

**Chinese State-Owned Enterprises and Human Rights:  
The Importance of National and Intra-Organizational Pressures**

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**Abstract**

The growing global prominence of Chinese state-owned enterprises (SOEs) brings new dimensions to our understanding of multinational corporations (MNCs) and human rights issues. This paper constructs a three-level framework that enables the mapping of transnational, national, and intra-organizational human rights pressures, and uses this framework to identify and analyse the human rights that Chinese SOEs report concern with. The analysis provided suggests that whilst China's most global SOEs are subject to transnational pressures to respect all human rights, such pressures appear outweighed by those encouraging them to concentrate upon only some human rights – i.e. economic, social and cultural rights – within their national and intra-organizational environment. The paper concludes by identifying a number of ways in which our conceptual framework and empirical findings can inform future research.

## **Chinese State-Owned Enterprises and Human Rights:**

### **The Importance of National and Intra-Organizational Pressures**

The policies and practices of multinational corporations (MNCs) relevant to human rights are increasingly discussed within a number of overlapping literatures: e.g. business and society, business ethics, corporate social responsibility (CSR), international law (Wettstein, 2012). By and large, these writings concentrate on normatively prescribing the human rights obligations of MNCs (e.g. Arnold, 2010), or on describing the ways in which changes in the global environment have contributed to human rights and CSR concerns becoming increasingly connected (e.g. Kobrin, 2009). In particular, the development of the United Nations' (UN) Guiding Principles on Business and Human Rights (Ruggie, 2011), which posits that MNCs have the duty to 'respect' human rights, and that states have the duty to 'protect' human rights and 'remedy' human rights concerns (Ruggie, 2008), has been the subject of considerable commentary (e.g. McCorquodale, 2009; Whelan, Moon & Orlitzky, 2009).

Although the broad literature on MNCs and human rights is marked by increasing sophistication, it arguably lacks nuance when it comes to acknowledging that MNCs are commonly subject to competing human rights pressures. Indeed, even those who argue that MNCs operate within fragmented institutional environments, and that MNCs face different CSR pressures (e.g. regarding animal rights, climate change, corruption, sweatshops) at different levels of analysis, tend to emphasize that MNCs operate within an environment that acknowledges and promotes the universality of human rights in a more or less univocal fashion (Aguilera, Rupp, Williams & Ganapathi, 2007, p. 852; Kostova, Roth & Dacin, 2008, p. 998).

Two overlapping considerations help explain this emphasis. First, the literature on CSR – and 'political' CSR as opposed to political CSR in particular (see Whelan, 2012) – has tended to argue that we now live in a world in which local and national pressures are of decreasing importance, and in which transnational pressures from transnational actors who commonly advocate and promote human rights (e.g. international non-government organizations like Amnesty International, inter-governmental organizations like the UN), are increasingly important (e.g. Scherer & Palazzo, 2011).

Second, there has been a tendency for the MNC and human rights literature to concentrate on the policies and practices of MNCs with Western 'home' states. These 'home' states – and the citizens

thereof – often promote the universality of human rights even though they are not always paragons of virtue with regards thereto, or even signatories to all of the major human rights initiatives. Thus, the United States (US) government played a key role in establishing the Universal Declaration of Human Rights, but is yet to ratify one of its major ‘offshoots’, the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966). More specifically, the US government has played a key role in “promoting various voluntary CSR initiatives” (Aguilera et al. 2007, p. 849), multi-stakeholder initiatives (Rasche, 2012) and international accountability standards (Gilbert, Rasche & Waddock, 2011) that promote human rights, and that US (and other) MNCs commonly participate within (e.g. the Voluntary Principles on Security and Human Rights focused on the extractive industries; the Global Network Initiative, focused on information and communication technology companies).

The underlying point is that, whilst “the multiplicity of actors currently involved in... global [CSR] accountability standards” has been noted more generally (Jamali, 2010, p. 628), the multiplicity of voices that exist with regard to the human rights responsibilities of MNCs, remains largely ignored. Additionally, and despite the MNC-human rights problematic being intimately related to various nation-states being unable or unwilling to promote human rights domestically, there is a common presumption that national and transnational pressures strongly encourage MNCs to at least profess their concern to ‘fill’ these ‘governance gaps’ (Ruggie, 2008).

This general understanding, however, is rendered increasingly problematic by the re-emergent power of non-Western countries that do not always acknowledge the universality of human rights, and that commonly emphasize the importance of state sovereignty (e.g. Chan, Lee & Chan, 2008; Waddock, 2008, p. 106). And, it is rendered further problematic by the fact that MNCs are organizational environments that can have internal pressures that may not be consistent with those of their transnational environment (Kostova, Roth & Dacin, 2008).

With such concerns in mind, this paper identifies and analyses the competing pressures that Chinese state-owned enterprises (SOEs) are currently subject to as regards human rights responsibilities. Most notably, and on the basis of an empirical analysis of their reported human rights concerns, the paper argues that the transnational pressures that encourage Chinese SOEs to acknowledge *all* human rights,

are currently outweighed by those within their national and intra-organizational environment encouraging them to concentrate upon only *some* human rights.

In making this argument, the paper is structured as follows. First, the business ethics, CSR and institutional theory literatures are used to construct a three-level framework for mapping the various human rights pressures that MNCs are subject to. Importantly, it is recognized that because MNCs have headquarters in their home states and subsidiaries in host states (Kobrin, 2009, pp. 356-358), the transnational, national and intra-organizational levels that are distinguished between, are more or less always interrelated. Second, the framework is applied to Chinese SOEs affiliated with the central arm of SASAC (i.e. the State Asset Supervision and Administration Commission of the State Council), and it is suggested that whilst Chinese SOEs are subject to similar transnational human rights pressures as all other MNCs, they are also subject to specific and overlapping national and intra-organizational human rights pressures as a result of their being controlled by the Chinese Communist Party (CCP) (Chan, 2009). More substantively, it is argued that whereas the transnational CSR environment is characterized by pressures emphasizing the importance of *all* human rights – i.e. those contained within the International Covenant on Civil and Political Rights (ICCPR, 1966) and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966) – the national and intra-organizational network of Chinese SOEs is only characterized by pressures emphasizing the importance of *some* human rights: those within the ICESCR.

Following this, the paper outlines its methods; provides a discussion of its findings with regard to the reported human rights commitments of China's ten most global SOEs; and argues that the SOEs appear less influenced by the pressures of the transnational environment than they do their national and intra-organizational environment. The paper concludes with a discussion of the wider importance of its findings, and makes a number of suggestions as to how these findings can inform future research.

### **Three Levels of Human Rights Pressures: A Framework**

MNCs face various pressures to discharge human rights responsibilities. Whilst the full extent of these duties is the subject of an important normative debate (e.g. Smith, 2013; Wettstein, 2012, 2013; Whelan, 2012, 2013), this paper is interested in the positive (i.e. descriptive or explanatory) aspects of

MNCs and human rights theorizing. In particular, the present section differentiates between three levels of human rights pressure on MNCs: the transnational, national and intra-organizational levels.

By pressures, the paper refers to the ways in which different actors seek to force or encourage MNCs to comply with a given set of behavioural norms, to reconstruct or amend their policies, or to somehow alter their practices (Oliver, 1991; see also Jamali, 2010). Such pressures can be driven (or motivated) by various considerations (e.g. aesthetic, instrumental, moral), and can take various forms (e.g. they can be more coercive or persuasive). Further, different pressures can be complementary (e.g. human and labour rights) or conflicting (e.g. pressures relating to animal rights and the professional interests of abattoir workers), and will often be resisted.

Human rights pressures more specifically, refer to the fact that MNCs are currently subject to various pressures that encourage them to impact upon human rights in various ways. Although these pressures can take numerous forms – e.g. laws, moral arguments, pragmatic demands – it is their variable scope that is more important for the present purpose. Specifically, a distinction is made between those pressures that encourage MNCs to respect *all* of the rights, and those that encourage MNCs to respect only *some* of the rights, listed within the ‘International Bill of Human Rights’: i.e. the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (ICCPR, 1966), and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966) (Morsink, 1999).

These pressures operate in the context of three key developments. First, they are contextualized by the increasingly widespread recognition that MNCs can enable or undermine what amounts to all human rights (Ruggie, 2011). Thus, MNCs (e.g. Coca-Cola) now have policies that prohibit the use of forced labour within their supply chains, and guidelines on how to responsibly ‘manage’ the involuntary resettlement/forced displacement of peoples (e.g. Shell, Statoil). In short, MNCs increasingly recognize responsibilities for human rights concerns that, until recent times, were generally considered the exclusive domain of states (Whelan, Moon & Orlitzky, 2009).

Second, these pressures are contextualized by the manner in which notions of state sovereignty can conflict with pressures encouraging MNCs to promote or respect all human rights. In other words, MNCs, and other organizations, are also subject to pressures that promote the ability of states to set

laws within their borders, and that enable them to ‘pick and choose’ between the human rights they wish to promote or respect. Further, such inter-governmental organizations as the Organisation for Economic Cooperation and Development (OECD) and the UN, sometimes promote, in a seemingly contradictory fashion, both *all* human rights and state sovereignty (OECD, 2011; UN, 1945).

Finally, these pressures are shaped by the fact that MNCs can be directly and indirectly responsible for undermining or disrespecting human rights. MNCs are directly responsible for human rights abuses when their immediate activities (e.g. employment contracts) are the source of concern. In contrast, they are indirectly involved or complicit in “human rights abuses” “where the actual harm is committed by another party, including governments and non-State actors”, that they are (contractually) involved with (Ruggie, 2008, paras. 73-81). Whilst it might be thought that MNCs are more likely to be subject to human rights pressures that relate to their direct than indirect responsibilities, this is not necessarily the case. For example, many multi-stakeholder initiatives (e.g. the Voluntary Principles on Security and Human Rights, the Global Network Initiative) encourage MNCs to avoid being complicit in (civil and political) human rights abuses, and many MNCs (e.g. Coca-Cola) express their concern to avoid being complicit for a whole variety of (civil and political) human rights (e.g. the right to not be subjected to slavery). Accordingly, the paper makes no distinction between direct and indirect human rights responsibilities, and does not suggest whether or not MNCs are more likely to be directly or indirectly responsible for one human right or another. Rather, human rights pressures are simply conceived as encompassing those pressures that relate to the posited direct and indirect responsibilities of MNCs more generally (e.g. Ruggie, 2008).

#### *Transnational Human Rights Pressures*

Transnational human rights pressures transcend the confines of a given nation-state and other nationally-based actors. They tend to derive from intergovernmental organizations, international non-government organizations (NGOs), and new governance structures such as multi-stakeholder initiatives or international accountability standards (e.g. Aguilera et al., 2007, pp. 850-853; Gilbert, Rasche & Waddock, 2011; Rasche, 2012). Given the continued absence of a global sovereign, and the difficulties of reaching agreement on matters of international law, transnational human rights pressures rarely take



a ‘hard’ or coercive form. Rather, they tend to be of a ‘softer’ status, or tend to encourage national actors to impose ‘harder’ pressures upon those other actors they can control (Kobrin, 2009, p. 361).

Prominent examples of international NGOs who encourage MNCs to acknowledge and further human rights include Amnesty International and Human Rights Watch. Prominent examples of transnational initiatives that pressure MNCs to address human rights (and that international NGOs are commonly somehow involved in), include the OECD Guidelines for Multinational Enterprises (OECD, 2011), the UN Global Compact (UNGC), and the UN Guiding Principles on Business and Human Rights (Ruggie, 2011). This last initiative has recently been termed the “state of the art in the debate on business and human rights” (Wettstein, 2012, p. 741), and thus provides a good example of how transnational human rights pressures commonly encourage MNCs to acknowledge, and act upon, the importance of all human rights. As the twelfth Guiding Principle states:

“Because business enterprises can have an impact on virtually the entire spectrum of internationally recognized human rights, their responsibility to respect allies to all such rights... An authoritative list of the core internationally recognized human rights is contained in the International Bill of Human Rights...., coupled with the principles concerning fundamental rights in the eight ILO [International Labour Organization] core conventions as set out in the Declaration on Fundamental Principles and Rights at Work” (Ruggie, 2011).

Given the present concern with (positive) empirical theorizing, only a number of overlapping points need to be noted with regard to the ‘Protect, Respect and Remedy’ framework here. First, in advocating that MNCs (and other business enterprises) should ‘respect’ human rights, Ruggie emphasizes that MNCs should “do no harm” (Ruggie, 2008, para. 24). Whilst this posited duty requires MNCs to take positive steps to ensure that they avoid being directly or indirectly responsible for human rights abuses, it is basically a negative duty that does not require MNCs to ensure that all human rights are ‘protected’ or that all human rights concerns are ‘remedied’.

The duties to protect human rights and remedy human rights concerns, on the other hand, falls to states (Ruggie, 2008). To discharge these two duties, states are required to put measures in place that encourage (or force) MNCs to ‘respect’ human rights, and to establish structures that redress those

instances in which ‘respect’ is lacking. Importantly, the state duty to ‘protect’ human rights is arguably most pronounced with regard to SOEs because:

“In principle, inducing a rights-respecting corporate culture should be easier to achieve in State-owned enterprises (SOEs). Senior management in SOEs is typically appointed by and reports to State entities. Indeed, the State itself may be held responsible under international law for the internationally wrongful acts of its SOEs if they can be considered State organs or are acting on behalf, or under the orders, of the State” (Ruggie, 2008: para. 32).

Whilst we consider the UN Guiding Principles a good illustration of the fact that MNCs are subject to transnational pressures encouraging them to acknowledge (and somehow promote) all human rights, we note that various actors are commonly critical of their underlying ‘Protect, Respect and Remedy’ framework (see Whelan, Moon & Orlitzky, 2009). MNC and human rights scholars such as Arnold (2010) and human rights NGOs such as Amnesty International, for example, have expressed concern as to what Wettstein (2012) suggests are the relatively modest demands that Ruggie’s framework makes of MNCs and states. Nevertheless, many of these same critics agree that Ruggie’s framework is right to emphasize the importance of all human rights.

#### *National Human Rights Pressures*

National human rights pressures are those that are more or less readily associated with a given state or with a given national population. In terms of the latter, it is clearly possible for a given population to place normative and/or material pressure on MNCs to acknowledge and act upon a set of human rights duties (e.g. through consumer boycotts, media advocacy, protests). Further, it is possible for specific elements of a population to place such pressure on MNCs (e.g. nationally-based activists and NGOs).

Whilst the pressures that a national population (or parts thereof) put on MNCs are important, the human rights pressures that states (or governments) can put on MNCs are often more immediate, and less diffuse, due to states being in a position to coerce, or strongly encourage, MNCs, to discharge various human rights duties (e.g. Aguilera et al. 2008, p. 848). Amongst other things, states can encourage or require MNCs to report on their human rights policies and practices as a means by which to encourage a ‘rights respecting’ culture (Ruggie, 2008: para. 30). Further, states can align the awarding of government contracts with the need for strong human rights policies and practices; and they can seek

to ensure that their national laws, and the international regimes they participate within more generally, encourage MNCs to respect all human rights (e.g. Ruggie, 2011).

Although states can exert pressures on corporations of any nationality, the present interest is in the pressures that states put on ‘home’ MNCs whose ‘parent’ is incorporated within, or has headquarters (HQ) within, their national boundaries. On the one hand, then, these national pressures are conceived as sometimes having an ‘extraterritorial effect’ (Ruggie, 2008, para. 14) because MNC’s have subsidiaries located in foreign ‘host’ countries (e.g. Zerk, 2006, pp. 51-52). On the other hand, however, these national pressures are defined so as to exclude the pressures that host states put on MNC subsidiaries whose ‘parent’ is located within another ‘home’ country.

In addition to their morally benefitting from the inherent value of doing the ‘right’ thing, states can potentially derive material benefit (e.g. in terms of national competitiveness, risk minimization) by pressuring their home MNCs to respect *all* human rights (e.g. Aguilera et al. 2007, pp. 848-850; Ruggie, 2008, paras. 27, 32; Ruggie, 2011, prin. 2). Whilst states such as the USA (Clinton, 2010) and the UK (UKFCO, 2011: 71) commonly suggest that they follow this general logic, many do not.

The CCP, for instance, can only ever mention the universality and indivisibility of human rights at the risk of self-contradiction, and thus tends to suggest that different societies should emphasise different, or *some*, human rights, as a result of their differing cultural, economic and political contexts (e.g. Deng, 2008, pp. 271-272). State sovereignty, on the other hand, is an ideal that is broadly aligned with the CCP’s interests. Accordingly, the CCP tends to emphasize it alongside the importance of *some* more than *all* human rights, in its various global governance statements and activities (e.g. Chan, Lee & Chan, 2008), and in the pressures it places on Chinese MNCs (see below).

#### *Intra-Organizational Human Rights Pressures*

In addition to being situated within transnational and national environments, “all units in MNCs” (i.e. both MNC HQs and their foreign subsidiaries) can be “viewed as belonging to the same intra-organizational institutional field, which is contained within the boundaries of the firm” (Kostova, Roth & Dacin, 2008, p. 998). Such fields are generally easy to recognize: for they are characterized by “formal authority structure[s]” in which “subunits are... dependent on the parent company... for critical resources” (Kostova, Roth & Dacin, 2008, p. 998).

MNCs as a whole, or their separate sub-units, face internal pressures that encourage them to manage their response to external (e.g. national or transnational) pressures. Pressures relating to profitability, reputation and risk management for example, often encourage MNCs to ‘decouple’ (Meyer & Rowan, 1977) their actual practices from any accountability standards that external pressures (e.g. from international non-government organizations) have encouraged them to join (Jamali, 2010).

Just as national pressures commonly derive from the moral and material objectives of nation-states, so too do intra-organizational pressures commonly derive from the moral and material objectives, and get shaped by the corporate governance structures (Aguilera & Jackson, 2003), of an MNC’s HQ. As with CSR policies and practices more generally (Whelan, 2012, pp. 716-718), the human rights policies and practices of MNCs tend to be strongly influenced by their owners’ interests and their formal organizational apparatus.

As these points suggest, analyses of the intra-organizational environment of SOEs need to identify the interests (material and/or moral) of the owning nation-state (e.g. Aguilera & Jackson, 2010, p. 523; Néron & Norman 2008, p. 8; Shen & Lin, 2009, p. 444). Furthermore, such analyses need to acknowledge that these intra-organizational pressures can promote either all or some of the human rights listed in the International Bill of Rights, and that these intra-organizational pressures may or may not be consistent with national and transnational pressures.

The interrelated nature of these different pressures is illustrated in figure 1.

-- Insert Figure 1 about Here --

### **Placing Chinese State-Owned Enterprises Within The Three-Level Framework**

Although there is an emerging body of work on China and CSR (e.g. Kong, Liu & Dai, 2012; Moon & Shen, 2010; Noronha, Tou, Cynthia & Guan, 2013), the relationship between Chinese SOEs and human rights remains largely unexplored. Further, the wider business and society literature is yet to reflect the growing global prominence of Chinese SOEs (e.g. Fortune, 2013; UNCTAD, 2011). In light of such, the present analysis specifically focuses on those Chinese SOEs placed under the control of SASAC. SASAC, the State Asset Supervision and Administration Commission of the State Council (of the People’s Republic of China), was established to perform the “responsibilities of investor” for China’s leading and most international SOEs (SASAC, 2003; also see Naughton, 2011, pp. 317-318).

At the time of writing, SASAC is the nominal owner of about 120 of China's largest SOEs, and is the nominal owner of the vast majority of the 95 Chinese MNCs featured on the Fortune Global 500 in 2013. SASAC SOEs are thus a very important part of the global economic landscape.

#### *Transnational Human Rights Pressures*

Like other MNCs, SASAC SOEs are embedded within the broader transnational environment, and are ultimately subject to pressures to respect all human rights (e.g. Brownell, 2012). More specifically, various SASAC SOEs (e.g. PetroChina, Sinopec Group, China Mobile Communications Corporation) are members of the UNGC, a transnational CSR initiative that, amongst other things, encourages MNCs (and other businesses) to respect all human rights (see table 1 below). Further, Chinese SOEs are commonly subject to pressure from transnational human rights activists. China National Petroleum Corporation (CNPC), for example, remains subject to considerable pressure from transnational activists concerned to promote all human rights given their controversial (and continuing) activities in Sudan (e.g. Patey, 2007, 2009). On the other hand, because SASAC SOEs are commonly not involved in more specific sector-focused human rights multi-stakeholder initiatives (e.g. the Voluntary Principles on Security and Human Rights which is directed towards the extractives sector; the Global Network Initiative, which is directed towards information and communication technology MNCs), they are arguably subject to less transnational human rights pressures than some of their foreign counterparts (see Chan, Lee & Chan, 2008).

#### *National Human Rights Pressures*

Whereas SASAC SOEs are subject to transnational pressures that encourage them to acknowledge (and somehow promote) all human rights, they are only subject to pressures that encourage them to acknowledge some human rights at the national level. The Chinese national population for instance, appears to have "a clear preference for stability and economic growth, even if that means postponing democracy and tolerating for the time being greater restrictions of civil and political rights" (Peerenboom, 2007, p. 156). They also appear to have "a high degree of trust in the ability of the central government to manage the problems the country faces" (Fewsmith, 2008, p. 214).

In addition to the Chinese population arguably having a limited interest in the (national or transnational) promotion of all human rights, the CCP has obvious reasons for being more or less

opposed thereto. China's constitution, for example, legitimizes a monist political system that formally recognizes "the hegemony of the CCP" (Burns, 1999, p. 581), and is thus opposed to the democratic (multi-party) political structures that respect for all human rights entail (e.g. Morsink, 1999). It also helps explain why the CCP strongly champions respect for state sovereignty, and is yet to ratify the ICCPR (which is the covenant of the International Bill of Rights most readily associated with democratic political structures). On the other hand, the fact that the CCP's political legitimacy relates to its furthering a whole host of social and economic rights (e.g. Shambaugh, 2008, p. 168-169), helps explain why it has ratified the ICESCR (Whelan, Moon & Orlitzky, 2009, p. 370).

As with the preceding discussion of Chinese SOEs and transnational human rights pressures, a fuller discussion as to why the Chinese party-state only emphasizes some human rights is beyond the scope of the present paper. What does need to be noted, however, is that the CSR guidelines that SASAC released in 2008 reflect the CCP's more general concern with economic and social rights, and their relative lack of concern with civil and political rights. In particular, it should be emphasized that the guidelines:

1. Never state that Chinese SOEs need to respect all human rights (and never actually mention 'human rights');
2. Clearly emphasize economic and social rights when they write of labour rights, sustainable development and "the socialist harmonious society", for example;
3. Understate or ignore the importance of civil and political rights (e.g. they never mention 'freedom of association'); and
4. Link CSR to China's national interest when they state that the practice of CSR by Chinese SOEs will help "China to spread an image as a responsible nation" (SASAC, 2008).

As these four points indicate, the Chinese national environment differs from the transnational environment in that it does not pressure Chinese SOEs to acknowledge the importance of all human rights, but only those human rights listed in the ICESCR.

#### *Intra-Organizational Human Rights Pressures*

In addition to being part of the Chinese national environment, SASAC is part of an intra-organizational environment that is comprised of itself and the SOEs it nominally owns. Further to

various other mechanisms controlled by the CCP, such as the nomenklatura system of hierarchically appointing party personnel (Downs, 2008: 123-124; McGregor, 2010: 72) and various accounting and financial bodies (Noronha et al., 2013), SASAC strives to ensure that managerial decision-making within China's most important SOEs is aligned with CCP interests (Chan, 2009, p. 50; Downs, 2008, p. 125). SASAC thus occupies the top position of the Chinese SOE intra-organizational environment.

SOE HQs occupy the second level. These SOEs are 100% owned by the Chinese party-state (and nominally owned by SASAC). Just as with SASAC, the leading managers of China's parent SOEs are nearly always leading members of the CCP who have previously been employed in various party-state roles. When it is felt that these leaders somehow undermine CCP interests (or those of powerful opponents within the CCP), they are 'dealt with' accordingly. Thus, Jiang Jiemin (the former director of SASAC and full member of the CCP 18<sup>th</sup> Central Committee, CEO of CNPC and Chairman of PetroChina [www.chinavitae.com](http://www.chinavitae.com)), was recently sacked as a result of corruption charges in an effort to eliminate "vested interests in state-owned industries [that] have long been seen as opposed to economic reform..." (BBC, 2013).

Finally, the immediate subsidiaries of the SOE HQs lie at the third level of the intra-organizational environment. Although these subsidiaries are commonly listed on foreign stock exchanges, their HQs hold the vast majority of their shares, and they are often managed by the same people that head the parent company. Given that the subsidiaries of Chinese SOE HQs also commonly have their own subsidiaries, we note that we do not include them in our analysis here.

More generally, a key benefit of conceiving the Chinese SOE intra-organizational environment in terms of these three levels, is that it highlights that SASAC SOEs are part of a national-intra-organizational hybrid environment that is ultimately controlled by the CCP's leading body, the Politburo Standing Committee (e.g. Shambaugh, 2008; Shirk, 1993). Furthermore, it highlights that this environment is overlaid with "formal authority structure[s]" (Kostova, Roth & Dacin, 2008, p. 998) that seek to ensure the influence of CCP interests at every opportunity.

## **Method**

To examine whether or not China's SASAC SOEs are more influenced by their transnational, national, and/or intra-organizational environments, the authors analysed human rights related

disclosures within documents and websites published by China's ten most 'internationalised' parent SOEs (as measured by their 2006 outward stock of foreign direct investment - OECD, 2008), and their thirty-four immediate and listed subsidiaries (OECD, 2008). As depicted in Table 1, 8 of the 44 SOEs analysed are members of the United Nations Global Compact (UNGC) – an initiative encouraging corporations to respect *all* human rights *inter alia*.

-- Insert Table 1 about here --

As human rights can be considered a key element of both CSR and sustainable development (e.g. the UNGC; McGoldrick, 1996), the SOE's CSR/sustainability reports from 2007-2010, and relevant sections of their websites (in both English and Chinese), were reviewed for evidence of explicit and implicit reference to human rights. The use of company reports to analyse CSR actions and intentions is a key source of data for researchers (e.g. Chapple and Moon, 2005), and so too are corporate websites, which are increasingly used to detail CSR activities and outputs (Hamann, Sinha, Kapfudzaruwa, & Schild, 2009; Noronha et al., 2013). Whilst corporate reports are not necessarily accurate, and can be subject to bias, public relations spin, and so on (Muthuri and Gilbert, 2011), the risks of inaccuracy are mitigated by the fact that corporate reports are publicly scrutinised, and that it can be in a company's reputational or branding interests to avoid making false claims, and to uphold basic reporting standards (Chapple and Moon, 2005; Hamann, et al., 2009).

To determine the nature and extent of reported human rights concern, the authors conducted a content analysis of the SOEs' CSR/sustainability reports and websites with regard to 33 separate human rights derived from the ICCPR and ICESCR (see Tables 3a & 3b below) and the 'Human Rights Translated' guide (Castan Centre, 2008). To enable a systematic review of the evidence, the authors developed key indicators (see Table 2 for some examples) under four categories: i) *Policies*: e.g. evidence of defined commitments and parameters of engagement with regard to each human rights; ii) *Processes*: e.g. evidence of management systems, training, and/or stakeholder-engagement processes related to each human rights issue; iii) *Monitoring and Accountability*: e.g. evidence of impact assessments; and iv) *Reporting and Communication*: e.g. evidence of reports that are comprehensive



and material. Importantly, the same reported concern was sometimes considered relevant to more than one human right (for human rights often overlap).

The reported concerns were rated in terms of whether or not they provided convincing evidence with regard to each of the four categories. Thus, a score of 1 was awarded for evidence of policies; 2 for policies and processes; 3 for policies, processes, and monitoring and accountability; and 4 for policies, processes, monitoring and accountability, and reporting and communication. Hence, the score range of 0 to 4 depicts the extent of disclosure on each of the human rights. The rating procedure was completed independently by each of the authors and a research assistant, and any discrepancies discussed and reconciled. The companies were then ranked based on their total human rights score (see table 4 below).

-- Insert Table 2 about here --

## **RESEARCH FINDINGS**

The research findings are organized in terms of Chinese SOE's reported concern with civil and political rights, and their reported concern with economic, social and cultural rights. Following this, the drivers and motives that Chinese SOEs report upon, and that contextualize their reported human rights concerns, are identified.

### **Civil and Political Rights**

The Civil and Political Rights listed in the ICCPR refer to such things as equality before the law, freedom from servitude, and the right to freedom of conscience and public participation. They tend to be more 'negative' than the economic, social and cultural rights listed in the ICESCR as they 'only' require the absence of coercion or restraint. Whilst primarily directed towards states, all civil and political rights can be impacted upon by businesses in a more or less direct fashion. For example, although it is unlikely that companies can directly impact upon the right to recognition as a person before the law, businesses can be complicit in abuses of this right by third parties (e.g. if they indirectly benefit from, or support, property acquisition laws that treat the property of women as the property of their husbands).

As to what the SOEs reported, the information disclosed on civil and political rights tended to be broad and lacking in detail. Further, and as is evidenced by their not being included in Table 3a, none of the SOEs referred to eight civil and political rights, namely: the right of detained persons to humane

treatment; the right of aliens to due process when facing expulsion; the right to a fair trial; the right to be free from retroactive criminal law; the right to recognition as a person before the law; the rights of protection of the family and the right to marry; the rights to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred; and the right to not be subject to imprisonment for inability to fulfill a contract.

The group of civil and political rights that generated the next lowest scores were generally reported upon in an overlapping and vague fashion. They included the right not to be subjected to torture, cruel, inhuman or degrading treatment; the right not to be subjected to slavery, servitude or forced labour; the rights to life, liberty and security of person; the right to freedom of movement; the rights to freedom of thought, conscience and religion; the right to freedom of assembly; the right to equality before the law, equal protection of the law; and the rights of minorities. Of the 44 SOEs, no more than 10 reported on any one of these eight rights, and the reports that were made with regard thereto, tended to be broad statements of intention or commitment.

In terms of religious freedom, for example, the SOEs referred to such things as employment practices that were religiously non-discriminatory more than they did to the actual capacity to practice religion (e.g. through providing space for worship). Thus, the likes of Sinopec Group state that their “Chinese employees fully respect the religious belief and habits of foreign counterparts” ([www.sinopecgroup.com](http://www.sinopecgroup.com)), and CNOOC that it respects “differences and diversity in gender, age, disease, race and religion. [And that it...] ensure[s] no system and practices have discrimination tendencies” (2007 Sustainability Report, p.48). Moreover, only a handful of companies (e.g. COSCO Group, COSCO Shipping Company) went beyond statements of intention or commitment regarding the eight human rights listed above, and reported upon the existence of policies, processes, and/or systems, in which specific roles and responsibilities were detailed (e.g. the role and responsibilities of security guards in armed conflicts).

Around a third of the SOEs paid attention to each of the right to privacy; the right to freedom of association; the rights of protection for the child; and the right to participate in public life. Most of these rights, however, were reported on at a low level (as represented by the predominance of 1s and 2s in these table columns). Further, the reported concern with these rights focused on employees, trade-union

related structures, and processes facilitating freedom of association and collective bargaining (these points are further discussed in the following section).

The remaining civil and political rights were each reported on by more than 50% of the SOEs. This last group includes the right to self-determination; the right to non-discrimination; the right to life; and the right to freedom of opinion and expression. At the most general level, the first of these rights – the Right to self-determination (which, like the right to non-discrimination, is also contained in the ICESCR) – refers to the right “of peoples to determine their political status and... place in the international community” (Castan Centre, 2008: 3). The authors found evidence of policies and processes of stakeholder and community consultation over various issues (e.g. local resources and land usage) to constitute a general concern with self-determination. However, the authors also found no evidence of SOEs consulting with traditional peoples (or minority populations) in ways that would enable some sort of national independence (or sovereignty).

Reported concern with the right to non-discrimination was generally quite low. Nevertheless, some of the SOEs went into relative detail. In particular, COSCO Group (2008 Sustainable Development Report, p. 152) noted that “Among 130 members of top management of second-tier companies, 9 are females...; six are aged below 40...; two are non-party members...; one is of minority nationality... [and that] COSCO Group has 4,188 foreign employees, of which, 1,665 are females, accounting for 40.9%”. By way of contrast, many of the SOEs performed better in terms of their reported concern with the right to life (e.g. their various occupational health and safety and product safety standards) and the right to freedom of opinion and expression. Given various reported incidences in the popular media on violations regarding these rights in China more generally (e.g. Noronha et al., 2013: 29), however, these scores are likely to be over-stated.

To conclude this first section of analysis, the findings reveal that not one of the SOEs scored the maximum of 4 for any of the civil and political rights, and that the right to life and the right to non-discrimination received the highest average scores of ~1.7 each. More generally, most SOEs only had evidence of policies and/or processes in place for the majority of civil and political rights that they reported concern with, and there was negligible evidence of monitoring and accountability (and none for reporting and communication).

-- Insert Table 3a about here --

### **Economic, Social and Cultural Rights**

In contrast to civil and political rights, economic, social and cultural rights tend to be more ‘positive’: for they require the possession of specific goods (and not just negative freedom from constraint, and/or, the restraint of potential infringers). The economic, social and cultural right to enjoy just and favourable conditions of work was the most reported upon of the ICESCR rights, and the most reported upon right overall. It received a total score of 105 points, which amounts to 60% of the 176 points possible (see table 3b). This right relates to a broad range of provisions, such as remuneration, working hours, workplace violence and harassment, paid holiday (including maternity/paternity leave), period rest at work, type of work (e.g. part- or full-time). The analysis revealed that all 44 SOEs expressed their commitment to provide employees with just and favourable working environments, and that SOEs made policy statements related to employees’ entitlement to a ‘living wage’ (which, in turn, was commonly linked to the paying of a minimum wage). Although companies mentioned leave days, very few disclosed their vacation structures and/or systems in detail. COSCO Group provided one exception by detailing its vacation structure in its 2010 sustainability report (p.263), and by noting the number of days employees were entitled to take under various categories: e.g., maternity leave (90 days), marriage leave (3 days), paternity leave (15 days), funeral leave (3 days).

The right to non-discrimination (discussed above) was also reported on by all 44 SOEs. In contrast to the right to enjoy just and favourable conditions at work, which received 105 (60%) of the total points possible, it received a total of 76 (43% of 176). 93% of the SOEs reported on the right to education, 91% on the right to health, 84% on the right to social security and the right to an adequate standard of living, and 70% on the right to self-determination (which we have discussed above once again). The initiatives reported on in these regards were both inward facing (i.e. related to employees) and outward facing (i.e. related to the general public). To provide some further specifics, we note that reported concerns with the right to health, tended to focus on physical health and working conditions. Nevertheless, China Oilfield Services Limited (COSL) also reported on the mental health of its workers when it stated that:

“In addition to physical health, COSL also cares about staff’s psychological health. It provides staff with psychological health tutorials with the help from members of the Association of Psychological Health, State Professional Psychological Consultants (2010 Social responsibility, [www.cosl.com.cn](http://www.cosl.com.cn))

Whilst less often reported on, it was not uncommon for SOEs to refer to the more general right to work, and the right to form trade unions. 45% of SOEs for instance, claimed that workers had the right to join trade unions, and emphasized that employees had avenues for consultations through such structures as ‘Labour Union Committees’ and ‘Employee Representative Congresses’. Nevertheless, the SOEs did not disclose information related specifically to the right to strike. This lacuna, however, is not altogether surprising: for SOEs are widely reported to have discouraged strikes and to have intimidated workers previously (e.g. Downs, 2008). Furthermore, any mention of the right to form trade unions needs to be qualified by the fact that independent trade unions remain illegal in China.

Whilst the relatively low reporting of the right to take part in cultural life is perhaps not surprising, the relatively low levels of reporting on the right to a family life are somewhat out of sync with the emphasis on just work conditions. Nevertheless, a number of companies did report that they had maternity leave policies pegged just over the government’s 14 weeks maternity leave allowance. Further, the likes of CNPC, CIMC, and CNOOC Group provided maternity insurance; and COSCO Group reported that they had implemented appropriate working environments for pregnant and lactating female employees (2010 Sustainable Development Report, p. 290).

To conclude the analysis of economic, social and cultural rights, it is noted that a number of SOEs reported the highest possible level of concern (i.e. 4 points) for the right to enjoy just and favorable conditions of work, and that this right received an average score of ~2.4 (the highest of all the human rights). Further, and whereas the average score reported for all of the ICCPR rights that were actually reported on was ~0.6 (i.e. excluding the 8 ICCPR rights that were not once referred to), the overall average for all of the ICESCR rights was double at ~1.2.

-- Insert table 3b about here --

### **Why Chinese SOEs Report on Human Rights: Motives and Drivers**

Just as states and private corporations can potentially be motivated to encourage or engage in CSR activities for a variety of reasons (e.g. Aguilera et al., 2007), so too can SOEs. This section thus addresses whether or not the reported human rights concerns of the SOEs can be linked to transnational, national, and/or intra-organizational drivers.

*Transnational human rights pressures:* As table 4 summarizes, only 7 of the SOEs managed to achieve more than 25% of the total points possible for their reported concern with all of the human rights (i.e. 33 or more of the 132 possible). Nevertheless, of these 7, 4 were active UNGC members, and one (i.e. CMCC), a non-communicating UNGC member. The highest score of 53 (40%) was achieved by the parent SOE COSCO, a UNGC member. Notably, and whilst three UNGC members scored less than 25% of the total score possible (Petrochina Company Limited: 24%, CNOOC: 21%, and Sinochem International Corporation: 16%), all of the UNGC SOEs were placed in the top half of the table. Further, all of the SOEs with scores totalling 23% or more (i.e. the top 10 performers), were involved in shipping (part of the COSCO Group), petroleum (part of the Sinopec, CNPC or CNOOC groups), or telecommunications (part of the China Mobile Group).

-- Insert Table 4 about here --

It was interesting that talk of human rights was occasionally framed in the language of the ‘*Protect, Respect and Remedy*’ framework, even though Ruggie’s framework was rarely referred to explicitly. COSCO Group, for example, wrote that:

“Recognition and respect for human rights are essential to the rule of law and social justice and equity, and are fundamental to basic social systems such as the judicial system. States have the responsibility and obligation to *respect, protect and practice human rights*. Organizations are obligated to respect human rights, *including respect for human rights within their sphere of influence.*” (COSCO Group 2010 Sustainability Report, p. 93; emphasis ours).

In a similar fashion, some companies that are not UNGC members refer to the 10 UNGC principles in their sustainability reports, and give guidance on where various UNGC principles are reported upon (e.g. China Mobile Ltd 2009 Sustainability Report). Further, many of the SOEs appeared mindful of the need to comply with international regulations more generally. For example:

“In 2008, COSCO Group has received “International Ship and Port Safety Rules” (ISPS) checks for 774 times, passing rate reached 100%. Since COSCO Group ships docked at various countries with different customs and conditions, crews are required to strictly follow ISPS rules, conscientiously study and grasp the non-invasive security check operation. *It was required not to miss any clues, and to avoid being accused of violations of human rights*” (2008 Sustainable Development Report, p. 143, emphasis ours).

Most SOEs also professed concern to discharge duties associated with various ‘soft’ international instruments that have been (officially or unofficially) sanctioned by the CCP (e.g. the International Labor Organization Convention on child labour and minimum age requirements, various International Standard Organization initiatives). Both COSCO Group (2010: 254) and CMCC (2008: 16) for example, noted their implementation of ISO standards 17799 and 27001 relating to privacy. Overall, whilst the Chinese SOEs reported concern with trans- and inter- national pressures more generally, very few of the SOEs acknowledge the importance of conforming to the transnational pressure to respect *all* human rights in particular.

*National human rights pressures:* In contrast to transnational human rights pressures, the Chinese national government appears to have been a much more important and explicit driver of the SOEs’ reported concern with human rights. At the World Economic Forum in Davos 2008, for example, Wang Jianzhou, the CEO of CMCC, acknowledged the SOE’s role in helping China’s Public Service Bureau access private information on their customers whenever they needed it (The Epoch Times, 2008). More generally, the SOEs suggested that their reported concern with human rights was motivated by the concern to comply with national laws and regulations of the People’s Republic of China (PRC), and international conventions endorsed by the Chinese government. For example, PetroChina reports that:

“We strictly adhere to the *Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China* and other relevant regulations of jurisdictions in which our shares are listed and we rigorously fulfill international conventions endorsed by the Chinese government.” (Italics in original, 2008 CSR Report: 35).

In addition to these considerations, almost all of the SOEs reported that it was their duty to support government policy on ‘implementing scientific outlook on development’ and ‘building a harmonious

society’, and expressed their concern to create CSR policies with ‘Chinese characteristics’. China Mobile Ltd., for example, stated that:

“The concepts of “scientific development” and “social harmony” are explicit expectations of societal development. Scientific development emphasizes putting people first, and promotes a holistic, comprehensive, balanced and sustainable approach to development; social harmony is socialism with Chinese characteristics....” (China Mobile Ltd 2007 CSR Report, p. 25).

*Intra-organisational human rights pressures:* Whereas the motivational importance of the Chinese government was clearly evident throughout the SOE reports, the importance of SASAC was not so explicitly evident. Nevertheless, many companies indicated responsiveness to SASAC initiatives. For example, Sinopec Group (Sustainable Development Report, 2010, pp. 54, 63, 65) noted its concern to ensure that it complied with SASAC policies regarding external donations; made a point of its corporate website being ranked 3<sup>rd</sup> in the SASAC annual analysis; and noted that “62 teams and 62 employees of Sinopec were awarded the honorary titles of “Red Flag Team” and “Exemplary Employee” by SASAC”. In addition to being consistent with Chinese governmental policy more generally, the manner in which the SOEs refer to the need to implement the ‘scientific outlook on development’, to ‘build a harmonious society’, and to create CSR policies with ‘Chinese characteristics’, is consistent with the previously discussed SASAC guidelines. It should also be noted that just as the SASAC guidelines fail to mention human rights at all, so too did many of the SOE reports. For example, the second highest ranked SOE overall, Sinopec Corp., fail to explicitly mention ‘human rights’ once in the body of their 2010 Sustainable Development Report (but it does mention it three times in a table related to reporting). Nevertheless, SASAC’s reference to a ‘human-oriented’ policy may imply some considerations of human rights (see also Brownell, 2012).

In addition to parent and subsidiary SOEs reporting on human rights in a fashion resembling the SASAC guidelines, a number of the SOE subsidiaries reported on human rights concerns in a similar fashion to their parents. China Mobile Ltd., for example, refers to the 10 UNGC principles in its sustainability reports (e.g. 2009) despite not being a member of the UNGC itself. This is likely related to the fact that their parent, CMCC, is a member of the UNGC. Similarly, the fact that COSCO Shipping Company and China COSCO Holdings Company both ranked in the top 7 companies despite their not



being members of the UNGC, is likely related to the fact that their parent SOE, COSCO, was the highest ranked SOE overall. This does not mean that SOE subsidiaries only performed relatively strongly when their parents did likewise. Indeed, only four of the eight parent SOEs (i.e. CMCC, CRHC, COFCO and COSCO) managed to perform better than all of their subsidiaries.

## **Discussion**

The preceding analysis reveals three points of particular importance. First, the extent to which the Chinese SOEs reported concern with the economic, social and cultural rights listed in the ICESCR surpassed their reported concern with the civil and political rights listed in the ICCPR. Indeed, the average score the SOEs received for their reported concern for all the ICESCR rights was ~1.2, double the ~0.6 average received for their reported concern with those ICCPR rights actually referred to. Further, and whereas 8 of the ICCPR rights were not referred to at all, all of the ICESCR rights were referred to by at least a few of the SOEs to some minimal extent. It should also be emphasized that whilst none of the SOEs received a maximum score of 4 for any of the ICCPR rights, a number of SOEs received a score of 4 for the right to enjoy just and favourable conditions of work. This ICESCR right also received an average score of ~2.4, the highest of all the rights by some considerable margin – with the rights to non-discrimination (an ICCPR and ICESCR right), life (ICCPR), and education (ICESCR) being collectively placed second with average scores of ~1.7. In short, the SASAC SOEs reported concern with *some* rather than *all* human rights. This is consistent with pressures emanating from their national and intra-organizational environments (which emphasize the importance of ICESCR rights), and less consistent with those at the transnational level (which emphasize all of the ICCPR and ICESCR rights).

Second, the analysis shows that whilst the importance of transnational pressures was somewhat muted overall, those SOEs within the UNGC all placed in the top half of performers (see table 4). Accordingly, it seems that those SOEs that are more directly exposed to transnational pressures to acknowledge the importance of all human rights are more likely to report concerns that tend in this direction. Further, some of the SOE subsidiaries that did not themselves have direct connections to the transnational pressure to respect all human rights (e.g. COSCO Shipping Company), but that had intra-organizational connections to a parent SOE that did (e.g. COSCO Group), also performed relatively

well. Third, the analysis also highlights that, in absolute terms, the SOEs only reported a low concern with human rights generally. Indeed, only ‘the right to enjoy just and favourable conditions of work’ received an average of more than half the maximum score possible.

Together, these three points suggest that the idea that MNCs are commonly subject to national and intra-organizational pressures that contribute to their resisting transnational pressures with regard to CSR issues more generally (Aguilera et al., 2008; Kostova, Roth & Dacin, 2008), also holds with regard to human rights issues in particular situations. The findings also shed light on Ruggie’s (2008: para. 32) suggestion that states should find it easier to “induce a rights-respecting corporate culture... in State-owned enterprises.” In particular, they suggest that states can pick and choose between the rights that a state-owned enterprise’s culture respects. More generally, and contra those who suggest that ‘globalization’ is contributing to a significant decrease in state capacities (critically, see Whelan, 2012: 713-715), the findings suggest that at least certain states, and notably China, remain potent actors.

The findings also point towards the ways in which national pressures can contribute to the emergence of novel or idiosyncratic CSR ideals and terminology. For example, the manner in which many of the SOEs wrote of their concern to promote the ‘scientific outlook on development’, to ‘build a harmonious society’, and to create CSR policies and practices with ‘Chinese characteristics’, is clearly linked to national level CCP ideologies (see Shambaugh, 2008, chapter 6). Furthermore, the manner in which SASAC (2008) link CSR performance to China’s global reputation “as a responsible nation”, (SASAC, 2008), suggests that these developments link to national understandings of foreign affairs (Gond, Kang & Moon, 2011: 656; Knudsen, Moon & Slager, 2015).

More broadly, the findings suggest that if the Chinese party-state can induce a reported concern with specific human rights amongst its SOEs, then perhaps it can do so with other business as well. There is a line of thought within international relations scholarship, for example, which suggests that those states that control the biggest markets (amongst other things), also control the rules of the inter- or transnational business environment (e.g. Drezner, 2007). Accordingly, the CCP may be able to wield greater influence over CSR policies and practices within their own national environment, and within the transnational environment more generally, if the Chinese economy continues to grow.

Whilst these findings are theoretically and practically important for all of the reasons just mentioned, they are also constrained by a number of limitations. In the first instance, the findings are limited by their being focused on the reported human rights concerns of Chinese SOEs. Thus, and whilst the concentration on reported human rights concerns is valid, it cannot be denied that actual policies and practices can be de-coupled (Meyer & Rowan, 1977) from those that are reported upon. To quickly illustrate the importance of this constraint, we note that our analysis of CNOOC Ltd. does not account for public media reports that the SOE has dispossessed Burmese peoples of land and undermined their right to self-determination (e.g. The Shwe Gas Bulletin, 2008, 2009). Similarly, in analyzing China Mobile Ltd.'s reported concern with the right to self-determination, no account has been made of public media reports that the SOE deliberately cut off telecommunications to the Sichuan province where many Tibetan nationals are located (Kyodo News, 2009).

In addition to the preceding constraint, it is noted that the present findings are limited by the deliberate focus on one specific business form (i.e. the state-owned enterprise), and on one home country (i.e. China). Amongst other things then, the lack of an international comparative perspective – where the reported human rights concerns of SOEs from different home states are analyzed – means that the capacity to generalize the findings is limited. The fact that no effort has been made to account for specific industrial considerations also limits the extent to which the findings can be generalized. And finally, the limited discussion of the broader context within which the CCP came to power, and within which Chinese SOEs have emerged, means that such important considerations as the changing nature of SOE-employee relations upon the reported human rights concerns of Chinese SOEs, have been excluded from the present analysis (e.g. Hassard, Sheehan & Yuxin, 2008).

## **Conclusion**

This paper has argued that the tendency to overlook the potential for MNCs to be subject to conflicting human rights pressures is rendered increasingly problematic by the growing global prominence of Chinese SOEs. More specifically, a framework that differentiates between human rights pressures at three levels of analysis (i.e. at the transnational, national, and intra-organizational levels respectively) has been constructed, and used to analyse the reported human rights concerns of Chinese SOEs. The paper's main finding is that, in predominantly reporting a concern with only *some* human

rights (i.e. those contained within the ICESCR), Chinese SOEs appear more influenced by pressures at the national and intra-organizational level, and less influenced by transnational pressures that encourage them to report their concern with *all* human rights (i.e. those contained within the ICCPR and ICESCR).

The findings and analysis suggest a number of streams of future research. First, they highlight the need for more detailed and targeted analyses of Chinese SOEs with regard to human rights. Amongst other things, such work might look into how the different strategic considerations, and different industrial settings, of the various SOEs, impacts upon their differing reported concern with human rights. Further, the findings and analysis suggest the need to empirically investigate the extent to which the human rights concerns that the SOEs report upon are evident in actual policies and practices.

The paper also points towards the need for research that investigates the ways in which Chinese SOEs might help or hinder the development of those multi-stakeholder networks and/or international accountability standards (IASs) they do (or do not) participate within (Gilbert, Rasche & Waddock, 2011). How, for example, does the participation of PetroChina in the UNGC impact upon the legitimacy of the UNGC given that its parent, and non-UNGC member, CNPC, continues to be accused of supporting a Sudanese government accused of genocide? (Investors Against Genocide website). On the other hand, how does the non-participation of Chinese SOEs in the Extractive Industries Transparency Initiative (Chan, Lee & Chan 2008: 13-14) diminish (or contribute to) it? Furthermore, and given the paper's focus on SOEs social disclosure, it would be interesting to see how the Global Reporting Initiative has impacted upon Chinese SOEs, and vice-versa.

The findings also point towards the need for comparative scholarship. Specifically, the framework and methods here detailed provide a basis from which to begin establishing how different national and intra-organizational pressures impact upon the extent to which different businesses report concern with (or are actually concerned with) human rights. Clearly, such work is important to those who wish to build upon, add to, or more fully implement, Ruggie's (2011) Guiding Principles on Business and Human Rights.

Finally, the paper suggests two broad and overlapping lines of research that are deserving of considerable attention. First, there is a need to develop the fledgling literature on CSR and China (e.g. Moon & Shen, 2010; Noronha et al. 2013). This could be done, for example, through more fully

exploring the political-economic and normative considerations that inform the various CCP ideologies that the Chinese SOEs and SASAC are linking to CSR. Further, it would be very interesting for future work to look into whether or not the growing might of China and Chinese SOEs is having any impact on human rights pressures at the transnational level, and within other countries. This last line of research would likely prove of considerable interest throughout the social sciences.

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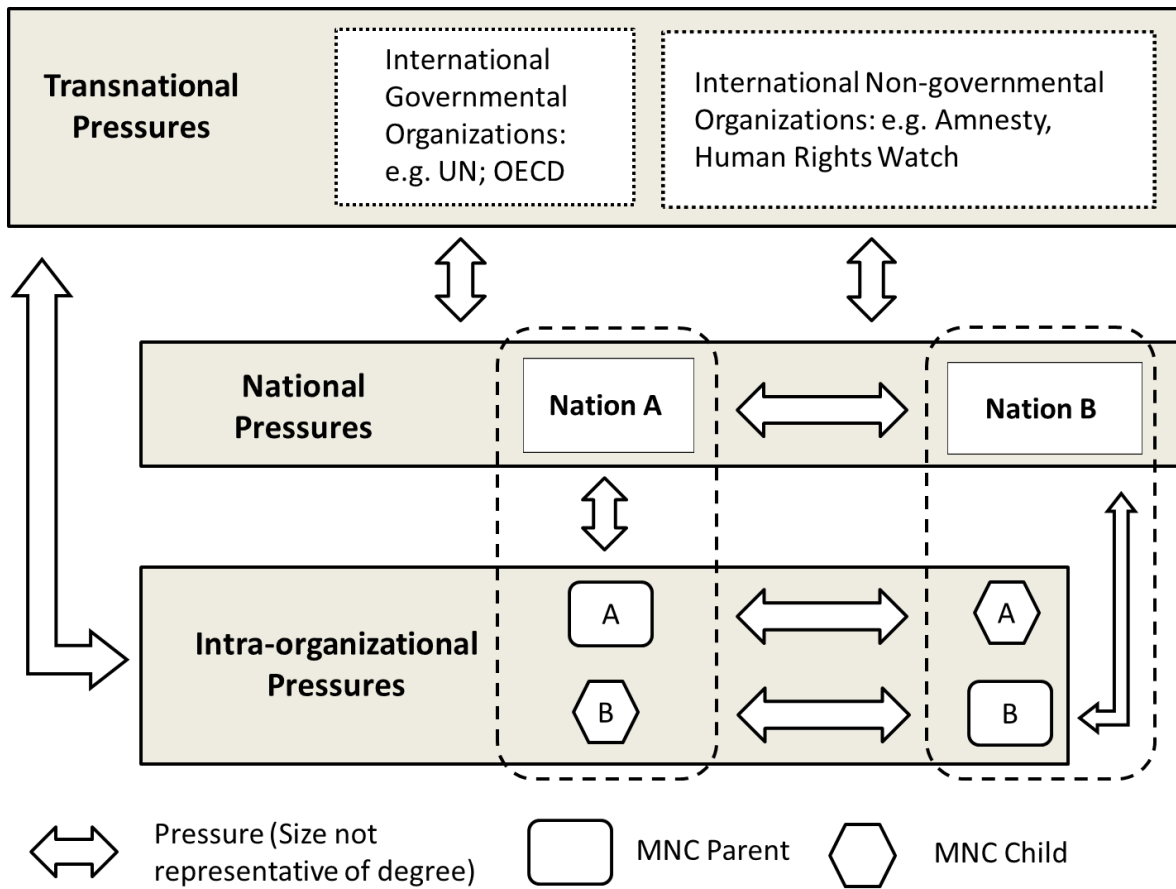
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**Figure 1 – A Three-Level Framework of Human Rights Pressures**



**Table 1 – SOEs’ Transnational Membership to the UN Global Compact**

Parent Company	Sector	Transnational Membership
<b>SOE Subsidiary</b> <b>China Petrochemical Corporation (Sinopec Group)</b> <i>China Petroleum and Chemical Company(Sinopec Corp)</i>	Oil & Gas	UN Global Compact since 01/10/2009 (Status: Active)
	Oil & Gas	UN Global Compact since 22/05/2004 (Status: Active)
<b>China National Petroleum Corporation (CNPC)</b> <i>Petrochina Company Ltd</i>	Oil & Gas	
	Oil & Gas	UN Global Compact since 01/08/2007 (Status: Active)
<b>China Mobile Communications Corporation</b> <i>China Mobile Ltd</i>	Telecommunications	UN Global Compact since 16/07/2007 (Status: Non-communicating)
	Telecommunications	
<b>China National Offshore Oil Corporation (CNOOC)</b> <i>China Blue Chemical Ltd</i> <i>CNOOC Ltd</i> <i>China Offshore Oil Engineering Co., Ltd (COOEC)</i> <i>China Oilfield Services (COSL)</i>	Oil & Gas	UN Global Compact since 25/06/2008 (Status: Active)
	Oil & Gas	
	Oil & Gas	
	Oil & Gas	
	Oil & Gas	
<b>China Ocean Shipping Group (COSCO)</b> <i>China COSCO Holdings Company</i> <i>COSCO Corporation (Singapore)</i> <i>COSCO (HK) Shipping Company Co., Ltd</i> <i>COSCO Pacific Ltd</i> <i>China International Marine Containers (CIMC) Group</i> <i>Sino-Ocean Land Company</i>	Shipping & Logistics	UN Global Compact since 25/01/2005 (Status: Active)
	Shipping & Logistics	
	Diversified - Shipping	
	Shipping	
	Financial Services	
	Industrial Transportation	UN Global Compact since 08/04/2004 (Status: Active)
	Real Estate	
<b>Sinochem Group</b> <i>Sinochem International Corporation</i> <i>Sinofert Holdings Ltd</i> <i>Franshion Properties (China) Ltd</i>	Chemicals	UN Global Compact since 01/10/2009 (Status: Active)
	Chemicals	
	Agriculture	
	Real Estate	
<b>China Merchants Group</b> <i>China Merchants Holding (International) Co., Ltd</i> <i>China Merchants Energy Shipping Co., Ltd</i>	Commercial Services	
	Diversified	
	Transportation	
<b>China Resources (Holdings) Co. Limited</b> <i>China Resources Enterprise Ltd</i> <i>China Resources Land Ltd</i> <i>China Resources Power Holdings Ltd</i> <i>China Resources Gas Holdings Ltd</i> <i>China Resources Microelectronics</i>	Investment Holding & Property Investments	
	Conglomerate	
	Real Estate Investment	
	Utilities - Electric	
	Gas	
	Technology	
<b>CITIC Group Corporation</b> <i>CITIC Bank Corporation</i> <i>CITIC Securities Co., Ltd</i> <i>CITIC Resources Holdings Ltd</i> <i>Asia Satellite Telecommunications Holdings Ltd</i> <i>CITIC Pacific Ltd.</i>	Financial Services	
	Financial - Banking	
	Financial - Banking	
	Diversified	
	Telecommunications	
	Steel	
<b>COFCO</b> <i>China Foods Limited</i> <i>COFCO Property (Group)</i> <i>China Agri-Industries Holdings Ltd</i> <i>COFCO TunHe</i> <i>COFCO Biochemical (Anhui)</i> <i>MengNiu Dairy</i>	Food Processing	
	Food Processing	
	Real Estate	
	Agriculture	
	Food Processing	
	Agriculture	
	Food & Beverage	

**Table 2 - Examples of Human Rights Issues and Related Indicators**

<b>Human Right Issue</b>	<b>Indicators of evidence of expressions or reference to Human Rights (HRs)</b>
<p><b>Non discrimination</b>  <i>(A labour right which includes equality at work &amp; equal pay for equal work)</i></p>	<ul style="list-style-type: none"> <li>• The company has commitments not to discriminate on the basis of gender, disability, ethnic or racial status, age, religion, caste, sexual orientation, union membership, political affiliation, HIV/Aids, parental status</li> <li>• The company has constituted management systems to ensure that hiring, placement, remuneration, training are based on objective factors and are implemented in non-discriminatory ways</li> <li>• Company conducts impact assessment to determine risks to employees and the company, and acts on the findings</li> <li>• Company has a system of reporting and monitoring incidents of discrimination and actions taken. The company uses external auditors or other assurance processes to verify reported information</li> </ul>
<p><b>Right to Health</b>  <i>(Both a labour right if related to workplace health &amp; safety; and also to Physical and Mental Health; and a non-labour right if it goes beyond employees to include other programs with other stakeholders)</i></p>	<ul style="list-style-type: none"> <li>• Company has effective health and safety prevention and remediation policies in place which comply with industry, national and international standards</li> <li>• Company has in place management systems, health and safety procedures to protect employees against unhealthy, toxic or harmful processes, substances and techniques</li> <li>• Company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working conditions. It conducts impact assessment and acts on its findings</li> <li>• Company has health &amp; safety reporting and monitoring systems. It uses external auditors or other assurance processes to verify reported information</li> </ul>

**Table 3a – Chinese SOEs’ Reported Concern with Rights listed in the ICCPR**

Parent SOE/SOE Subsidiary	Human Right No.	1 Right to Self-Determination	2 Right to Non-Discrimination	3 Right to Life	4 Right not to be subjected to Torture, Cruel, Inhuman or Degrading Treatment	5 Right not to be subjected to Slavery, Servitude or Forced labour	6 Rights to Life, Liberty and Security of Person	7 Right to Freedom of Movement	8 Right to Privacy	9 Rights to Freedom of Thought, Conscience and Religion	10 Rights to Freedom of Opinion and Expression	11 Right to Freedom of Assembly	12 Rights to Freedom of Association	13 Right of Protection for the Child	14 Right to Participate in Public Life	15 Right to Equality before the Law, Equal Protection of the Law	16 Rights of Minorities	Total Count (Max. 46)	Total Score (Max. 64)
<b>China Petroleum and Chemical Corporation (Sinopec Group)</b>																			
Sinopec Corp.	1	2	3			1			1	2	2	2	2	2	2	2	1	12 (75%)	21 (33%)
China National Petroleum Corporation (CNPC)	1	3	3			1			1	2	2	2	2	2	2	2	1	8 (50%)	14 (22%)
PetroChina Company Limited	2	3	2			1					2	2	2	2	2	2	1	9 (56%)	17 (27%)
<b>China National Offshore Oil Corporation (CNOOC)</b>																			
China Blue Chemical Ltd	1	2	2					2					1	1	3	2	1	7 (44%)	14 (22%)
CNOOC Ltd	1	3	2			1			1	1	2	1	1	1	1	1	1	5 (31%)	7 (11%)
China Offshore Oil Engineering Co., Ltd (COOEC)	1	2	2															4 (25%)	7 (11%)
China Offshore Services (COSU)	1	3	2					2						1				7 (44%)	11 (17%)
<b>China Resources Holding Co. Limited (CRHC)</b>																			
China Resources Enterprise Ltd	1	1	1															3 (19%)	4 (6%)
China Resources Land Ltd	1	2	1															2 (13%)	2 (3%)
China Resources Power Holdings Ltd	1	2	1															2 (13%)	2 (3%)
China Resources Gas Holdings Ltd	1	2	1															2 (13%)	2 (3%)
China Resources Microelectronics	1	2																2 (13%)	3 (5%)
<b>China Mobile Communications Corporation (CMCC)</b>																			
China Mobile Ltd	1	3	3					3										7 (44%)	14 (22%)
China Ocean Shipping Group (COSCO)	2	3	3			3		3	1				1	2	3	2	2	14 (86%)	31 (48%)
China COSCO Holdings Company	2	2	2			2		1					2	2	2	2	2	12 (75%)	21 (33%)
COSCO Corporation (Singapore)	1	1	1															3 (19%)	3 (5%)
COSCO Pacific Limited	1	1	1															2 (13%)	2 (3%)
COSCO Shipping Company	2	3	3			3		3	1				3	2	3	2	2	12 (75%)	26 (41%)
China Intermodal Marine Containers (CIMC) Group	1	2	3			2												11 (69%)	17 (27%)
Sino-Ocean Land Company	2	2	3			2			1				2	1	1	1	1	3 (19%)	7 (11%)
<b>CTIC Group Corporation</b>																			
CTIC Bank Corp. Ltd	1	1	3			1												6 (38%)	9 (14%)
CTIC Securities Co., Ltd	1	1	1															2 (13%)	2 (3%)
CTIC Resources Holdings Ltd	1	1	1					2										6 (38%)	8 (12%)
CTIC Resources (Singapore)	1	1	1															2 (13%)	2 (3%)
CTIC Pacific Ltd	1	1	1															3 (19%)	3 (5%)
<b>CFRC</b>																			
China Foods Limited	1	3	3															3 (19%)	3 (5%)
CFRC Property (Group)	1	1	1															2 (13%)	2 (3%)
China Agri-Industries Holdings Ltd	1	1	1															2 (13%)	2 (3%)
CFRC Yunke	1	1	1															3 (19%)	3 (5%)
CFRC Biochemical (Anhui)	1	1	1															2 (13%)	2 (3%)
Mengjitu Dairy	1	1	1															2 (13%)	2 (3%)
<b>Shouken Group</b>																			
Shouken International Corporation	1	1	1															2 (13%)	2 (3%)
Shouken Holdings Ltd	2	1	2					1					1	2	1	1	1	8 (50%)	10 (16%)
Shouken Properties Ltd	1	1	2			1							1	2	2	2	2	9 (56%)	13 (20%)
Shouken Properties (China) Ltd	1	1	1															3 (19%)	3 (5%)
<b>China Merchants Group</b>																			
China Merchants Holding (International) Co., Ltd	1	1	2					1					1	2	2	2	2	7 (44%)	10 (16%)
China Merchants Energy Shipping Co., Ltd	1	2	2										1	2	2	2	2	6 (38%)	10 (16%)
<b>Total Count (Max. 46)</b>	31 (70%)	44 (100%)	36 (62%)		2 (5%)	30 (23%)	5 (11%)	2 (5%)	14 (32%)	6 (14%)	24 (53%)	6 (14%)	15 (34%)	14 (32%)	12 (27%)	9 (20%)	10 (23%)	24 (53%)	39 (72%)
<b>Total Score (Max. 76)</b>	38 (22%)	76 (48%)	74 (42%)		3 (2%)	38 (9%)	9 (9%)	2 (1%)	25 (14%)	8 (9%)	39 (22%)	9 (9%)	22 (18%)	25 (18%)	21 (18%)	19 (11%)	12 (7%)	61 (85%)	101 (133%)



**Table 3b – Chinese SOE Reported Concern with Rights listed in the ICESCR**

Parent SOE/SOE Subsidiary	Human Right No.	1	2	25	26	27	28	29	30	31	32	33	Total Count (Max. 11)	Total Score (Max. 44)
		Right to Self-Determination	Right to Non-Discrimination	Right to Work	Right to Enjoy Just and Favorable Conditions of Work	Right to a Family Life	Right to Health	Right to Education	Right to Social Security including Social Insurance	Right to take part in Cultural Life, to benefit from scientific progress, and of the materials and moral rights of authors and inventors	Right to Adequate Standard of Living	Right to Form Trade Unions and join the Trade Union, and the Right to Strike		
<b>China Petroleum and Chemical Corporation (Sinopec Group)</b>		1	2	2	4		2	2	2	1	3	1	10 (91%)	20 (45%)
Sinopec Corp		1	3	2	4	1	2	2	2	1	3	2	11 (100%)	23 (52%)
<b>China National Petroleum Corporation (CNPC)</b>		1	2	1	3	2	2	2	2		2	2	8 (73%)	16 (36%)
Petrochina Company Limited		2	3	1	3	3	3	2	2		2	2	9 (82%)	20 (45%)
<b>China National Offshore Oil Corporation (CNOOC)</b>		2	2	1	3	1	2	2	2		2	1	10 (91%)	18 (41%)
China Blue Chemical Ltd		1	2		3		2	2	2		2		5 (45%)	10 (23%)
CNOOC Ltd		1	3	1	3	2	2	2	2	1	3	2	10 (91%)	20 (45%)
China Offshore Oil Engineering Co. Ltd (COOPEC)		1	2	2	2		1	1	1		2	2	7 (64%)	10 (23%)
China Oilfield Services (COSL)		1	3	2	3	2	3	3	2		2	2	9 (82%)	20 (45%)
<b>China Resources Holding Co. Limited (CRHC)</b>		1	1	1	2	1	1	1	1		1	1	8 (73%)	9 (20%)
China Resources Enterprise Ltd		1	1	2	2	1	1	1	1		2	2	5 (45%)	7 (16%)
China Resources Land Ltd		1	2		1		1	1	1				4 (36%)	5 (11%)
China Resources Power Holdings Ltd		1	1	1	2	2	2	2	2		2	2	6 (55%)	10 (23%)
China Resources Gas Holdings Ltd		1	2		1		1	1	1				6 (55%)	7 (16%)
China Resources Microelectronics		1	2		1		1	1	1				6 (55%)	7 (16%)
<b>China Mobile Communications Corporation (CMCC)</b>		1	3	2	4		3	3	2	1	3	1	10 (91%)	23 (52%)
China Mobile Ltd		1	3	2	4		3	3	2	1	3	3	9 (82%)	22 (50%)
<b>China Ocean Shipping Group (COSCO)</b>		2	3	3	4	1	3	3	4		2	2	10 (91%)	27 (61%)
China COSCO Holdings Company		2	2	1	2	1	1	1	1	1	2	2	11 (100%)	16 (36%)
COSCO Corporation (Singapore)		1	1	1	2	2	2	2	2		1	1	7 (64%)	10 (23%)
COSCO Pacific Limited		2	3	1	2	1	1	1	1		2	2	6 (55%)	7 (16%)
COSCO Shipping Company		1	2	3	2	1	1	1	1		2	2	9 (82%)	14 (32%)
China International Marine Containers (CIMC) Group		1	2	3	3	1	2	2	2	1	2	2	11 (100%)	21 (48%)
Sino-Ocean Land Company		2	2	1	3	1	1	2	1		2	2	8 (73%)	14 (32%)
<b>CITIC Group Corporation</b>		1	2	2	2	2	2	2	2		2	2	6 (55%)	10 (23%)
CITIC Bank Corporation		1	1	1	1	1	1	1	1		1	1	6 (55%)	6 (14%)
CITIC Securities Co., Ltd		1	1	2	2	2	2	2	2		2	2	8 (73%)	14 (32%)
CITIC Resources Holdings Ltd		1	1	2	2		1	1	1		1	1	5 (45%)	6 (14%)
CITIC Asia Satellite		1	1	2	2	2	2	2	2		2	2	6 (55%)	8 (18%)
CITIC Pacific Ltd		1	3	1	3		2	2	2		2	2	8 (73%)	16 (36%)
<b>CORCO</b>		1	1	1	1		2	2	2		2	2	6 (55%)	11 (25%)
China Foods Limited		1	1	1	2		2	2	2		2	2	6 (55%)	11 (25%)
COFCO Property (Group)		2	1	2	3		1	2	1		2	1	4 (36%)	5 (11%)
China Agri-Industries Holdings Ltd		1	1	1	2	2	2	2	2		2	2	7 (64%)	11 (25%)
COFCO Tumble		1	1	2	2	1	1	1	1		1	1	8 (73%)	9 (20%)
COFCO Biochemical (Anhui)		1	1	3	3	2	2	3	2		2	2	7 (64%)	15 (34%)
Mengniu Dairy		1	1	1	1	1	1	1	1		1	1	5 (45%)	5 (11%)
<b>Sinochem Group</b>		1	1	2	2		2	2	2		2	2	7 (64%)	12 (27%)
Sinochem International Corporation		2	1	3	3		1	2	1		2	2	8 (73%)	14 (32%)
Sinofert Holdings Ltd		1	1	3	3	2	2	3	1	2	3	1	9 (82%)	17 (39%)
Franshion Properties (China) Ltd		1	1	2	2	2	2	2	1		2	2	7 (64%)	11 (25%)
<b>China Merchants Group</b>		1	1	2	2		1	2	1		2	2	7 (64%)	11 (25%)
China Merchants Holding (International) Co., Ltd		1	2	2	2	2	2	2	1		2	2	6 (55%)	10 (23%)
China Merchants Energy Shipping Co., Ltd		2	2	2	2	2	2	2	1		2	2	7 (64%)	13 (30%)
<b>Total Count (Max. 44)</b>		31 (70%)	44 (100%)	16 (36%)	44 (100%)	10 (23%)	40 (91%)	41 (93%)	37 (84%)	8 (18%)	37 (84%)	20 (45%)		
<b>Total Score (Max. 176)</b>		38 (22%)	76 (43%)	25 (14%)	105 (60%)	11 (6%)	69 (39%)	74 (42%)	55 (31%)	9 (5%)	73 (41%)	34 (19%)		

