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In every country has its own system of employment relations, which help to increase the level of country's economic, also workforce condition by following its regulations. Likewise, in China has a long history of employment relations system since the Communist Party of China had been created. Since that time, Chinese employment relations had been changing many times in order to improve the economic, living standard of Chinese people and protecting the employees' rights by shifting the employment relation system followed by re-regulating the rules according the situations. This essay will address about the history of changing of employment relations in China following by the reasons of the changes because the government is the one, which set the regulation within the country. The strengths and weaknesses of the policy will be discussed in this essay as well.

The China Labour Association was created with the Communist Party of China was established in 1921, and in 1922, the first National Labour Congress was controlled for creating a national trade union body (Zhu, Warner & Feng, 2011). Moreover, the same authors also added that All China Federal Trade Union (ACFTU) was published in 1925, which took place in south-east China (in Guangzhou and in Guangdong). Between 1950s and 1980s, ACFTU became a part of "iron rice bowl" system, which everything is provided by government with the government standard, based on the state-owned enterprises (SOE) (Zhu, Warner & Feng, 2011, cited in Kaple, 1994); and this is clearly that Chinese system became a stereotype (Zhu, Warner & Feng, 2011). Talking about the trade union did not play any role regarding to the disputes of the labour contract in the workplace (McDermott, Sun & Obar, 2010).

According to Zhu, Warner & Feng (2011), the trade union in China was the biggest trade union in the world, which had over 230 million members with 1.8 million union branches; this was because of economic reforms of 1980s and 1990s under Deng Xiaoping. Furthermore, there was only 5,2000 passenger cars were produced in China when the first join venture allowed in 1983 (Lyddon et al., 2015). Talking about the election, in 1980s, the enterprise union selection was not totally foreign to China which means most of the company union selections were either transnational corporation (TNC) or top-down-initiated (Hui & Chan, 2015).

Chinese system had shifted to “grass-roots”, ACFTU was promoting the first step of the new policy, which had been set by the party; but the Employment Contract Law shows about the understanding of the imbalance in the workplace, less income and wealth distribution in China (Zhu, Warner & Feng, 2011). Hence, China was progressively speed up its promotion about the “grass-roots” policy across China, and union in China was seeking to create new workplace relations based on the policy.

The density of trade union in China had been fluctuated in the past two (2) decades. China started to be more attention on its post-1978 economics reforms, which made the contract management system more powerful and was increasing the problems for the SOEs for pushing them to bankruptcy from the early 1990s (Zhu, Warner & Feng, 2011). The authors also added that as the result of involving in deep of Chinese economics reform in its post-1978, not only the number of SOEs declined, also the number of collective-owned enterprises (COEs) dramatically dropped. Due to the number of SOEs and COEs decreased in 1990s, many trade unions in China had disappeared following by the union membership had reached the lowest number in 1999. Furthermore, the trust of employees to the trade unions in China was dropped because employees believed that unions did not have enough power to protect their own rights (Hui & Chan, 2015).

Moreover, there was an Asian financial crisis of 1997-98; this financial crisis influenced to the private sector in China and public sector firms, which reducing the number of COEs and SOEs in late 1990s (Zhu, Warner & Feng, 2011). The economics downturn created the troubles for China such as decreasing the level of labour-contract; labour did not get pay or delayed the payment and lack of compensation. Because of the employers did not have enough budgets to pay for their employees as the export plays and initial role in one country's economics. After the Asian financial crisis, ACFTU created a new policy, which is “an urgent task” regarding to expand new enterprise-based union in 2000 (Zhu, Warner & Feng, 2011). This policy helped the density of grass-roots unions and union membership better. Hence, the number of union membership was significantly increased up to 130 million by the end of 2002 (Zhu, Warner & Feng, 2011). Furthermore, there were several reasons which noticeably increasing the number of unions in China since 2010. According to Liu & Li (2014), the reasons were the private-

owned enterprise and foreign-invested enterprise were framing work with the party/state and influenced to the workplaces and ACFTU has forced the employers to set up unions because China's market reform then let ACFTU had experienced significantly dropped its members in the 1990s.

There was actually a good thing that the density's level of trade union was increased after creating the new policy; however, this much amount of the union let the quality of the union decline or poor quality. Furthermore, these unions were establishing by the employers or owners of the private company, not ACFTU. According to Zhu, Warner & Feng (2011), ACFTU created another policy which is called "to clean up the mess" between 2002 and 2003 in order to reduce the number of trade union and union members, as the result, there was 50 per cent declined of the total number of grass-roots unions. The ACFTU had changed its system to "solid and stable" which helped the trade union member and union membership. By 2007, the trade union system had been developed among domestic private enterprises and foreign-owned enterprises regarding to speed up of migrant workers; and the private sector had the largest number of union members which was accounting with both domestic and foreign-owned enterprises but foreign-owned could not get more than domestic (Zhu, Warner & Feng, 2011).

During the global financial crisis, it had influenced to Chinese economics downturn by dropping the amount of exports and plenty of small and medium enterprises had closed (Friedman, 2012). As a huge effect of the global financial crisis, plenty of jobs had been lost, which was increasing the level of unemployment in China, and plenty of employees had not been paid by the employers. As this essay has been mentioned earlier that country's economic depends on its export to improve the level of economic. During the global financial crisis was happening, it effected to all most of the country in the global as well as effected to China's export. Once China's export declined, it influenced to the companies within the country as well as the trade union because small and medium companies could not export anymore then let them to be bankruptcy or closed. These issues made the unemployment rate in China increased. Therefore, China government tried to find out the solution to make it better and to reduce the unemployment rate as well.

After the global financial crisis in 2008, the government followed the Employment Contract Law, which was drafted in 2007 that protect employees' right; and if there is no contract, the state cannot process or solve or find solutions to help their troubles (Friedman, 2012). Which means the state increased the power of decision-making to employer regarding to set wage, hire or fire the workers (Li & Freeman, 2015). This was unfair to the employees or union's negotiation power because they could have collective negotiations with the employers in order to protect their rights but the chance to success was very low. Another weakness is, employers gain a lot benefits from employees such as low wage, work long-hour, and employers can fire or hire their workers whenever they want. In contrast, the advantage is, the economic of China can get through the bad mood, which is the global financial crisis, by improving the productivity as well as the export.

However, it had negative effect to the rule and for the government's amendments (Zhu, Warner & Feng, 2011). Moreover, by the end of 2008, 20 million works were lost in the foreign-owned enterprise. However, this labour downturn was not because of the Employment Contract Law, and both trade unions and the government figured out there will have some changes in labour legislation (Zhu, Warner & Feng, 2011). According to Lyddon et al. (2015), furthermore, there were strikes regarding to the dissatisfaction of the workers' wages because they got pay with low wages in 2008 and 2009 at Nanhai Honda but this strike did not influence to the employer. In addition, harmonious enterprise had been established in order to get through the global financial crisis, which involving between trade unions and employers based on the legally collective bargaining, by offering the opportunity to sign a contract regarding to layoff and wage reduction from employers' party and trade unions also explained to their member that sharing the risk with employers (Friedman, 2012). This bargaining could help the economic recession by understanding about the what they want between employers and employees because employees want job, want income to survive during the global financial crisis, and another party (employers) want their business keep running.

The new reality is about "social harmony" which is now used by the state to help employees by increasing the minimum wages and adjusting income tax rates of individual (Zhu, Warner & Feng, 2011). The "social harmony" has positive reflection as

increasing the level of consumption and the living standard as well as the improvement of the economics in China. Moreover, the China government had a plan to increase the amount of trade unions by promoting the workplace collective bargaining (Hui & Chan, 2015), which giving the rights to union to bargain about the illegal troubles in the workplace or to negotiate about the labors' right in the workplace. For instance, according to Hui & Chan (2015), there were a bargaining wage with the trade union after the strike in 2010, however before the strike in 2010, there was no negotiation or collective bargaining about the wage with the factory. This system gives more power to unions or employees to bargain with the employers if the employers do not give reasonable condition within the workplace to their workers such as work environment, wage or compensations. As a result, the average wage had been increased about 30 per cent and 15 per cent in 2011 and 2012. Furthermore, the increasing wage has let to the living standard in China better as well as the economic within the country.

On the other hand, unions in China are in decentralized system as the executive members are the main power in the union's structure and the unions' members cannot vote for the union executive members (Hui & Chan, 2015). This has showed about the power distance between employers and employees. Since the economic reform, the employees' belief in the participation in planning economic has noticeably declined as SOEs used to emphasize the participation of the employees in planning economic (Liu & Li, 2014). According to Hui & Chan (2015), in order to help or heal employment's issues, ACFTU must give more rights to the unions and promote direct and democratic elections at the enterprise level; in addition, if the labour power is strong enough, it could structure the power relations between labour, trade unions, capital and the state. Moreover, it is better to get involve with employees or to let employees have right to express their ideas within the workplace or related to what they want. Hence, the employers can understand about their lower hierarchy needs and wants to improve the work welfare and work productivity as well. On the other hand, in order to minimize the wage issues, employers have obligation to pay the wage on time to employees and give what have been written in the contract (Li & Freeman, 2015).

To sum up, there were many changes of employment relations system in China from the first party was established in 1921. Chinese industrial relations system have

changed from “iron rice bowl” since 1950s and 1980s and shifted to “grass-roots” and then with the new reality is “social harmony”. China has experienced two (2) big troubles, which are Asian financial crisis in 1997-1998, and the global financial crisis in 2008. Even China faced with these problems; China has shifted from one system to one system to get through the barrier following by re-regulating the rules. In changing of Chinese employment relations’ system provided both weaknesses and strengths. This essay will recommend that if Chinese government can do better than this by balancing the power between employers and unions (employees) will be good because the employees will be happy with their rights as well their wages and working conditions. Once they are happy with the system, they will be working hard to increase the productivity efficiencies and effectiveness then the employers can earn more profits as what they want. Therefore, when each party reaches what they want, the strikes or the troubles regarding to these points will not happen. Moreover, the government should raise the employees’ voices during the meeting or let them raise their ideas in a scale of development, not just gain one site benefits.

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