CHINESE WORKING CLASS IN PREDICAMENT

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Executive Summary

- 1. The Chinese working class' political and economic privileges have declined significantly since the early 1980s when the Chinese government started to reform its planned economy in urban areas.
- 2. From the late 1990s through 2005, over 85% of small and medium-sized state-owned enterprises (SOEs) were restructured and privatized, resulting in 30 million laid-off workers or almost half of SOE workers.
- 3. The increasing wage gap between higher level management and ordinary workers of large SOEs has become a hotly debated issue in recent years. In some cases, the annual wage of an enterprise's head was 100 times more than that of its worker, which is quite controversial in a country with a long egalitarian tradition.
- 4. Even among ordinary workers, wages vary greatly by region, industry and enterprise ownership. Workers in more developed regions and the industries monopolized by large SOEs earned much more than those in other regions and industries.
- 5. The Chinese working class population increased constantly from about 95 million in 1978 to 287 million in 2008. About 140 million were migrant (peasant) workers whose labor rights have been violated frequently and severely.
- The representation of ordinary workers in China's major political institutions such as the National People's Congress and the Chinese Communist Party has declined significantly since 1978.
- 7. A nationwide investigation of Chinese working class by the All China Federation of Trade Unions (ACFTU) in 2007 showed that 69.5% of workers and 67.3% of migrant workers were dissatisfied with their social status.

- 8. From 1995 through 2006, the number of labor disputes increased from 33,030 to 447,000, or by over 12 times, and that of labor disputes per million workers increased from 48 to 585, or by over 11 times.
- 9. The recent worldwide financial crisis has only worsened labor relations and led to significantly rising labor disputes in China. The top three reasons for labor disputes were wages, social insurance and welfare, and other compensations.
- 10. Deteriorating labor relations have not only created political and social instability in China, but also become one of the major obstacles for transforming China's economy from export-driven to domestic consumption-driven.
- 11. Both the Chinese central government and the ACFTU have been taking various measures to address the labor issues in recent years.

CHINESE WORKING CLASS IN PREDICAMENT

QI Dongtao*

Chinese Working Class from "Master of Enterprises" to "Free Labor"

- 1.1 Under the planned economy in Mao years, all Chinese workers worked in public-owned enterprises. These enterprises were owned either by governments at different levels or by government sponsored collective entities. Although the economic advantages enjoyed by workers varied by type and level of enterprises, in general, the Chinese working class as a whole was a politically and economically privileged class under Mao.
- 1.2 Politically, the Chinese working class has been named the nation's leading class in the Constitution since 1949. Under the class label system of social stratification in the Mao years, workers' political status was only inferior to revolutionary soldiers and cadres'.
- 1.3 Therefore, workers enjoyed great advantages in joining the Chinese Communist Party (CCP), becoming candidates for promotion in the political hierarchy, and so on. These political privileges were even extended to their children who enjoyed better chances of getting into universities, joining the army and finding decent jobs.
- 1.4 Economically, Chinese workers enjoyed secured jobs, stable wages, and many other benefits such as free housing and medical care. Basically, almost all their typical life needs were taken care of by their enterprises and governments. They were the "master" of their enterprises, and permanently employed without labor contracts. On the other hand, their job assignments were

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completely determined by the enterprises and governments, unlike their counterparts in the market economy.

- 1.5 However, the Chinese working class' political and economic privileges have declined significantly since the early 1980s when the Chinese government started to transform its planned economy in the urban areas into a de facto market economy.
- 1.6 Although the Chinese working class' glorious title of being "the nation's leading class" has been kept intact in frequently revised Constitutions of 1982, 1988, 1993, 1999, and 2004, previous political and economic advantages associated with this title have been dwindling; eventually, the majority of the Chinese working class were trapped in a very disadvantaged position as the economy became fully marketized.
- 1.7 As the Chinese government's reform policies have gradually transformed public-owned enterprises into highly independent profit-driven actors whose goals, structures and management strategies are similar to their counterparts in the western world, Chinese workers can now look for jobs on their own, jobs that offer job security, wage and benefit structures that are similar to those enjoyed by their counterparts in the west.
- 1.8 Chinese workers in public-owned enterprises have lost their job security since the 1990s. In the mid-1990s, the labor contract system replaced the permanent job system nationwide, ¹ which means even workers in public-owned enterprises could lose their jobs.
- 1.9 In the late 1990s, Chinese state-owned enterprises (SOEs) launched a series of mass layoff to cut production cost and improve business efficiency. By 2005, over 85% of small and medium-sized SOEs were restructured and privatized,²

Xiaodan Zhang, "Trade Unions Under the Modernization of Paternalist Rule in China," Working USA: The Journal of Labor and Society, Volume 12, June 2009, pp. 193–218.

http://www.caogen.com/blog/infor_detail.aspx?ID=152&articleId=16924, accessed January 31, 2010.

resulting in about 30 million laid-off workers, or almost half of the SOE workers.³

- 1.10 For those who were fortunate enough to keep their jobs in public-owned enterprises, most of the previously guaranteed benefits have either completely been withdrawn or drastically been reduced. Almost all the enterprises stopped providing free housing to their employees. Major benefits such as medical care and pension were outsourced to government sponsored social insurance agents and employees had to share the insurance cost with their enterprises.
- 1.11 The once highly homogenous working class has been stratified with a huge population of disadvantaged migrant workers at its bottom, while the political representation of workers in China's major political institutes has declined significantly.
- 1.12 Labor disputes and unrest have been on the rise as a result of hard labor conditions such as low wages, which have not only threatened social stability in China, but also prevented China from transforming its economy from export-driven to domestic-consumption-driven.
- 1.13 Improving labor conditions especially workers' wages has become the consensus among the Chinese government and scholars. The Chinese government and its trade unions have been adopting policy and legal measures to address this issue.

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Jian Qiao, "Among State, Enterprises and Labor: Chinese Trade Unions' Multiple Roles in the Transition to Market Economy" (Zai Guojia、Qiye He Laogong Zhijian: Zhongguo Gonghui Xiang Shichangjingji Zhuanxing Zhong De Duo Chong Juese), *Bulletin of Labour Research*, No.22, July 2007, pp. 67-101.

Chinese Workers' Economic Conditions: Stratification and Disadvantaged Migrant Workers

- 2.1 New economically privileged groups have emerged within the Chinese working class since the reform, leading to a highly heterogeneous and stratified class. According to the Chinese definition of working class, workers are those whose major income is from wage or salary as compensation for either manual or mental labor and not from dividend or interest as compensation for capital investment.
- 2.2 In the Mao years, China had a countrywide standardized wage system for all the ordinary workers and management. Because seniority and skill mastery were the two major factors determining the level of wages then, in a few enterprises some senior and highly skilled workers' wages might be even higher than the enterprise heads'. The general wage gap between ordinary workers and management and among workers was very small.
- 2.3 The reform has significantly increased and institutionalized the wage gap between different subgroups of the Chinese working class. A Chinese scholar categorizes the Chinese working class into four subgroups (Table 1). The first three groups, although defined as part of the working class by the Chinese government, are obviously different from ordinary workers in many respects and usually excluded in the popular discussions of the Chinese working class.

FOUR SUBGROUPS WITHIN CHINESE WORKING CLASS⁴ TABLE 1

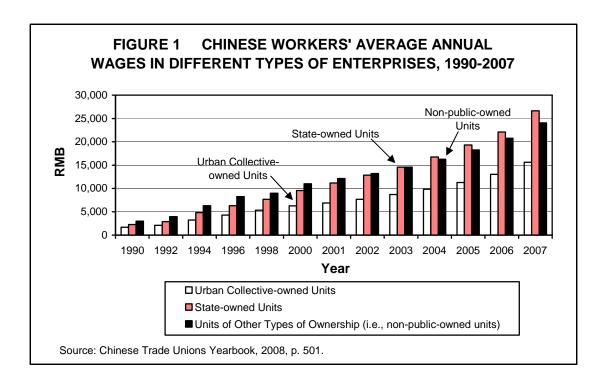
| Subgroup within Working Class | % of Working Class |
|--|--------------------|
| 1. Party, state and society administration cadres (including supervisors and administrative staff) | 14% |
| 2. Enterprise management | 6% |
| 3. Professional and technical staff | 10% |
| 4. Ordinary staff and workers (including migrant workers) | 70% |
| Total | 100% |

Shao Huiping, "Dangdai Gongren Jieji Neibu Fenceng (Stratification within Current Chinese Working Class)", Jingji Yu Shehui Fazhan (Economic and Social Development), Vol. 4, No. 7, 2006, p.186.

- 2.4 The increasing wage gap between the large SOEs' higher level management and ordinary workers has become a hotly debated issue in recent years. The Chinese media reported many cases of extremely large wage gap in some SOEs. In some cases, the enterprise head's annual wages was 100 times more than workers', ⁵ which is quite controversial in a country with a long egalitarian tradition. In September 2009, it was reported that the Chinese government passed a regulation to set the maximum gap between the SOE head's wages and workers' to 20 times.⁶
- 2.5 Even among ordinary workers, wages vary greatly by region, industry and enterprise ownership. Not surprisingly, workers in more developed regions such as the east coast and the industries monopolized by large SOEs, such as finance, energy, telecom, tobacco, and power industries earn much more than those in other regions and industries.
- 2.6 In terms of wage difference by ownership, as Figure 1 shows, SOE workers' average annual wages had always been lower than non-public owned enterprises workers' from 1990 through 2002. However, since 2003 SOE workers' average annual wages have been higher than non-public owned enterprises workers'. This probably shows the improved competiveness of SOEs as a result of mass lay-off, re-structuring and enhanced monopoly in the early 2000s. Workers in collective-owned enterprises have always received the lowest wages since 1990.

⁵ For example, see http://www.jxcn.cn/514/2005-3-21/30038@148519.htm, accessed January 28, 2010.

http://gzw.wuxi.gov.cn/gzgk/gzyj/414945.shtml, accessed January 28, 2010.



- 2.7 Relatively and generally speaking, SOE workers are still the most fortunate subgroup within the Chinese working class, because SOEs have been regulated more strictly by the government on wages, benefits, and other labor rights. In other words, SOE workers' labor rights have been violated less frequently and severely because of the government's closer supervision.
- 2.8 There are much more violations of labor rights in non-public owned enterprises which employ the majority of Chinese working class. In 2009, over 70% of workers worked in non-public owned enterprises including private, foreign funded, joint-venture, other share-holding enterprises, and so on. 8
- 2.9 According to an investigation conducted by All China Federation of Trade Unions (ACFTU) in late 2007 in ten cities including Shanghai, Wuxi and

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See, for example, the recent investigation report on the implementation of Labor Union Law by National People's Congress: http://www.npc.gov.cn/npc/zfjc/ghfzfjc/2009-10/30/content_1524883.htm, accessed December 29, 2009.

http://theory.people.com.cn/GB/10155027.html, accessed December 29, 2009.

Lanzhou, private enterprises had the lowest implementation level of labor contract system.⁹

- 2.10 The national investigations on the implementation of Labor Law and Labor Union Law conducted by the National People's Congress (NPC) in 2005 and 2009 also showed that labor rights violations, such as extremely low wages, overtime without payment, payment in arrears, lack of major insurances and safety protection, abuse of probationary and short-term contracts, were especially common in non-public owned enterprises.¹⁰
- 2.11 Migrant workers, who constitute almost half of the whole Chinese working class, are the most disadvantaged subgroup. They were not officially recognized as part of the working class until 2003. In 2008, there were 287 million urban workers, of whom 140 million were migrant workers. In addition, over 85 million peasant workers worked within their respective townships. In
- 2.12 Migrant workers account for more than half of industrial and service workers in China.¹³ But they have been subjected to the most frequent and severe violations of labor rights: half of them were not employed officially (i.e., without labor contracts), 89% of them had no unemployment insurance, 83%

Bing Han, "Difficulty and Countermeasures of Safeguarding Rights by Trade Unions in Enterprises" (Dangqian Qiye Gonghui Weiquan De Kunjing Ji Falu Duice), *Administration and Law* (Xingzheng Yu Fa), Vol.2008 No.8, August 2008, pp.31-34.

http://jpkc.njau.edu.cn/hr/Article_Show.asp?ArticleID=486; http://www.npc.gov.cn/npc/zfjc/ghfzfjc/2009-10/30/content_1524883.htm, accessed December 29, 2009.

http://www.china.com.cn/news/txt/2009-09/11/content_18507165.htm, accessed January 28, 2010.

http://www.21cbh.com/HTML/2009-3-25/HTML_HGMAJ3NQTH23.html, accessed January 28, 2010.

http://theory.people.com.cn/GB/10155027.html; http://www.china.com.cn/news/txt/2009-09/11/content 18507165.htm, accessed December 29, 2009.

had no pension, 70% had no medical insurance, and finally, 65% had no work accident insurance.¹⁴

- 2.13 In Guangdong province where almost one-third of Chinese migrant workers stayed in 2005, about 76% of them received monthly wages of less than RMB 1000 when their basic monthly living cost was about RMB 500. Their average monthly wages were only about 55% of Guangdong workers' average monthly wages.
- 2.14 Migrant workers' average monthly wages increased by only RMB 68 in twelve years from 1993-2005 in the Pearl River Delta, while China's average annual GDP increase rate was about 10% and average annual inflation rate was about 5.5% during the same period. Labor activists thus called China a sweatshop.

Chinese Workers' Political Conditions: Rising Population but Declining Political Representation

3.1 The population of Chinese working class increased constantly from about 95 million at the beginning of the reform in 1978 to 287 million in 2008. However, the representation of ordinary workers in the highest organ of state power, the National People's Congress (NPC), has declined significantly since 1978. Specifically, as shown in Table 2, the percentage of ordinary worker members in the NPC decreased from 26.7% in 1978 to 10.8% in 2003. Peasant representation also has a similar declining trend since the reform.

Recalculated from data in http://www.china.com.cn/news/txt/2009-09/11/content_18507165.

http://www.china-labour.org.hk/schi/node/12738, accessed December 29, 2009.

¹⁶ Zhongguo Gonghui Tongji Nianjian (Chinese Trade Union Statistics), 2007, p. 36; http://theory.people.com.cn/GB/10155027.html, accessed January 31, 2010.

TABLE 2 OCCUPATION COMPOSITION OF NPC MEMBERS: 5TH (1978) NPC- 10TH (2003) NPC

| | Total Members | Worker Members | | Peasant Members | | Cadre Members | | Intellectual Members | |
|----------------------|------------------|--------------------------|-------|--------------------|---------|------------------|-------|-------------------------|-------|
| | | No. | % | No. | % | No. | % | No. | % |
| Fifth (1978) | 3500 | 935 | 26.7% | 720 | 20.6% | 468 | 13.4% | 523 | 15% |
| Sixth (1983) | 2978 | 443 | 14.9% | 348 | 11.7% | 636 | 21.4% | 701 | 23.5% |
| Seventh | 2970 | Worker and peasant r | | | nembers | 733 | 24.7% | 697 | 23.4% |
| (1988) | | were 684 (23%) in total. | | | | | | | |
| Eighth (1993) | 2978 | 332 | 11.2% | 280 | 9.4% | 842 | 28.3% | 649 | 21.8% |
| Ninth (1998) | 2981 | 323 | 10.8% | 240 | 8% | 988 | 33.2% | 628 | 21.1% |
| Tenth (2003) | 2985 | 322 | 10.8% | 229 | 7.7% | 968 | 32.4% | 631 | 21.2% |

Source: Guo Qingzhu 2009 17

- 3.2 Similarly, the percentage of ordinary workers in the Chinese Communist Party (CCP) has also declined. It was 18.7% in 1978, 18 but only 9.7% in 2008. 19 Furthermore, of the newly recruited CCP members in 2008, only 7.5% were ordinary workers. 20
- 3.3 Chinese workers' economic and political status has thus declined significantly since the reform. A nationwide investigation of the Chinese working class by the ACFTU in 2007 showed that 69.5% of workers and 67.3% of migrant workers were dissatisfied with their social status. Workers' dissatisfaction was especially prominent in restructured SOEs and non-public enterprises.²¹

Guo Qingzhu, "Renda Daibiao Zhiye Goucheng Xianzhi De Xianfaxue Sikao (A Constitutional Reflection on the Composition of NPC Members)," *Renda Yanjiu (People's Congress Study)*, 2009, issue 6.

Wang Xian, "Wodang Lishishang Dangyuan Shehui Chengfen Biandong Qingkuang (Social Composition of CCP members in History)," *Dang De Jianshe (CCP's Construction)*, 2003, issue 8, p.39.

¹⁹ http://renshi.people.com.cn/GB/139620/9578659.html, accessed January 29, 2010.

²⁰ Ibid.

Zhang Jiqing, "Gongren Jieji Lishi Zhudongxing De Zhiyue Yinsu Yu Zhongguo Gonghui De Lishi Shiming (Constraints on Working Class' Historical Initiatives and Chinese Trade Union's Historical Mission)" *Zhonggong Jinan Shiwei Dangxiao Xuebao (CCP Jinan School Journal)*, 2009, issue 2.

Labor Disputes and Unrest

- 4.1 Labor disputes seem to be the unavoidable consequence of deteriorating labor conditions and workers' dissatisfaction. As Table 3 shows, from 1995 when the Chinese Labor Law became effective nationwide through 2006, the number of labor dispute cases increased from 33,030 to 447,000, or by over 12 times, and the number of dispute cases per million workers increased from about 48 to 585, or by over 11 times.
- 4.2 In almost every single year, the majority of these cases were collective disputes which involved three or more workers. These were labor disputes that went through the institutional channel, the Labor Dispute Arbitrational Committees (LDAC), for resolutions.

TABLE 3 ANNUAL INCREASE IN LABOR DISPUTES IN CHINA, 1995-2006 22

| Year | Cases accepted by LDAC ^a | Workers involved in labour disputes | Disputes per million workers ^b | Collective disputes | Workers involved in collective disputes | Percentage of workers in collective disputes against the total number of labourers in disputes |
|------------|--|-------------------------------------|--|------------------------|---|--|
| 1995 | 33,030 | 122,512 | 47.93 | 2,588 | 77,340 | 63.13 |
| 1996 | 47,951 | 189,120 | 69.65 | 3,150 | 92,203 | 48.75 |
| 1997 | 71,524 | 221,115 | 102.76 | 4,109 | 132,647 | 59.99 |
| 1998 | 93,649 | 358,531 | 133.87 | 6,767 | 251,268 | 70.08 |
| 1999 | 120,191 | 473,957 | 170.28 | 9,043 | 319,241 | 67.36 |
| 2000 | 135,206 | 422,617 | 190.03 | 8,247 | 259,445 | 61.39 |
| 2001 | 154,621 | 556,230 | 211.74 | 9,847 | 286,680 | 51.54 |
| 2002 | 184,116 | 608,396 | 249.68 | 11,024 | 374,956 | 61.63 |
| 2003 | 226,391 | 801,042 | 304.16 | 10,823 | 514,573 | 64.24 |
| 2004 | 260,471 | 764,981 | 346.37 | 19,241 | 477,992 | 62.48 |
| 2005 | 313,773 | 744,195 | 413.81 | 19,387 | 409,819 | 55.07 |
| 2006^{d} | 447,000 | 680,000 | 585.08 | 14,000 | 350,000 | 51.47 |

Notes: On 1 January 1995 the Labour Law of China became fully effective, after being enacted by the Standing Committee of the National People's Congress in July 1994, to create a concrete labour law system to regulate industrial relations in China. aLDAC, Labour Dispute Arbitrational Committees. Workers' refers to the aggregate number of persons in employment (congye renyuan) in both urban and rural work units. Statistics Gazette of Labour and Social Security (2006). The Statistics Gazette is available in the early part of the year following the statistical period, while the Yearbook will usually be published at the end of the next year. Two sources are collected and calculated by the same bureaux of the government, but the former merely offers general numbers and the latter gives more detailed figures. Here, the figures for 2006 bear the purpose of illustrating the trend of labour disputes, instead of drawing a detailed picture for mathematical analysis.

Source: China Labour Statistics Yearbook (1996-2006), unless specified.

Kan Wang, "A Changing Arena of Industrial Relations in China: What Is Happening after 1978," *Employee Relations* Vol. 30 No. 2, 2008, pp. 190-216.

- 4.3 Chinese workers also expressed their dissatisfaction through a variety of non-institutional channels such as protests and lodging collective complaint to the government. As early as 1989, when the anti-corruption and pro-democracy movement spread across China, workers in many cities participated in the movement actively. Especially in Beijing, workers motivated by the student movement established the Workers' Autonomous Federation (WAF) to express their anger over deteriorating labor conditions and official corruption.²³
- 4.4 From 1993 through 2003, the number of "mass incidents (群体性事件)" in China increased from 10,000 to 60,000 and the number of participants increased from 730,000 to 3.07 million. In 2003, 1.44 million Chinese workers participated in mass incidents as the largest participating group, accounting for about 47% of total participants.²⁴
- 4.5 In recent years, more migrant workers used "suicide show" to call for government's help on their payment in arrears. For instance, the fire department in Wuhan city reported in 2006 that about 80% of public suicide committers were migrant workers who wanted to get their due payment from their employers through suicide shows.²⁵ Therefore, various labor unrest and other social problems caused by labor rights violations have become one of the largest threats to the construction of a "harmonious society."
- 4.6 Unsurprisingly, worldwide financial crisis in the past two years has only worsened labor relations and led to significantly rising labor disputes in China. For instance, in Guangdong province, there were 669 and 786 cases of absconding employers who failed to pay due compensation to their workers in

Mayoung Nham, "The Right to Strike or the Freedom to Strike: Can Either Interpretation Improve Working Conditions in China?" *The George Washington International Law Review*, 2007: Vol. 39, pp. 919-945; Xiaodan Zhang, "Trade Unions Under the Modernization of Paternalist Rule in China," *Working USA: The Journal of Labor and Society*, Volume 12, June 2009, pp. 193–218.

Jian Qiao, "Zai Guojia、Qiye He Laogong Zhijian: Zhongguo Gonghui Xiang Shichangjingji Zhuanxing Zhong De Duo Chong Juese (Among State, Enterprises and Labor: Chinese Trade Unions' Multiple Roles in the Transition to Market Economy)" *Bulletin of Labour Research*, No.22, July 2007, pp. 67-101.

http://www.cnhubei.com/200703/ca1286244.htm, accessed December 29, 2009.

2006 and 2007, respectively. In 2008, the number of such cases significantly increased to 1985, involving about 206,000 workers and RMB 600 million in arrears.²⁶

- 4.7 Nationwide, in 2008 there were more than 280,000 legal cases of labor disputes, a 94% increase from 2007. In the first half of 2009, the number of such legal cases had already hit 170,000, a 30% increase from the same time period in 2008.
- 4.8 Seventy-nine percent of labor disputes were largely over wages, social insurance and welfare, and other compensations. ²⁷ As only labor disputes unsolved by the LDAC go through the legal process, there were actually more labor disputes in China in the past two years than indicated by official statistics on legal cases.
- 4.9 Deteriorating labor relations have not only threatened political and social stability in China, but also become one of the major obstacles to transforming China's economy from export-driven to domestic-consumption-driven. Most Chinese workers' consuming power is very low due to the low wages they receive.
- 4.10 Wages constitute less than 10% of total cost of Chinese enterprises, while that for developed countries is about 50%. ²⁸ In the Pearl River Delta, productivity is about 17% that of the U.S., but workers' wages are only about 6.7% that of the U.S.
- 4.11 From 1990 through 2005, the percentage of labor remuneration in GDP declined from 53.4% to 41.4% in China. From 1993 through 2004, while

http://www.npc.gov.cn/npc/zfjc/ghfzfjc/2009-10/30/content_1524883.htm, accessed December 29, 2009.

http://www.npc.gov.cn/npc/zfjc/ghfzfjc/2009-10/30/content_1524883.htm, accessed December 29, 2009.

http://news.wenxuecity.com/messages/200912/news-gb2312-970183.html, accessed December 29, 2009.

Chinese GDP increased by 3.5 times, total wages increased by only 2.4 times.²⁹

- 4.12 From 1998 to 2005, in SOEs and large scale industrial enterprises, the percentage of total wages/profit dropped significantly from 240% to 43%. Therefore, most Chinese workers' income has not only been low, but also increased extremely slowly. This is partly why it is so difficult for China to depend on its domestic consumption to drive the economy.
- 4.13 There are at least three major reasons for the hard labor conditions, which led to the rise of labor disputes and unrest. At the national level, labor supply in China, especially those low skilled workers, seems to be unlimited. Employers can always find workers who accept low wages and difficult working conditions.
- 4.14 In addition, for the Chinese central government, higher employment has always been a more urgent priority than higher wages. The Chinese government believes that to maintain social stability, 100 people having jobs, even with very low wages and miserable working conditions, are much better than only 50 people having better paid jobs.
- 4.15 At the local level, the Chinese local governments have been driven by "GDPism" in the past decades. Local government leaders' performance is usually evaluated by the performance of their economy and the maintenance of social stability.
- 4.16 Since capital (investment) shortage is a major concern to local governments in developing the local economy, local governments tend to favor capital at the expense of labor rights. The long term labor surplus in almost every Chinese

http://www.tunxi.gov.cn/txsme/news/news_view.asp?newsid=663, accessed December 29, 2009.

http://outtheway.blogspot.com/2008/01/op-ed-in-response-to-choking-on-growth.html#disqus_thread, accessed December 29, 2009.

region has exacerbated this capital favoritism. Some local governments even did nothing to improve minimum wage standard for years to please employers.

- 4.17 Chinese workers have also been an unorganized political force since the reform, and have very little power to bargain with employers for higher wages and better working conditions. The ACFTU is the only legal trade union in China to represent and protect Chinese workers' interests. But it has basically been incapable of significantly improving China's labor conditions due to many institutional constraints.
- 4.18 Improving labor conditions has become the consensus among the Chinese government and scholars. The Chinese central government has been taking various measures to address this issue. It was reported that the number of ordinary worker members increased significantly in the 2008 11th NPC. In addition, for the first time three migrant workers were selected to represent China's 140 million migrant workers in the 11th NPC.³¹
- 4.19 The ACFTU has also endeavored to protect workers' interests more effectively in recent years. It contributed greatly to the drafting and promulgating of the Labor Contract Law of 2007 which is strongly pro-labor. Furthermore, in the 2008 15th National Congress of Chinese Trade Unions, 47 migrant workers were selected for the first time to represent 65 million migrant workers who are members of trade unions.³²

http://www.hq.xinhuanet.com/focus/2008qglh/2008-02/29/content_12576980.htm, accessed January 29, 2010.

http://cpc.people.com.cn/GB/64093/64099/8194680.html, accessed January 29, 2010.