to obtain the right of labor safety and health protection. This is to ensure the safety and health of workers during work and is the most direct protection of the immediate interests of the subjects who enjoy the right to work. The irresponsible and indifferent measures of some companies have undoubtedly violated human rights, caused great loss to the entire industry, and increased the possibility of employees being infected.

2.3. Overload of work pressure and time especially in medical technology companies

With restrictions on the movement of people and business operations imposed around the world, including in China, a sharp slowdown in global demand, transport, and logistics could further dampen prospects for a recovery in global trade. Due to the reason that China serves as a global supplier of personal protective equipment and medical equipment, the outbreak and instability of the epidemic in China have led to a shortage of critical medical supplies for its important trading partners as manufacturers of medical supplies cannot fully resume export operations. This transformation changed the original fixed production and operation mode of medical enterprises. Because of government's policies for restrictions on offline production mode and laborers gathering, sometimes the staff of multinational enterprises could not be fully on duty or raw materials could not be delivered in time, but at the same time, the demand for some medical instruments such as masks, protective masks, medical gloves, ventilator, and the thermometer has increased significantly in comparison to other export products, causing huge working pressures on employees on a basic production line of a medical supplies company. As a matter of fact, the performance of a large number of small and medium-sized enterprises has been declining markedly due to the impact of the epidemic, and medical enterprises are among the few multinational enterprises that have benefited from the "epidemic dividend". Although the medical companies and management layers are making a lot of money, the huge order volume is too much for the workers, which infringes the workers' right to rest and vacation. Continuous orders and tasks exploit employees' time for rest and recuperation, and long hours of work can cause serious physical exhaustion to their bodies, sometimes even sudden death. This situation is also common in some hospitals, where some dedicated medical staff, caring for a large number of COVID-19 patients, do not get enough rest time themselves and fall on the job.

In addition, owing to the rampant epidemic, vaccines or wonder drugs have become effective and important means for a country to save citizens' lives and promote social harmony. 'Vaccine Diplomacy' has also become a way for a powerful country to woo its partners and ensure international status. Medical-technology companies and scientists are under pressure because of both political and economic demands. In this case, some research institutes or medical companies need to work overtime to develop vaccines to prevent the novel coronavirus vaccine and specific drugs to treat the novel coronavirus. Moreover, with the continuous variation of the novel coronavirus, the pace of

research cannot stop, which is a race against time, putting great physical and mental pressure on researchers and scientists. While this action is a positive response to COVID-19, the stress of research is also a violation of people's right to normal vacation.

3. Reasons for the violation of workers' rights

3.1 Simple way of protecting rights and few categories of rights

The traditional form of protection is money, such as salaries, subsidies, or the simplest physical form of safety protection, such as safety helmets or protective clothing in some dangerous work conditions. Such security is only the most basic material labor security and cannot take into account people's spiritual needs. As a consequence, the protection of labor rights cannot be enforced compulsively. In the interest of profits, multinational enterprises often opt for the most cost-efficient guarantees at the expense of other, relatively long-term plans. The way of right protection is not only single but also the types of rights protected are few. It is admittedly that some countries committed to protecting human rights have paid increasing attention to this issue of the oversimplified right protection method. However, there is another problem the rights protected are too limited. As the times step forward, people's focus on workers' rights is no longer confined to the right to life and health, equal right to employment, and other basic labor rights. Instead, people put more emphasis on the right to personal development. Especially in the context of the epidemic, many workers care about whether the right to rest and vacation can be guaranteed. The reason is that having rest time can allow employees to improve themselves. Many multinational companies tend to ignore the protection of employees' right to development. On this occasion, it is also a human rights violation to some extent that for example, companies cannot provide places and choices for employees to receive vocational training. If employees fail to improve their professional skills in time, they may be eliminated from the competition in the industry. Instead of cultivating useless talents who cannot create productivity, multinational companies will ruthlessly choose to lay off employees and hire more suitable talents. Vocational education is now one of the most important rights in labor rights, but unfortunately, many multinational companies just want to hire laborers who can increase productivity without long-term consideration for the career of employees.

Although governments sometimes issue relief measures, plans to save the economy often take precedence over the protection of human rights, focusing on the overall economic recovery of the entire company rather than the protection of individual rights. Therefore, "saving the economy" means prioritizing the interests of a powerful elite. In this sense, it is necessary to differentiate big corporations' claims of entitlement to profits from the needs of workers earning a daily livelihood [4].

3.2 Imbalance of employment structure

Due to the ravages of infectious diseases, different industries have different impacts, the biggest impact of which is on the real economy. Although every country has suffered a severe economic blow due to the pandemic, different countries have various difficulties in recovering their economies. In developed countries like Europe and the United States, industries are mainly knowledge-intensive and technology-intensive, with high artificial costs and scarce human resources. Beyond that, these countries' industries are concentrated in industries such as the Internet, finance, or high-tech, employees can telecommute to reduce clustering during the process of epidemic control. Although working from home cannot guarantee absolute work efficiency, it is also a feasible way to promote production relatively. If the industry in which multinational enterprises are located can adopt timely measures to switch from offline to online working, it can also reduce economic losses and promote economic recovery. Employees working in such multinational companies have flexible and optional working arrangements that reduce the possibility of unemployment. After the epidemic, the slow decrease in population will help people find jobs easily to some extent. Comparatively, especially in China and some developing countries, where workers are concentrated in labor-intensive industries, the outbreak of the COVID-19 pandemic has intensified the existing problem of an unbalanced

employment structure. Manufacturing in some countries or regions is concentrated in low-end industries. With the advantage of a large amount of cheap human labor, the light manufacturing industry in developed countries has been transferred to contract factories, which provided many jobs before the epidemic. However, these workers only take on jobs that require manual labor, such as assembly and retail, which are the most vulnerable industries in the event of a pandemic. If the leadership of a multinational company fails to provide such workers with labor safety products and promote awareness of quarantine, they will be exposed to the infectious working environment. Some industries must have to work offline to meet production targets, which increases the frequency of gathering. In an era of COVID-19, when productivity growth exchanges a safe employment environment for workers, it is difficult for some multinationals to make decisions.

3.3 Unclear supervising subjects of rights' protection

Generally speaking, the subject of supervision includes three parts: state organs, social organizations, and citizens. What this essay analyzes here is mainly the state organs that exercise supervisory power, among which state organs specifically include state power organs (legislative organs), administrative organs and judicial organs, and social groups like labor unions. In China, the special supervision of whether employers abide by the laws related to national labor safety and health mainly three levels: first, the union of labor protection supervision of leading bodies, namely the union leaders authorities at or above the city (that is, the federation of trade unions) labor protection department equipped with labor protection supervision of inspector, appointed by the national federation of trade unions and provincial federation of trade unions respectively. Second, the basic (workshop) labor protection supervision of the labor union. Third, labor protection supervision of the trade union group. The problems in the supervision process are as follows: some departments and units have no division of responsibility based on the actual situation of units and posts, the responsibilities of supervision subjects are vague, the responsibility clause is not detailed enough, the assignment of tasks is not operable, and the department has no execution, layers of posts prevent the upper union from giving its orders accurately. And in the daily supervision, there will be no regular supervision, inspection, or reminder system. The responsibility assessment is not standardized and leads to lax accountability and other issues.

4. The responses and countermeasures to solve the problem

4.1 Upgrade the industrial structure

Some developing countries rely on cheap labor, resources, and mass production to attract investment and promote economic development. However, some well-developed countries are committed themselves to the advancement of science and technology and the improvement of human capital. In the era of COVID-19, the traditional industrial structure is often unable to adapt to unstable situations, which requires the country to upgrade its industries and invest in high-tech industries and higher education, in order to improve the quality of its workers. In the meanwhile, in the era of knowledge competition, if a country does not want to be eliminated, it needs to upgrade low-end industries to high-end industries, carry out industrial innovation, and develop high-tech industries. Higher education provides significant assurance of the quality of human resources through knowledge creation and application and is an important pillar of technological innovation and industrial transformation and upgrading. Improving technological innovation capabilities is the key to accelerating the transformation and upgrading of industries. Therefore, higher education and advanced technology must be developed to build an innovation-driven and knowledge-driven economy [5]. however, in recent years, under the influence of the world's economy, some impoverished countries' economic development is facing challenges, such as overcapacity, irrational industrial structure, and lack of technical talent. Therefore, developing countries' governments must increase investment in higher education and scientific research; otherwise, it will be difficult for the country to surpass developed countries in terms of productivity or technology.

4.2 Ensure and expand the scope of protection of workers' human rights

From the government's point of view, if leaders want to save the current situation where most people are unemployed and lack a basic source of income, the first thing is to issue unemployment benefits. The government urgently needs to pay attention to the registration of employees who have lost their jobs due to the epidemic to obtain basic living allowances. In the USA, some states have enacted family and medical leave laws that entitle workers to unpaid leave in certain instances. In addition, five states currently operate state leave insurance programs, which provide cash benefits (a percentage of the employee's usual earnings, up to a maximum amount) to eligible workers who are absent from work for certain medical and caregiving reasons [6]. Although the payment of unemployment allowance increases the financial pressure on the government, if no measures are taken, social problems like social unrest will become more serious, which requires the relevant personnel to strictly calculate the unemployment rate and the amount of unemployment allowance. In addition to the government should pay unemployment benefits, the central bank is bound to lower the interest rate on loans and extend loan terms at the same time. A country's central bank can stimulate this type of economic recovery by lowering interest rates, which encourages consumers to take out loans and thus increases the credit or money in an economic entity [7]. Many employees working in the real economy have seen their income shrink significantly during the epidemic and cannot pay the corresponding rent costs or daily expenses, but under such economic pressure, landlords are not obliged to accordingly reduce the amount of rent that should be charged, leaving tenants unable to pay their mortgage in a timely manner. Many countries in this situation have also adopted subsidies or rent reductions and extended payment terms to protect workers' rights.

In the context of an epidemic, multinational companies should provide their employees with the most basic labor security supplies such as masks, face shields, and protective clothing to create a safe and non-infectious employment environment. It is also required to set social physical distances and reduce the space where people gather. If material security is the most basic and necessary labor security, then in the new era transnational companies should also attach more importance to the spiritual needs of employees. The COVID-19 pandemic disrupted regular work schedules and timetables, forcing many people to work erratic hours, which led to the frequent occurrence of working overtime. There should be no excuse for this kind of exploitation because of the pandemic. First of all, employees' right to rest and vacation should be guaranteed. Secondly, employees should also enjoy the right to development. Companies need to ensure that all staff continues to receive labor skills training to adapt to updating and progress of the industry. The scope of rights protection should be expanded, and companies should provide employees with opportunities to continue receiving education and vocational training.

4.3 Strengthen MNEs' own management and further improve the legal system for protecting workers' rights

Foxconn, known as the "contract manufacturing empire", had several employees jump to their deaths in 2010, causing the issue of labor rights protection to become a hot social issue again. Foxconn's labor problems in recent years have exposed many problems that have seriously violated the bottom line of the law, such as the abuse of student labor, strict discipline, and punishment for wage deduction [8]. Labor-management conflict is not a new topic, but if the problem continues to grow, it will surely hinder social harmony and progress. Smaller companies, in particular, need to plan ahead for emergency cash insurance to protect employees from potential problems like job losses. Small businesses have been hit very hard by the shutdown orders and decreased demand due to concern about the coronavirus. Many small businesses operate with low-profit margins, making it difficult to absorb a large decline in revenue sustained over several months. Cash buffers can allow business operations to continue in the absence of revenue. Research by the J.P. Morgan Chase Institute shows that 50 percent of small businesses have fewer than 15 days of cash liquidity, and only 40 percent of small businesses had more than three weeks of a cash buffer [9]. Multinational companies need to do self-reflection on labor relations, recognize that employees have the bottom

line of dignity and emotional needs, and establish a warm and humanized management system. It is also required for enterprises to strengthen self-management, in line with the principle of kindness, and strive to build a harmonious enterprise culture, establish harmonious labor relations [10]. To safeguard the legitimate rights and dignity of laborers, and further improve the quality of work and life of laborers become the drafters of labor law must consider matters. Laws must specify specific penalties for violations of labor rights, such as forced labor, child labor, excessive working hours, unpaid overtime, corporal punishment, sexual harassment, and so on. It is avoidable that individual local governments believe in the concept of “development concept of GDP first”, the inhumane and even illegal actions of the enterprises under their jurisdiction, turning a blind eye.

5. Conclusions

Multinational enterprises are undoubtedly responsible for the life, health, and growth of their employees. The task of an enterprise is not only to achieve business objectives but also to be responsible for society. Multinational enterprises should truly care for, educate and train employees, and realize the diversity of workers' needs. They not only have survival needs but also the needs for safety and emotion, personal dignity, and self-realization. At the same time, employees should also strengthen their awareness of rights protection and all regulatory departments should also clarify their responsibilities, so as to achieve a harmonious and mutually beneficial labor relationship through the efforts of all aspects of the society.

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