



"Wading the River by Feeling for Rocks"

China's Trade Unions and Workers
in the Current Reform Process

Hong Wang
B. S. L. (Beijing University)

Centre for Labour Studies
University of Adelaide

Thesis Submitted
for the Degree of Master of Arts

Table of Contents

Abstract	i
Statement	iii
Acknowledgements	iv
List of Tables	v
Abbreviations	vi
Introduction	1
Chapter 1 Reforms in the Labour System and Changes in Industrial Relations	20
1.1 Changes in the System of Ownership	21
1.2 Changes in the System of Employment Allocation	22
1.3 Changes in the System of Income Distributions	26
1.4 Changes in the Labour Security System	32
1.5 Changes in the Housing System	37
1.6 Significant changes in industrial relations brought about by reforms in the various economic systems	37
Chapter 2 Detrimental Effects of the Reform on Workers	48
2.1 A great number of production-suspensions (total suspensions, partial suspensions) have occurred among state owned enterprises, enterprises making losses and workers losing jobs	48
2.2 Non-payment or delayed payment of workers' wages	49
2.3 Rapid rise of inflation	51
2.4 Medical costs have become heavy burdens for the workers	51
2.5 Workers' housing difficulties	52
2.6 Unfair wealth distribution and the polarisation of the rich and the poor	53
2.7 An impoverished urban working class is taking shape	57
2.8. Current conditions of the Chinese workers in the foreign-capital-invested and private enterprises	61

2.9	The total number and the severity of industrial accidents in China has reached an unprecedented height	71
Chapter 3	Trade Unions in China and the Changes in Economic Reforms	91
3.1	Current Labour Right Condition In China	91
3.1.1	Association freedom in China	92
3.1.2	Workers' right of collective negotiation	97
3.1.3	Labour disputes and Workers' rights to strike	101
3.2	The Nature of Trade Unions in China	104
3.3	The Standing of Trade Unions in China	108
3.3.1	The economic standing of trade unions in China	112
3.3.2	The political standing of trade unions in China	116
3.3.3	The legal status of trade unions	123
3.4	The Particularity of Functions of Chinese Trade Unions	135
3.4.1	The "safeguard" function of trade unions has special meaning	137
3.4.2	Workers' Representative Congress in enterprises	144
Chapter 4	The relationship between Chinese Trade Unions and Chinese Communist Party	151
4.1	Political control of trade unions by the CCP	152
4.2	Organisational control of trade unions by the CCP	154
4.2.1	CCP's direct leadership over the trade unions	156
4.2.2	Local trade unions are under a dual leadership system	157
4.2.3	Grassroots level trade unions are under the leadership of the Party Committee of their enterprises	158
4.2.4	Party leaders are appointed to the trade union organisations of the same level	158
4.3	The financial dependence of China's trade unions	161

Chapter 5	The Current State of China's Trade Unions and the Problems Facing Them	164
5.1	State of organisation and operational developments of trade unions in China in the 1978 - 1992 period	164
5.2	Trade unions' organisational and operational developments in 1993 and the challenges facing state enterprises	167
5.3	The state of trade unions in the "Three Capitals" enterprises	182
5.4	Trade unions in the privately-owned enterprises	187
5.5	Trade unions in the township-based enterprises	189
	Conclusion	194
	Bibliography	199

ABSTRACT

The 46 years (1949 - 1995) of development and evolution of modern China's trade union movement is considered in this thesis. Chinese trade union theory, practice and characteristics during each period since 1949 are addressed. The thesis discusses the nature, status and functions of China's trade unions as well as the historical and political environment that shaped them. The current condition of labour rights in China is also examined.

Particular emphasis is given to analysing the relationship between the trade unions and the Chinese Communist Party. The thesis also studies the major changes in the activities and livelihood of the working class in China, and the unprecedented changes to China's labour movement brought about by the 17 years (1978 - 1995) of reforms, particularly those in the labour regulation mechanisms. The thesis also examines the place and influence of trade union reform within the context of the reform of the entire national system, and the development prospects of trade union movement.

The thesis discusses the reform process in the system of employment, distribution and social security. At present, the new and old system are in a special state of stalemate and coexistence. The reforms have had a huge impact on the old industrial relations system. The bureaucratic industrial relationship between the workers and the state has become an employer-employee industrial relationship between the workers and their enterprises.

The reforms have promoted economic growth on one hand, but created many new and serious problems on the other. Exploitation has worsened,

the gap between the rich and the poor has become increasingly large, unemployment has deteriorated, and the number and the severity of industrial accidents in recent years has increased at a rate seldom seen. And, as a huge new working class has emerged, there is an urgent need for labourers to form their own independent organisation.

This thesis briefly introduces the historical development of the relationship between the CCP and the ACFTU since 1949. The subordinate relationship of the ACFTU to the CCP was demonstrated in its political, organisational and financial aspects. Thus further demonstrates that there would not be genuine independent union and labour movement without political system reform in China.

STATEMENT

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university and, to the candidate's best knowledge and belief, the thesis contains no material previously published or written by another person, except where due reference is made in the text; and the author consents to the thesis being made available for photocopying and loan if applicable if accepted for the award of the degree.

ACKNOWLEDGEMENTS

First of all, I would like to express my gratitude to my supervisor Dr. Greg O'Leary. During the past more than two years of my study, he has given me a great deal of guidance and inspiration on my academic research, and made many invaluable suggestions about my research methods, and the improvement of my English. Without his encouragement and understanding from start to finish, without his tireless teaching, I could not have finished my thesis.

I am extremely grateful to Claire Thomson who has done an enormous amount of careful work in correcting and polishing the English in my thesis draft. Without her efforts and help, I could not have been able to finish my thesis writing on time.

I am also grateful for the concrete help from Judy Barlow, Glenn Giles, Ken Bridge, Ingrid Voorendt, Greg Ogle, Simon Stratton, Sharon Lewis and other lecturers and staff of the Centre for Labour Studies at the University Adelaide who have always been caring and supportive to me.

I am also particularly grateful to my cousin Jingping Zhao and my friend Mrs. Laurel Ivechenko. The help they have given to me during the period of my writing can never be substituted by anyone.

From my heart, I am extremely grateful to my parents, and my sisters and brother in Beijing, without whom this work would not have been possible. Special appreciation also goes to my husband Nan and my son Rui, who persevered with me throughout this work.

Also, heartfelt thanks to my colleagues and friends in Beijing who work in the field of labour movement research for their great help.

LIST OF TABLES

- Table 1.1: Various insurance entitlements stated in the "Labour insurance provisions of the People's Republic of China"
- Table 1.2: Current social security system structure
- Table 2.1: Monthly wages of the workers in "Three Capitals" enterprises in Guangdong
- Table 2.2: The rate of increase of industrial accidents in 1993
- Table 2.3: National industrial accidents statistics for November 1993
- Table 2.4: Extremely serious industrial accidents in December 1993
- Table 2.5: Extremely serious industrial accidents in 1993
- Table 2.6: National statistics of various industrial accidents in 1992
- Table 2.7: Serious industrial accidents in first half of 1994
- Table 3.0: Structure of Workers' Representative Congress
- Table 4.0: CCP's organisational structure
- Table 5.0: Trade Unions of China status between 1949 and 1995

ABBREVIATIONS

TUC	Trade Unions of China
ACFTU	All China federation of trade unions
ICFTU	International Council of Free Trade Unions
CCP	Chinese Communist Party
PRC	People's Republic of China
LPRWP	Protection of the Rights of the Working People
ILO	International Labour Organisation

For my parents