

Manager Taken Hostage in China

Insights

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As many have read in recent news, an American business executive was held captive by employees of his medical supply factory outside of Beijing. The workers were reportedly worried about wages, layoffs, and the factory closing. While not harmed (he was brought three hot meals a day and allowed access to his attorneys), the executive was not allowed to leave the factory for six days until he agreed to what he called the workers' "unjustified demands."

While it is unsettling that such "hostage" situations occur, what is perhaps more unsettling is that the local police were reluctant to intervene – deeming it a business/private dispute, and that the U.S. Embassy – while checking on the manager's welfare and making sure he had access to his lawyers, did not appear to be able to provide much more assistance. However, such actions should not be viewed in a China vacuum, as similar conduct has occurred in other countries such as [France and Russia](#).

What has caused workers to take such actions? One possible reason is China's economic slowdown, with workers growing increasingly uneasy about their jobs. In China, (unconnected to the above situation), it is not uncommon for "runaway bosses" to leave a place of business with employees in financial straits with unpaid back wages when a business shuts down. Reportedly, as many as 400 bosses ran away from bankrupt factories in 2008 alone in certain provinces. These actions may have caused employees to believe they have to take matters in their own hands, including taking their managers hostage, rioting or protesting in recent years. Additionally, as seen in the most recent incident of the American executive being taken hostage, the police did not intervene to have the executive released.

Coupled with the rising costs of doing business in China, such workplace situations may further deter foreign companies from long term investments. As one of the world's largest and continually developing economies, China will need to consider the legal accountability of companies and employees, the financial and legal protection for workers, and the protection of managers from being taken hostage and other similar actions.

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