

PROGRESS AND DILEMMAS OF CHINESE TRADE UNIONS

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Executive Summary

1. While union membership and union density of most developed countries have generally declined since the 1980s, the All China Federation of Trade Unions (ACFTU), as the sole legal trade union in China, has risen in the last decade with a membership of 212 million and 73.7% union density in 2008. This makes it the world's largest trade union.
2. Chinese trade unions function differently from western unions. They are not autonomous labor organizations representing workers' interests, but one of the state apparatuses serving governmental goals through mediating labor disputes in China.
3. The hierarchy of Chinese trade unions generally corresponds with and is subordinate to the party-state hierarchy at each level, with the ACFTU at the top and under the leadership of Secretariat of CCP Central Committee. The lower union branches are subservient to the government and party branch at the same level.
4. Major revenue sources for most Chinese trade unions are the 2% payroll levy from unionized workplaces and the 0.5% levy of individual union member's wage.
5. Driven by profound changes in the Chinese working class and labor relations since the reform and opening, the importance and political status of the ACFTU have risen, with the Chinese government expecting it to play the role of a society stabilizer.
6. The ACFTU has been fulfilling its role mainly through unionization, legislation and labor disputes resolution with great results.
7. However, labor scholars and activists pointed out that these achievements could not substantively improve labor conditions in China due mainly to the

Chinese trade unions' over-dependence on the government and workplace management.

8. As one of the government agencies, the ACFTU and its local branches are able to protect labor rights only to the extent that the government allows. For most local governments, labor relation is of a much lower priority than developing local GDP and they usually would not hesitate to develop local economy at the expense of labor rights.
9. In 1997, China signed the International Covenant on Economic, Social and Cultural Rights which provides workers with the right to strike. However, Chinese workers' right to strike, which was removed from the Constitution of 1982, has yet to be restored.
10. The Chinese government is worried about the emergence of a Polish Solidarity-type of independent trade union in China. However, if the ACFTU cannot more effectively represent workers' interests, the independent labor movement will gain more momentum from the rising tension in labor relations.