

Between the State and Market:
Multiple Roles of the Chinese Trade Union during Market Transition
--- A Survey of 1811 Enterprise Union Chairpersons¹

QIAO, Jian
Department of Labor Relations
China Institute of Industrial Relations

1. Proposed questions and research hypothesis

Introduction to questions

Following the economic reform and restructuring in 1980s, several tendencies and factors about China's labor relations are being experienced:

First of all, the former interest-integrated labor-capital relations, in which the state stood for the entire society, has transferred to employment relations between two independent interest groups, namely the employers and workers. Under command economy, labor relations merely composed of the state and employees. The latter had no independent identity besides the citizenship under the state. Such a relationship determined an administrative-dominated industrial relation system that emphasized the only difference between management and workers was the difference of socialist division of labor. However, under the market transition, interest segregation between the state and market has taken place, with the market evolution characterizing a separation of interests between the employers and employees as well. Employment relations become dominant, so that workers undertake a subordinate role, compared to the capital, in the labour market.

The operational mechanism of labour relations has shifted from state's administrative control to enterprise-centred market adjustment. On one hand, firms are gaining their authority at the workplace, as the state withdraws. On the other hand, the state endeavours to establish a labour law system to safeguard the market functioning and puts the contract system as the centre of its labour institution. The separation between individual and collective labour relations is then established.

In addition, marketisation intensifies the interest divergence among all actors. 'Downsizing for efficiency and implementing reemployment' reform of the state-owned enterprise (SOE) in 1997 led to 'separation of principal and auxiliary work' and further 'change of auxiliary industry' in large-scaled SOEs in 2002. Around 30 million employees, or half the total SOE workforce, were removed from SOEs. Consequently, SOE reform has become a 'Winner-Take-All' game (Qiao & Jiang, 2004: 315). Meantime, in the fast growing non-public sectors, the differentiation and divergence between capital and labour is getting even greater.

¹ This article is based on the project 'Survey on Grassroots Trade Union Chairman', which is jointly conducted by the China Institute of Industrial Relations of the All China Federation of Trade Unions, Hosei University, and Meiji University of Japan.

Furthermore, employment flexibility brings about a massive growth of informal labor, which proposes new challenges to the task of protecting labor rights and benefits. Since the middle of 1990s, the state has encouraged employment and re-employment of the workforce in various forms of flexible employment. As a result, a variety of employment means, such as labor dispatch or secondary employment, hourly work, temporary work, seasonal work and student work, are widely seen.

In 2002, a statistical gap of 39% emerged between the number of employees directly hired in enterprises and the aggregate number of employed persons. This gap means 96.42 million people was under flexible employment (Yue, 2005: 46). On these grounds, a tendency of short-term labour relations can be seen, and labour standards are hardly able to stay high. No doubt, these social problems have aggravated the instability of labor relations.

In consequence, market-oriented labour relations cause escalation of labour-capital contradictions and intensification of conflicts that also leads to tension between workers and the state. Since the beginning of 21st century, the focus of labor disputes in China has shifted from individual labor disputes to collective ones (see Table 1). This shows labor-related conflicts have become the most serious social problem, which may threat current construction of a harmonious society (Globe, 2005).

According to the "Report of Standing Committee of National People's Congress to Examine Implementation of Labor Law", it is widely seen that labor contracts are rarely signed, short-termed and unregulated contracts prevail, the standards of minimum wage have never been completely implemented, back wages still exist, the mechanism of regular pay increases has not yet formed, long overtime work and bad working conditions are everywhere, social insurance system has problems of narrow coverage, low-level overall plan and severe arrears of insurance premium, labor inspection is far from sufficient and the settlement of labor disputes has too long cycle and low efficiency. All of these problems are the primary causes of the present intensified labor conflict (He, 2007).

Table 1 Numbers of collective labor disputes and workers involved from 1994 to 2006

<i>Year</i>	<i>Numbers of collective labor disputes (Piece)</i>	<i>Annual growth rate (%)</i>	<i>Numbers of workers involved in collective labor disputes (Person)</i>	<i>Numbers of workers involved in labor disputes (Person)</i>	<i>Ratio of workers involved in collective labor disputes to all workers involved in labor disputes (%)</i>
1994	1482	-----	52637	77794	67.66
1995	2588	74.63	77340	122512	63.13
1996	3150	21.72	92203	189120	48.75
1997	4109	30.44	132647	221115	59.99
1998	6767	64.69	251268	358531	70.08
1999	9043	33.63	319241	473957	67.36
2000	8247	-8.80	259445	422617	61.39
2001	9847	19.4	287000	467000	61.46
2002	11024	12	374956	608396	61.6

2003	10823	-1.8	514573	801042	61.6
2004	19241	77.8	477992	764981	62.5
2005	16217	-15.72	409819	744195	55.07
2006	13977	-13.81	348714	679312	51.33

Sources: China Labour Statistics Yearbook 1995~2006, Statistical Communiqué on Labor and Social Security Undertakings in 2006

Historical evolution of trade union identity in China and theoretical hypothesis

Right after the establishment of the People's Republic of China, Chinese trade union established the guideline of "production-centred trinity" which included production, livelihood and education. In fear of the possible accusation of "economy-oriented", trade unions disregarded any function in coordinating labor relations or protecting workers' interests. Therefore, such a "detached" role from the masses leads to the dispensable role of trade unions.

Since the Chinese state conducted market reform in 1978, trade unions began to explore and strengthen its own identity and function as the representatives and protectors of employees. On the Ninth Trade Union Congress in 1978, Deng Xiaoping proposed the major role of trade unions as an organization for enterprise democratic management and grassroots supervision. The Communist Party of China (CPC) demanded the All China Federation of Trade Unions (ACFTU), along with its hierarchical branches, closely contacting the masses, speaking and working for employees, so as to gain the trust from workers. This became the characteristics, fundamental functions and legitimacy of the then union movement.

The Eleventh Trade Union Congress in 1988 brought up the protection function of trade unions and a tentative idea of reform. This was the first time that the four social functions of trade unions were proposed, namely "to safeguard, to construct, to participate and to educate", which took the place of the former "trinity" guideline under the command economy. The same Congress also put forward "the primitive tentative plan of trade union reform", which defined the goals of union reform as 'abiding by the guiding principal and political route of the Party, to build the trade unions as independent, autonomous, fully democratic working class organizations trusted by employees, as well as influential social political group in the whole nation and society".

The political turmoil in 1989, however, postponed such union initiatives indefinitely. In the 1990s, SOE restructure caused large-scale lay-offs. Mr. Wei Jianxing, then president of ACFTU, proposed a thorough review of union works and doctrines by requiring the union to push the implementation of the Labour Law of China² as the breakthrough point for union transformation. Labour rights were the focus and Wei concentrated on collective contract to achieve the interests and rights of workers. The amendment of Trade Union Law in 2001 further defines the basic responsibility of Chinese trade union as the protection of employees' legal rights and interests.

This study aims at exploring the impacts of Chinese economic market reform on the relationship:

- between grassroots trade unions and their hierarchical upper level union leaders;
- between trade unions and the state;

² The Labour Law of China was enacted in 1995. However, the Chinese labour legislation has two definitions, collective and individual labour relations. The current Labour Law acts as a *de facto* employment law, rather than a safeguard for collective labour rights.

- between trade unions and employers;
- between trade unions and Chinese workers.

The theoretical hypothesis is that following the market reform and consequent increasing labor-capital conflicts, to a certain degree; trade unions would become independent and autonomous from enterprises, and even from the party and the state (Chen, 2003). Both in theory and practice, grassroots trade unions would view representation and protection of legal rights and interests for workers as their basic duty, so as to tighten the nexus between ACFTU and union members.

2. Methodology and basic information of the target group

Process of questionnaire survey and research methods

The target group of this questionnaire investigation is the enterprise union chairpersons and deputy chairpersons. The sample areas cover both developed and underdeveloped regions in China³. For the areas, some are SOE-centred and others hosting mostly private business. Meanwhile, different development models can also be spotted, since some provinces focus on labour-intensive manufacturing and others target at high-tech firms.

This survey lasted from March of 2004 to June of 2006. In total, 2000 questionnaires were distributed to enterprises union presidents, among which 1811 were valid. We concluded overall situation and variable interaction analysis through Statistical Package for Social Sciences (SPSS).

Basic Information

In terms of gender, male accounts 67.4% of all target persons, while female 32.6%, which reflects the fact that the majority of grassroots union chairpersons are male. As to age structure, 9.2% are between 21 to 35 years; 63.6% are from 36 to 50; and 27.2% are from 51 to 60. This shows middle-aged persons in the prime of life comprise the main part of union presidents. Meanwhile, since the average age of enterprise employees is getting younger, the percentage of young union chairpersons has grown to a certain degree. From the perspective of education background, 3.4% of all union chairpersons are junior-middle-school⁴ graduates, while 19.6% of them graduate from senior middle school, secondary technical school or occupational school, 41.7% from junior college, 31.6% from undergraduate university and 3.8% from postgraduate schools.

This demonstrates that the education level of union chairpersons has improved a lot in recent years, since the majority of them are at least university graduates. As a whole, the gender, age structures, and educational level of grassroots union chairpersons enable them to understand union policies in more depth. They also have higher capacities of conducting their work goals.

Regarding the types of ownership, the majority of enterprises in this survey are SOEs or state holding public-listed companies, which takes 57.1%. It followed by limited-liability companies

³ Ten provinces are covered, including Liaoning, Beijing, Shanghai, Zhejiang, Guangdong, Gansu, Guizhou, Guangxi, Hebei and Henan.

⁴ Chinese educational system is composed of six-year Primary Schooling, three-year Junior Middle School, three-year Senior Middle School and four-year College Education. Secondary technical school and occupational school recruit graduates from Junior Middle School, and take 3-4 years to finish the courses.

8.9%, joint-venture companies limited 5.4%, private firms 3.6%, collective-owned enterprises 2.9%, joint-venture companies cooperative 2.0%, foreign firms 1.9%, Hong Kong, Macao or Taiwan invested companies 0.9%, and the rest of 17.4% selected "other ownership". There are 15 industries in total, among which manufacturing ranks the top with a percentage of 23.2%, followed by transportation, post and telecommunications 15.1%, electricity coal and water 10.5%, public institution, political and social groups 8.8%, construction 8.4%, farming, forestry, herd and fishing 5.5%, education, culture, art and broadcasting 4.9%, social service 4.7%, sanitation, sports and social welfare 4.3%, mining 3.9%, wholesale, retailing and catering industry 3.5%, financing and insurance 2.2%, real estate 1.9%, geological survey and water management 1.8%, as well as scientific research and integrated technical services 1.4%.

From the perspective of history, 5.6% of the sample enterprises were established before People's Republic of China was founded in 1949. 35.8% were set up before 1978 market reform. 28.8% were started during 1980 and 1995, and the rest 29.8% after 1996.

In terms of the scale of employment, 57.8% of the firms are small, employing 10 to 500 people. 12.5% of the sample enterprises hire between 501 to 1000 employees, 21.5% from 1001 to 5000, 4.2% from 5001 to 10000, and 4.0% more than 10000.

As a whole, this survey gives consideration to enterprises established at different historical periods, and mainly focuses on medium and small sized enterprises, which also fit for the general feature of corporate development in the Chinese market.

3. Several key judgments of this survey

Both grassroots union organising and election of chairpersons are carried out under the close control of the CPC

Since 1978, development of Chinese trade unions has closely linked to the economic reform and economic restructuring. Most grassroots unions were either eliminated or merged in the process of SOE restructuring in 1990s. From 1999, ACFTU strengthened organising in non-public enterprises. In consequence, the number of grassroots unions rose. This survey illustrates that only 28.4% of the sample firms had union branches before the market reform, while unions in the rest enterprises were organised afterwards, among which 41.3% of the grassroots unions were founded between 1996 and 2005.

According to Trade Union Law Chinese trade unions are mass organisations 'formed by the working classes of their own free will' (Article II). Nevertheless, only 14.3% of union chairperson in this survey agrees with such a statement. 82.1% believes the organising of their union is the 'decision of the Organisation'. On the daily Chinese labour political language, 'Organisation' refers to both upper-level trade union hierarchies and their equivalent CPC organs. It is almost unanimously recognised among Chinese enterprise union leaders that unions are formed from the top to the bottom.

Among the surveyed unions, 67.2% have obtained the legal status as an independent social organisation separating from firms and the state. By the end of 2003, 62.2% of the unions have a membership from 5 to 500, 12.4% from 501 to 1000, 19.0% from 1001 to 5000, 3.2% from 5001 to 10000, and 3.1% over 10000 members.

Regarding the ways employees joined unions, 61.5% of grassroots chairpersons believe that

employees join unions with their own wills, 26.9% consider all employees of their firms becoming members automatically, and 10.1% think employees first receive advice from shop-stewards and then apply for membership. Opposite to the nearly unanimous opinions on union establishment, it seems union chairpersons hold more inconsistent ideas on the question of how employees join unions.

The difference among enterprises with different ownerships in membership recruiting is also distinctive (see Table 2). A higher percentage of employees in SOEs or state holding public-listed companies voluntarily join trade unions, while this percent is lower in private enterprises. Fewer employees in the SOEs choose to join the union because of the advices from union staffs, but the advices of shop-stewards in non-public enterprises are quite successful in recruiting members. In collective-owned enterprises, the proportion of voluntary assembly is also relatively high.

Table 2 Comparison of enrolment in enterprises with different types of ownership %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Voluntary participation	64.6	52.2	46.4	55.2	57.4	60.0	61.5	65.5	58.5	61.5
Application on advice	7.8	8.7	23.2	10.3	10.1	11.1	7.7	6.3	14.1	10.1
Automatic enrolment	26.6	37.0	26.8	27.6	31.8	26.7	30.8	25.0	23.8	26.9
Others	1.0	2.2	3.6	6.9	0.7	2.2	-	3.1	3.6	1.5

As to personal profiles of union chairpersons, 90.3% are CPC members. Only 0.4% join democratic parties⁵, and the other 9.3% do not belong to any political organisation. Before holding the position of trade union heads, most of them have acquired certain professional status in relevant enterprises or institutions. Among them, 40.6% hold positions of middle-level managers. 17.9% of union presidents serve concurrently as the director or deputy director of CPC committees. Another 13.3% are retired factory heads or managers, and 6.6% of union chairpersons are re-elected. In addition, only 4.2% of current chairpersons were ordinary employees before being elected. Regarding the tour of duty, 74.8% have taken on the very position since 2000. 21.4% have started to hold the office from 1990s.

For the election procedure, 51.7% of the union chairpersons are nominated by the Organisation⁶, and then elected by the enterprise General Member Assembly or Representative Assembly. Besides, 23.3% are assigned by the Organisation. Only 2.6% are elected through the General Member Assembly or Representative Assembly following open competitive screening tests.

⁵ According to the Constitution of China, CPC is the leading party and there are eight so-called democratic parties, which participate in political consulting but cannot replace the ruling party.

⁶ They are nominated either by the upper level unions or by the CPC branches.

Interestingly, when the answers are related to ‘the Organisation’, 51.0% of ‘the Organisation’ actually means CPC branches in the very enterprise or institution, and 17.2% refers to upper-level trade unions. 10.7% is enterprise administration, and merely 2.9% of the interviewees believe it is the grassroots union committee.

Table 3 Comparison of the methods of selecting union presidents in different types of enterprises %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
● Assigned by the Organisation	25.1	20.7	19.3	21.9	19.6	16.1	21.4	9.7	24.9	23.3
● Nominated by the Organisation, and elected by representative assembly or the general assembly	53.2	41.4	49.1	56.3	58.0	55.2	50.0	45.2	45.6	51.7
● Directly elected by one of the two assemblies	15.9	36.2	24.6	18.8	21.0	25.3	28.6	32.3	22.4	19.6
● After the test, elected by one of the two assemblies	3.4		1.8	3.1	1.4	2.3		3.2	1.4	2.6
● Others	2.4	1.7	5.3			1.1		9.7	5.7	2.9

When looking at the different ways of selecting union presidents (see Table 3), the most union chairpersons in state controlled companies are appointed by the Organisation, while the number is relatively fewer in highly marketised enterprises.

Emerging signs and practices of democracy within grassroots unions

1) Member Representative Assembly is becoming increasingly influential

The union Member Representative Assembly is the decision-making body within enterprise trade unions. However, it is not explicated on 2001 amendment draft of Trade Union Law. This survey shows 83.8% of the enterprise unions have set up representative assemblies, but 16.2% still have not. Among enterprises with different types of ownership, SOEs are more likely to establish representative assemblies (see Table 4). The majority of medium and small sized firms still haven't set up the assemblies.

Table 4 Comparison of the establishment of trade union Member Representative Assembly in different types of enterprises %

	Types of ownership									Total
	SOEs/S tate Holding public-l isted firms	Collect ive-ow ned enterpr ises	Private enterpri ses	Joint-ve nture coopera tive firms	Limited liability compan ies	Joint-ve nture compani es limited	Hong Kong, Macao or Taiwan invested firms	Foreign -investe d firms	Others	
Established	89.5	84.3	58.9	60.7	82.9	81.8	66.7	73.3	74.4	83.8
Not yet	10.5	15.7	41.1	39.3	17.1	18.2	33.3	26.7	25.6	16.2

2) Gradual completion of union institutions

Among all enterprises, around 23.4% of grassroots union committees set up standing committee, of which 48.5% have fewer than 5 members of standing committee, 36.9% from 6 to 10 members and 14.6% more than 11 members. Importantly, enterprise trade union is a whole bureaucratic institution with full range of functional departments or committees, which are set up immediately after the union establishment. (Table 5)

Table 5 Institutions in grassroots trade unions %

Titles of operational department/ committee	Proportion of established	Titles of operational department/ committee	Proportion of established
General office	36.4	Work of women workers	65.1
Organising	36.5	Labor protection	45.5
Propaganda	38.9	Support employees in need	41.5
Publicity	33.1	Protection of rights & benefits	32.1
Work of employees	33.4		

3) Selection of deputy chairpersons

In most of the cases, vice enterprise CPC branch director serves as chairperson of a grassroots union, so it is often the deputy who is actually responsible for doing the daily works.

Usually, the unions only have one deputy chairpersons. The survey shows 81.1% of such cases. 15.4% have two deputies, and only 3.5% have more than three deputy union chairpersons. Concerning union committees, 53.6% of them have no more than 5 members, 29.9% ranging from 6 to 10, and 16.5% no fewer than 11 members.

57.3% of the deputies are nominated by the Organisations, and then elected by the representative assembly or general assembly. 20.1% are directly appointed by the Organisation, and 16.3% are elected through member representatives.

4) Professionalisation and socialization of union chairpersons

In recent years, some local trade unions select union leadership through open recruitment. All qualified persons are registered in a talent database of professional trade union chairperson. Then,

these talents are ready to be detached, according to the needs of non-public enterprise unions. After a probation period, they may be officially installed through democratic election of the member assembly. The local trade union, rather than enterprise union, pays their wages and other welfare. Such reform is distinguished as 'professionalisation and socialisation of union chairpersons'. The survey tries to see the opinions of union chairpersons on this reform (see Table 6).

Table 6 Different opinions on professionalisation and socialisation of union chairpersons %

Ideas	Agree	Disagree
1. Favourable for reasonably delegating capable union leaders	91.8	8.2
2. Favourable for ensuring economic security of union leaders	90.5	9.5
3. Favourable for independently launching activities to protect employees' legal rights and benefits in assigned enterprises	87.7	12.3
4. Favourable for strengthening the connection between grassroots unions and upper-level unions, to enhance the power of union as a whole	88.4	11.6
5. Unfavourable for further work, since delegated union leaders know little about the enterprise conditions	50.7	49.3
6. Even though it is good to set up a talent bank, not many people will actively apply	43.5	56.5
7. Delegated union presidents/ leaders may easily have conflicts with other union leaders, which harms the solidarity within gross-roots unions	40.8	59.2
8. The relations between delegated union presidents/ leaders and party and administration organizations may be hard to coordinate, which is unfavourable for developing union activities and improving union status	45.5	54.5
9. This practice is worth to be promoted in all parts of the country	74.7	25.3

5) Consensus on alliance and representation system

Alliance and representation system is another key union institution, in which union leadership is composed of representatives from subordinate grassroots unions or lower-level unions, so that trade unions can be responsible for bottom-up alliance and representation.

This system was put forward in the Eleventh Trade Union Congress in 1998. Until now, it has been recorded into the Constitution of ACFTU. Table 7 demonstrates that the attitudes of grassroots union chairpersons hold a relatively consistent. Nevertheless, since this survey does not list "to strengthen the internal democracy within trade unions" as one of the optional reasons for promoting the alliance and representation system, it is hard to illustrate what values grassroots union chairpersons hold towards this system.

Table 7 Different opinions on Alliance and Representation System %

Major points of view	Agree	Disagree
1. In favour of implementing the guidelines and decisions of the upper unions	95.9	4.1

2. In favour of reporting problems of grassroots union activities to the upper unions	94.9	5.1
3. To strengthen the organizational power of unions through improved leading system between upper and lower unions	93.7	6.3
4. Even participating in the assemblies of upper unions, it is still hard to influence on the decisions	45.0	55.0
5. Since each grassroots union are facing different problems, only the respect trade union itself can manage to handle them.	55.3	44.7
6. It is not favourable for a harmonious relationship among the party, administration and trade union at grassroots level, if the connection between grassroots unions and upper unions is too close	20.6	79.4

6) Establishment of "Warrant Fund for Trade Union Chairpersons"

In the recent years, the establishment of "Warrant Fund for Trade Union Chairpersons " or " Special Fund for Trade Union Chairpersons " is an important protective measure for union chairpersons, who can be vulnerable in representing labour rights. 83.4% of union chairpersons think this fund is necessary. Among those supporters, 85.4% believe that "although I have no experience of life difficulties as mentioned above, I think these measures are necessary to help myself keep my mind on union work". Only 5.7% of them show the major reason as "I have been through such kinds of hardship".

7) Financial independence of grassroots trade unions

The financial condition is the basis for union independence. Trade Union Law has the stipulation that unions are able to apply for the court enforcement order if the enterprises or institutions refuse to allocate union membership dues, which is 2% of the aggregate enterprise wage.

In general, 80.5% of sampled unions have their own independent bank accounts, and the other 19.5% not. In most enterprises, trade union activities rely on union funds collected in the respective enterprise, but in other enterprises, unions may have other incomes from their own activities, while the union dues contributed by members account for a relatively smaller proportion in total union funds. When trade unions use the funds, 69.4% possess complete financial domination, and do not need any approval of administration in the employers. However, the other 30.6% still need the ratification of corporate administrative leaders.

Table 8 Comparison of independent financial accounts of enterprise unions with different ownerships %

	Types of ownership	Total
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	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
With such accounts	85.5	67.3	53.8	48.3	82.1	81.0	75.0	78.1	73.3	80.5
Without	14.2	32.7	46.2	51.7	17.9	19.0	25.0	21.9	26.7	19.5

Table 9 Comparison of whether corporate administrative approval is required in using union funds with different ownerships %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Yes	25.9	40.5	66.7	66.7	26.3	27.6	33.3	18.5	39.0	30.6
No	74.1	59.5	33.3	33.3	73.7	72.4	66.7	81.5	61.0	69.4

Table 10 Comparison on whether expenditure of union fund are confused by enterprise administration with different ownerships %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Yes	24.6	16.4	36.7	37.9	22.2	25.6	100.0	13.8	24.8	24.4
No	75.4	83.6	63.3	62.1	77.8	74.4		86.2	75.2	75.6

In recent years, the task of collecting grassroots union dues is entrusted to taxation bureaus of the local governments in some regions. For this practice, only 27.1% of union chairpersons support it, while 72.9% are not in favour of this. We further asked whether they adopted such a method, 96.6% said no and only 3.4% answered yes. Among all unions having not adopted, only 14.4% indicate that they plan to use this method, and the other 85.6% clearly say they will not adopt it in future. Major arguments against entrustment to tax offices are listed in Table 11.

Table 11 Reasons that union chairpersons are against the practice of collecting dues by taxation bureaus %

1) Distrust of tax offices on collecting due	7.2
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2) Due collection by tax offices may lead to the impression that union finance is subordinate to public finance, so it is unfavourable for union autonomy	40.5
3) Grassroots unions originally assume the responsibility of collecting dues. Giving up one part of its responsibility may act as a disincentive to grassroots unions	35.4
4) Grassroots unions originally assume the responsibility of collecting dues. Now the practice that local unions or tax offices start to collect dues by signing contracts may harm the solidarity between local unions and gross-roots ones	29.5
5) Other causes	5.2

Union works

Protection of workers' rights and benefits has become the basic responsibility of enterprise unions. Safeguarding mechanisms such as collective bargaining, employees democratic participation and labour dispute settlement, have been developing.

Table 12 Tasks of union work

1) To negotiate with corporate administration on working conditions, such as wage, bonus, working hours and welfare, and to sign collective contract
2) To mediate and arbitrate labor disputes
3) To listen to members, report their opinions to corporate administration and require for a solution
4) To promote democratic corporate management and open-factory-affairs, as the agency of employees' congress
5) To assist administration on handle social insurance and supervise it
6) To help administration carry out labour protection measures, including working hours, safety and health management, and to administer them
7) To educate members on labor rights and obligations
8) To register for new members, and manage files of members
9) To conduct Ideological and Political Education on members, in cooperation with party committee and youth league committee
10) To organize activities such as occupational training and technological innovation
11) To elect advanced production workers and model workers
12) To know the life and thoughts of members timely
13) To defend the rights and benefits of women workers concerning physiological, maternal and parental leave, and to carry out family planning
14) To help members in life hardship through mutual helping funds, mutual insurance, and 'giving warmth' activities, as well as to organize cultural and sport activities.

According to Table 12, the top choice of union tasks includes: 1) collective negotiation and

collective contract (68.9%), 3) to timely report to administration of members' opinions and require a solution (12.5%), and 4) to promote democratic management and open-factory-affair activities (8.9%). Union activities which rank at the second are: 2) to mediate and arbitrate labor disputes (28.8%), 4) to promote democratic management and open-factory-affair activities (27.2%), and 3) to timely report to administration of members' opinions and require a solution (19.0%). On the third position, union activities consist of: 4) to promote democratic management and open-factory-affair activities (22.1%), 3) to timely report to administration of members' opinions and require a solution (15.3%), and 6) to help administration carry out labor protection measures and to administer them (15.1%). On the fourth, there are: 10) to organize activities such as occupational training and technological innovation (17.1%), 13) to defend the rights and benefits of women workers (13.4%), and 6) to help administration carry out labor protection measures and to administer them (12.7%). And on the fifth, union tasks are: 14) to help members in life hardship through many activities (46.7%), 13) to defend the rights and benefits of women workers (12.9%), and 10) to organize activities such as occupational training and technological innovation (7.8%). We find that almost all top 5 popular choices are closely connected to protection of labor rights and benefits, which indicates a substantial enhancement of representation and safeguarding functions of trade unions. Besides, union presidents are highly unanimous in understanding this.

Let us take the example of collective negotiation and collective contract, which ranks at the top, unions on behalf of members have signed collective contracts with enterprise administration in 72.6% of all investigated enterprises. In enterprises with different ownerships, SOEs has the highest rate of signing collective contracts, while this rate is the lowest in foreign-invested enterprises. Besides, in more market-oriented enterprises, the rate of signing collective contracts is lower (see Table 13). Among them, 82.1% of enterprises with collective contracts discuss and approve the draft of collective contract on Employee Congresses, while the other 17.9% do not. Generally speaking, more drafts have been approved after discussion by employee congress in public enterprises, than in higher market-oriented enterprises. In fact, most private enterprises and foreign-invested enterprises even have no institutions like employee congress (see Table 14). A majority of 84.1% collective contracts have been made public to all employees, but the other 15.9% have not been announced. Among enterprises which publicize collective contracts, 29.9% of them hold a special conference to announce the collective contracts, 20.3% distribute printed text of collective contracts to employees, 19.8% read out the text to all employees, 13.8% post up in the bulletin board, and the other 4.0% use other methods to publish them. In addition, 55.3% of all enterprises with collective contracts even set up an inspection and supervision panel for collective contracts. In a word, if only looking at the procedures and forms, the framework of collective contract system has been constructed in China, and the concept of collective negotiation as the way of coordinating labor relations has also filtered into the minds of union presidents.

Table 13 Comparison of conclusion of collective contracts in enterprises with different ownerships

	Types of ownership	Total
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	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Signed	79.5	71.1	69.1	70.4	77.8	71.3	64.3	51.7	48.0	72.6
Not yet	20.5	28.9	30.9	29.6	22.2	28.7	35.7	48.3	52.0	27.4

Table 14 Comparison of whether the draft of collective contracts should be passed by employee congress %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Yes	88.8	89.1	54.2	56.5	84.6	80.3	70.0	53.3	62.1	82.1
No	11.2	10.9	45.8	43.5	15.4	19.7	30.0	46.7	37.9	17.9

Regarding the mediation of labor disputes, 69.9% of all unions answered that they already set up the labor dispute mediation committee of enterprises, while the other 30.1% have not yet established such organization. Among different ownerships, SOEs have a higher percentage of setting up such committees than in collective-owned enterprises and private ones (see Table 15).

Table 15 Comparison of establishing labor dispute mediation committees in enterprise with different ownerships %

	Types of ownership									Total
	SOEs/State Holding public-listed firms	Collective-owned enterprises	Private enterprises	Joint-venture cooperative firms	Limited liability companies	Joint-venture companies limited	Hong Kong, Macao or Taiwan invested firms	Foreign-invested firms	Others	
Established	77.1	44.2	46.3	63.0	76.2	72.3	57.1	64.3	52.2	69.9
Not yet	22.9	55.8	53.7	37.0	23.8	27.7	42.9	35.7	47.8	30.1

To inquiry into the major causes of labor disputes, we devised 10 options and asked union presidents to pick the most common 3 items (see Table 16).

Table 16 Major causes of labor disputes

1) Signing labor contracts
2) Dismissal of employees
3) Voluntary resignation of employees

4) Payment of labor
5) Insurance and welfare
6) Labor protection, safety and health
7) Occupational training
8) Working hours/ rest and vacation
9) Safeguarding rights and benefits of women workers
10) Others

From the statistical result, the top one reasons for labor disputes are 1) Signing labor contracts (32.1%); 2) Dismissal of employees (28.8%); 3) Payment of labor (25.6%). At the second rank, answers include: 4) Payment of labor (33.8%), 5) Insurance and welfare (18.3%), and 2) Dismissal of employees (14.5%). The No. 3 choices are: 8) Working hours/ rest and vacation (26.0%), 5) Insurance and welfare (17.2%), and 6) Labor protection, safety and health (14.2%). We conclude that the top three popular choices are all closely linked to employment and working conditions of employees, among which employment and dismissal, wages and bonus, as well as insurance and welfare are the main causes of labor disputes.

New stage of social involvement of enterprise trade union to promote its status and strength

We investigated the relationship between grassroots unions and ordinary members. 12.6% of all union chairpersons believe ordinary members have highly positive impression about unions, 54.3% consider a relatively good impression, and the percentages of those answering 'not very good' or 'very bad' are 1.3% and 0.1% respectively.

Meanwhile, we also find out the ways of unions to ask or to grasp the opinions and requests of ordinary members, which are family visit (35.7%), questionnaire survey (37.2%), special workshop (59.6%), publicizing the reception telephone number of trade unions (20.2%), setting up reception days of union presidents (10.9%), and installing suggestion box on union work (20.9%).

Another topic concerned is how to deal with the relationship between grassroots union committees and upper-level unions. Regarding the job assistance for which grassroots unions need most from upper-level unions, 45.7% of chairpersons select the task to better response on labor rights and employees' requirements, 34.8% believe the active participation in macro-level lawmaking or regulation-making, and another 18.5% hope to receive policy training and legal consultation for higher hierarchical unions.

Participation in the CPC activities is an important way for trade union to promote its own position. CPC organizations exist in 96.5% of all the sampled enterprises. Moreover, 68.9% of all union chairpersons are members of enterprise CPC committees, which also host 7.1% of deputy chairpersons and 8.2% of other union committee members.

The mutual relations between grassroots unions and enterprise administration also have direct impact on union status. Among all enterprises with directorates, 31.0% of union chairpersons engage in the company board of directors as employee representatives. It is the case for 3.5% of union deputy chairpersons, or 5.2% of other union committee members. During the process of selecting employee board directors, 57.6% are elected by employee congress and 11.5% by union

committee, while the remaining 30.9% do not have any election.

With regard to the relationship with other social organisations, such as local Women's Federation, Communist Youth League Committee, Committee of Aged Personnel, etc, 67.2% of the sampled unions have set up cooperative mechanisms. For instance, in the year of 2003, 24.7% of the unions provided labour force and material resources for community works, 38.6% held social and public activities in cooperation with local communities, 4.0% made all facilities open to local communities, and 11.2% organized active members to undertake a variety of voluntary labor in spare time. However, there is still 19.5% of all unions have not participated in any community activities.

In recent years, grassroots unions pay more attention to media relations. About 26.2% of the unions published union newspapers or journals. Besides, unions also reached local newspapers or journals (19.3%), local radio or television (15.3%), ACFTU newspapers or journals (8.3%), national newspapers or magazines (4.8%), and national broadcast or television (2.1%).

During our survey, an evaluation from union chairpersons on certain organizations (as in Table 17) is also required. The question is the contact with which organization could most effectively solve problems regarding reporting members' opinions and realizing their requirements. Each chairperson was required to choose three organizations by the order of importance.

Table 17 Organizations most influential on realizing the opinions and requests of grassroots unions and their members

1) Corporate administration of the very unit
2) CPC organisation of the very unit
3) local government
4) local CPC committee
5) Local deputy to the People's Congress/ Commissar of the People's Political Consultative Conference
6) Local trade union federation
7) Government at a higher level
8) CPC committee at a higher level
9) Deputy to the People's Congress/ Commissar of the People's Political Consultative Conference at a higher level
10) Trade union federation at a higher level
11) Central government
12) Central CPC Committee
13) Deputy to the National People's Congress/ Commissar of the Chinese People's Political Consultative Conference
14) ACFTU
15) Social organisations/ scholars/ democratic parties ⁷
16) Local media
17) National media

⁷ See Footnote 5.

As the result, the top choices include: 1) Corporate administration of the very unit (73.3%), 2) CPC organization of the very unit (13.7%), and 6) Local trade union federation (2.6%). On the second place, the choices are: 2) CPC organization of the very unit (55.8%), 1) Corporate administration of the very unit (10.3%), and 6) Local trade union federation (6.4%). The third rank is composed of: 10) Trade union federation at a higher level (33.9%), 6) Local trade union federation (17.0%), and 8) CPC committee at a higher level (9.8%).

We find that enterprise CPC organisation or corporate administration receives most credits, which indicate union chairpersons can be quite realistic or rational in analysing local problems. In addition, chairpersons usually have higher expectations on upper-level unions, which show a high expectation for ACFTU from the grassroots union practitioners.

What are the major factors that obstruct union work? 50.2% of the union chairpersons consider as the insufficient understanding of enterprise administration on the status and function of trade unions. 44.4% believe the difficult financial situation is major problems for trade unions, 40.3% think union leaders have no adequate knowledge and ability. 34.9% attribute to lack of initiative of union leaders. 25.9% criticise insufficient comprehension of enterprise CPC committee on the status and function of trade union. 17.9% deem current union activities do not meet the needs of employees. And 13.1% impute to the inadequate support from upper unions. It is fair to say the answers of most union chairpersons reflect both of their perplexity and deliberation on how to develop union work during the transition to market economy

4. Conclusion

It is necessary to notice that this survey focuses on the subjective cognition of enterprise trade union chairpersons, so as to understand their opinions on the transformation of Chinese trade union as well as its relationship with CPC, government, firms, and workers respectively. One interesting finding is about their identification with the professionalisation and socialisation of union chairpersons, independence of unions from employers, their affirmation of union democratic innovations such as alliance and representation systems, and so forth.

The most recognized conclusion of this survey is grassroots trade unions has strengthened their efforts in protecting the rights and benefits of union members and other employees, which have been fully embodied in many aspects, such as the establishment of safeguarding mechanism and the growing awareness of protection for union chairpersons. Nevertheless, these achievements are rather the outcome of CPC pressure for political stability on the labour side, than a result of member-driven change within the union hierarchy.

Although there are signs of internal democracy within grassroots unions, top-down appointments or domination still maintains and leads to a sustainable characteristics of union bureaucracy. Also, the empowerment of industrial or craft unions is out of the question under the current CPC and union work agenda. Thus, many safeguarding mechanisms such as collective negotiation and democratic participation remain paper campaigns.

Moreover, it is almost impossible to have union-led industrial actions like strike. At the end of 2006, the ACFTU proposed "the Socialist Trade Union's Perspective on Safeguarding Workers' Rights with Chinese Characteristics", which indicates a lawful and scientific protection of labour rights. It puts forward that the concept of "harmonious labour relations" that depend on unified labour-capital-state interests and a collaborative model of dispute resolution.

In this sense, it is not likely that China will ratify the right to strike in the near future, and the ACFTU hierarchy is not about to introduce confrontational tools to represent labour interests. Under this circumstance, realisation of labour rights relies heavily on state legislation or regulation. There is not much space for grassroots unions to initiate assertive tactics or strategies to stand for employee rights and interests, besides act as an enforcement institution of labour law

For this reason, the ACFTU even revised its working guideline into "Promoting enterprise development and safeguarding employees rights and interests", which creates a special combination between capital and labour interests for restructuring labour relations in the market economy.

As a result, the Chinese trade union is playing an extremely complicated role towards the party-state, firms and workers. The emphasis of trade union on labour right protection and representation is more vested in the function of maintaining political and social stability. The changes mentioned above on the survey are in the process, so it still demands further observation to see if they exercise a great influence on the transformation of union movement. This reminds us that trade union is not just the outcome of economic interest contradiction, but even more an instrument of the political game. As Chinese workers are practising self or non-governmental organisations to pursue their interests, the union is under an awkward situation. The characteristics of the Chinese trade union can be clarified as a multiple representative organisation for both the state and market actors.

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