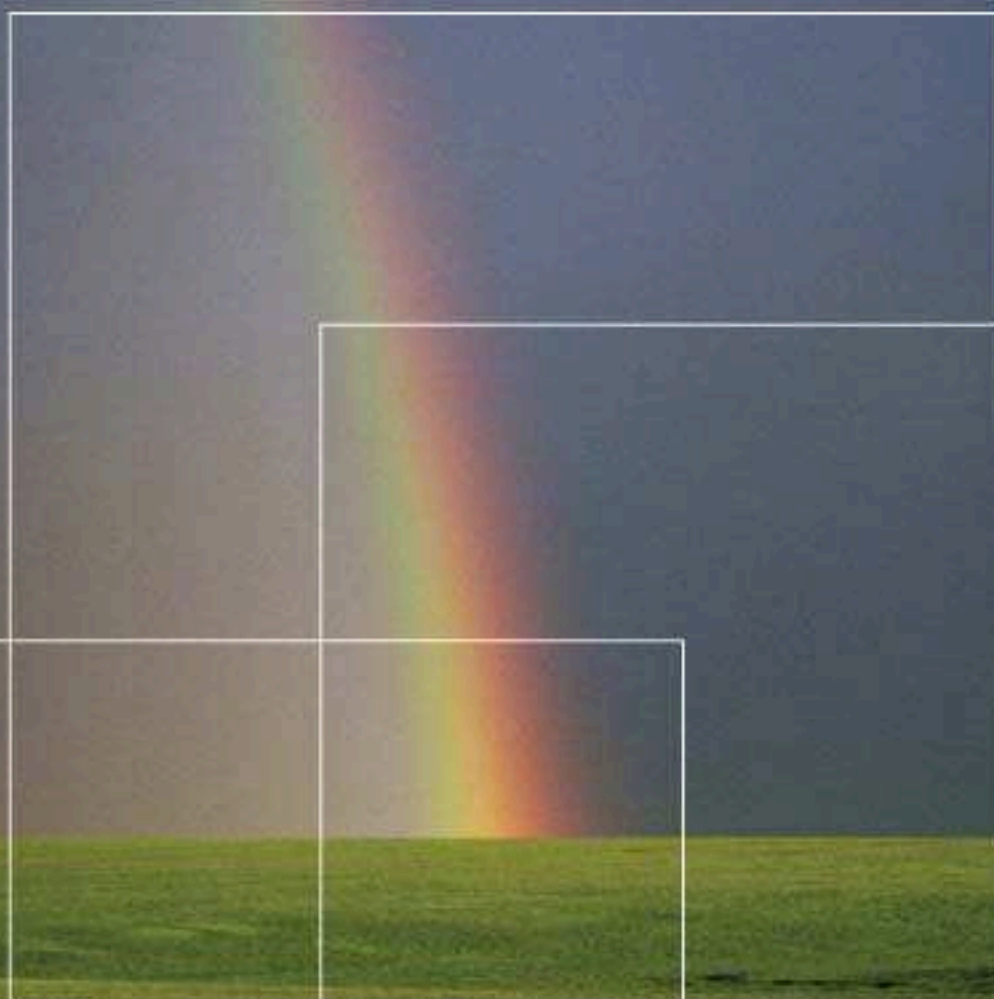




International
Labour
Office

Decent Work Country Programme

The People's Republic of China



DECENT
WORK
COUNTRY
PROGRAMME



CONTRIBUTING TO REALIZING DECENT WORK

**ILO Decent Work Country Programme
in the People's Republic of China**

2006 – 2010

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Background

ILO assistance in China for the promotion of decent work is rooted in the MOU signed between the Ministry of Labour and Social Security on behalf of the Government of China, and the ILO in May 2001. The MOU defines the mutually agreed objectives and priorities for cooperation within each of the four strategic objectives of the Decent Work Agenda.

Following conclusion of the MOU, MOLSS and the ILO established a Joint Committee through which they would formulate technical cooperation proposals, mobilize joint resources, review and assess the implementation of the MOU and consider revisions to it as may be deemed appropriate.

During the Joint Committee review in 2005 in Geneva, and in keeping with the decisions of the thirteenth Asian Regional Meeting in August 2001---- whereby tripartite delegates accepted the basic concept of decent work, emphasizing that it would be the key concept that could integrate economic and social policies at the international, regional and national levels. In the conclusions of the meeting, delegates agreed that each country would prepare a National Plan of Action for Decent Work--- it was agreed that to further promote the application of the MOU and to respond to calls for national programmes on decent work that are inclusive of social partners and other stakeholders, the ILO would prepare a Decent Work Country Programme in consultation with MOLSS, CEC and ACFTU and taking into account ILO work with other relevant institutions such as SAWS. It was agreed that the DWCP would be based on the MOU and the 11th Five Year Development Plan from 2006 – 2010, which had strong linkages to the Decent Work Agenda. It was also agreed that the DWCP would take into account the UNDAF, the Common Understanding reached at the China Employment Forum, other policies, declarations and the best practices that had been established in carrying out technical cooperation programmes and projects in China. In developing the DWCP extensive consultation with tripartite partners was conducted on all inputs incorporated, and DWCP was fully endorsed in August 2007.

The conclusion of the 14th ILO Asian Regional Meeting in September 2006 saw the beginning of Asian Decent Work Decade, with tripartite constituents of the Asian region committing to achieve specific decent work outcomes in accordance with their respective national circumstances and priorities.

Overview of employment and labour situation

China has a total working age population of approximately 920 million with a high participation rate of men at 88% and women at 79%. The labour market, to some extent, is segregated into rural and urban areas although there is an express objective of unifying the labour market over the next 10 years. In the urban areas the number of persons of working age is rising faster than the number of jobs able to be created. State owned enterprise layoffs reached a peak in 2004 but will continue over next five years. There are also a number of redundant workers who will require jobs. Unemployment has been rising which the Government urgently wants to keep in check. In the rural areas, the TVE's provided a high number of jobs, which greatly helped reduce poverty levels in those areas. There is an estimated 120 million surplus workers who have migrated and at least 80 million more to go. By 2010, labour force in China will total 830 million. There will be 50 million new entrants in the urban areas, while on the demand side, only 40 million new jobs would have been created. It is estimated that over 10 million jobs must be created each year.

China has already become an aging society and old-age insurance, medical insurance and other social security schemes are under great pressure for payment of benefits. The number of retirees increases year by year while the individual account of old-age insurance is not fully funded. There is disparity between basic pension benefits of enterprise retirees and the retirement benefits of public institution retirees, which affect social stability. Some urban residents are not covered by any health insurance system. The function of unemployment insurance to promote employment has not been given full play. The severe situation of work safety brings about higher demand for work-related injury insurance. The social security provisions for the urban self-employed, workers in flexible forms of employment, rural migrant workers, farmers with their land expropriated, and people working in the agriculture sector remain to be solved. Social pooling for insurance remains at low level. There are still constraints on the portability of social insurance in case of labour movement. These issues have drawn concern from the whole society and must be highlighted.

There is a widening and high-income gap. The income gap is based on three types of inequality: between urban and rural; among geographical localities and within intra-urban and intra-rural incomes. Causal factors include the transition focus on urban areas and large state-owned enterprises, diverse sources of income, capital skill rewarded over labour, inability of institutions such as financial to keep pace, deficient wage-focused policy, law and enforcement. Minimum wage regulations exist, are published and in some places regularly revised and extended to cover more categories of workers.

With the accelerated urbanization, industrialization and economic restructuring as well as the diversification of economic ownerships and employment forms, labour relations will be more complicated, and it will be more difficult to coordinate relations of interest parties. The labour relations issues left over by the restructuring of SOEs remains to be resolved. Increasingly, the tensions arising from irrational wage and income distribution are more acutely felt. The enterprise wage-setting mechanism remains hard to meet the demand of market economy. The wage of common employees in some enterprises grows slowly. There are still serious infringements on workers' legitimate rights and interests such as excessive overtime work, arrears in wages and wage dockage by the employer. Labour disputes continue to rise by a large margin, resulting in tremendous pressure for prevention and settlement.

During a rapid industrialization and urbanization process, China is still facing challenges such as unbalanced economic structures, the extensive growth pattern of national economy and low productivity as a whole. The number of occupational accidents and diseases is rising. Meantime, China's work safety infrastructure remains weak: relatively low safety awareness in the whole society; the OSH administration and inspection needs to be redefined and their coordination mechanisms improved; weak enforcement of the existing policies, laws and regulations; insufficient inputs to the improvement of work safety at all levels; the safety responsibility systems need to be strengthened; last but not least, a preventive safety culture at all levels need to be continuously upgraded. The concept of safe development has been written into the 11th National Five-Year Plan for Social and Economic Development, covering: development of national programmes for OSH; improved OSH policies and programmes especially in hazardous sectors; promotion of safety culture in the whole society and strengthened international cooperation, including ratifying the ILO OSH conventions.

To respond to the labour market situation, the government has initiated both passive and active labour market policies. They are giving support to unemployed and laid-off workers through three security lines. The proactive policies aim to create more and better jobs with extension to new categories of workers, to reduce unemployment and to improve employability of workers. In the

labour market regulation there is effort in regulation reform to balance flexibility and security to meet needs of enterprises and worker protection.

Labour protection overall is provided through the *Labour Law* of 1995, numerous labour regulations and circulars, the *Labour Inspection Regulations* of 2002 and 2004, *Law on the Rights and Interests of Women*, *Laws on Work Safety and Prevention and Control of Occupational Diseases*, *Trade Union Law*, *Circulars on Reemployment of Laid off and Unemployed Workers*, *Circulars on Migrant Workers Issues from the State Council*. The greatest challenge is to review, streamline, extend, apply and enforce the laws based on the rapidly evolving and emerging situations in a global and national context.

Overview of Economic and Social Development Framework

The national economic and social development framework is set out in the 11th Five Year Development Plan (2006-2010) and is based on a scientific and human-oriented approach. The Plan aims to renovate development models, improve development qualities, implement five overall plans and shift practically economic and social development into the channel of comprehensive, coordinated and sustainable development. The Plan calls for the following principles to be maintained:

- Sustaining a steady and rapid economic development which includes speeding up the transformation of economic growth and promoting an information-based national economy and society, taking new industrial paths, and maintaining of an environmental friendly and safe development.
- Improving capacity for independent innovation. This entails rejuvenating the nation in science, technology and talents to be a foundation for scientific and technological development and central link for restructuring industries and transforming economic growth pattern.
- Promoting balanced development among regions and rural and urban areas. Top priority is on solving the problems facing agriculture, rural areas and farmers. Industry should support agriculture and cities should support the countryside.
- Building a harmonious society. In accordance with the human-oriented approach, more importance would be attached to balanced development between economy and society. Employment should be expanded along with social programmes. More importance is to be attached to promoting social equity, democracy and rule of law, and in managing the reform and development in a way that maintains social stability and solidarity.
- Deepening reform and opening up. The reform of the socialist market economy will continue and include modernizing enterprises and industries, establishing pricing system reflecting the situation of market supply and demand and the scarcity of resources, allowing the market to play a more fundamental role in disposing resources, improving efficiency of resources disposal, changing government functions, and perfecting the national macro-regulatory system.

In accordance with the above-mentioned guiding principles, development will be promoted based on the expanding domestic demands, optimizing and upgrading the industrial structure, resources conservation and environment protection, enhancing capacity for independent innovation in technology and human resources, deepening reform and opening up, and having a people centered approach starting with the improvement of the living standard and with an overall focus on well

balanced economic and social development. Building a new socialist countryside and improving farmers' incomes are one of the main priorities, including non-agriculture income generation in rural areas (See Annex I for main targets of economic and social development).

To operationalize the guiding policy framework and to meet the targets, as set out in the 11th Five Year Development Plan (2006-2010), the Ministry of Labour and Social Security (MOLSS) has formulated the Eleventh Five Year Programme (2006-2010) for Labour and Social Security (2006-2010), which has been approved and issued by the State Council.

Development Goals of the 11th Five-Year Programme for Labour and Social Security (2006-2010).

The main goals for the development of labor and social security in the 11th Five-Year Programme for Labour and Social Security are to establish a sound labor and social security system and operational mechanism compatible with national economic and social development, and to achieve relatively full employment, rational income distribution, harmonious and stable labor relations, improved social security system, as well as regulated and efficient administration and service delivery. To achieve these, focus will be on:

- Placing **employment** expansion in a more prominent position in economic and social development, and continuing to implement the active employment policy. Emphasis will be on the re-employment of the laid-offs and the unemployed workers, new entrants to the urban labour market and the rural surplus labor force. China will explore establishing a long-term mechanism for employment promotion suited to the socialist market economy, actively promoting the integration of urban and rural employment, and gradually putting in place a unified labor market for urban and rural areas with fair competition. Efforts will be put on expanding employment avenues, increasing jobs, improving the employment structure and upgrading the quality of employment. Unemployment will be closely watched and better regulated to maintain a stable employment situation.

During the "11th Five-Year Programme" period, the target is to generate 45 million new jobs in cities and towns with the urban registered unemployment rate kept under 5%, and transfer 45 million of rural labor force.

- Developing a **vocational training** and skill personnel appraisal system which covers both urban and rural areas with market orientation, regulated functioning and efficient management. The training for all workers will be intensified so as to build up a large-scale skilled labour force with a wide spectrum of professions and sound skill levels. By the end of "11th Five-Year Programme" period, the total number of skilled workers shall reach 110 million, among which technicians and senior technicians will account for 5%, and high-skill workers account for 20%.
- Improving the **social security** system, its administration and service delivery in order to realize multiple sources of financing, multi-tiers of protection, and socialized administration and service delivery. The coverage of social security system will be expanded to ensure equal access to social security by all categories of employee in the urban area. More efforts will be put on improving rural social security schemes.

By the end of the "11th Five-Year Programme" period, the participants of various urban basic insurance schemes will be: 223 million for old-age insurance, 120 million for unemployment insurance, 300 million for medical insurance, 140 million for work injury

insurance and 80 million for maternity insurance, coupled with a gradual increase in the number of participants to rural old-age insurance and corporate pension.

- Further improving the regulatory mechanism for ***labor relations*** and gradually realizing the law based regulation of labour relations. The labor contract system will be universally implemented, the collective contract system developed, the tripartite mechanism for the coordination of labor relations improved and significant progress in reforming the labor dispute settlement system scored. Enterprise wages distribution will be rationalized with a steady increase of workers' wages.
- Improving the ***legal framework*** for labor and social security through strengthening labour and social security legislation and further improving the administration of labor and social security affairs by laws and regulations. Effort will be made on forming an inspection and law enforcement network on labor and social security covering both urban and rural areas, strengthening labour law education to increase legal awareness of workers and employers.

DWCP Priority Areas

1. Promoting employment, employability and reducing inequalities with focus on unemployed and internal rural migrants.
2. Promoting harmonious labour-management relations and effectiveness of labour market institutions and labour laws. (Through law reform, collective bargaining, dispute resolution, labour inspection, law enforcement, and tripartite mechanisms).
3. Extension and improvement of social protection (social security, safe work, HIVAIDS).
4. Promoting workers rights and fundamental labour principles and rights

Strategy

The cooperation will aim to develop complementarily of action through an integrated approach when implementing activities and boosting backward and forward linkages to policy, practical implementation and piloting.

The cooperation will entail the ILO providing technical advisory services, capacity building of constituents, introducing relevant comparative and international experience, supporting research and documentation, information exchange, training and workshops and where possible the development and execution of externally funded technical cooperation projects.

The DWCP will be undertaken within the overall United Nations Development Assistance Framework (UNDAF), agreed to by all agencies in the UN system and the Chinese Government. Implementation will also entail, where appropriate, collaboration with International and national training institutions, universities and other organizations.

In carrying out the activities, a commitment to the objective of gender equality will be cross-cutting throughout all priority areas and cooperation action. International Labour Standards relevant to the different DWCP outcomes will be fully taken into account and where appropriate, promoted.

ACFTU and CEC will be fully involved in the implementation and monitoring of activities. The cooperation will be monitored through the established mechanism under MOU to enable proper evaluation, adjustment and assessment of the DWCP and its contribution to the implementation of the *Decent Work Agenda* and the National 11th Five Year Development Plan. (Please refer to MOU implementation report.)

Priority 1. Promoting Employment, Employability and Reducing Inequalities with focus on unemployed and internal rural migrants.

Major challenges

In the area of employment and labour markets, the goals and targets China will focus its attention during the next five years, are set out in the Overview. The challenges to reach these goals are that the labour force supply continues to exceed demand and place pressure on the current employment structure. In particular, laid off workers, retrenched workers, rural surplus labour, university graduates and new entrants dominate the supply of jobseekers, particularly in urban areas. Therefore every possible means must be used to generate employment. Employment policy needs to feature more prominently in the development agenda. The active employment policy requires monitoring and adjustment. Groups vulnerable to employment and employability difficulties will need to be targeted and addressed with particular emphasis on the poor regions of development and a gender perspective.

Small and medium size enterprise creation will remain an important means for employment creation. But to perform this role improvements need to be made in financial aspects, loans, credit and taxation to better support business start up and expansion. More training will continue to be required in this area as well.

At the same time there is an identification of skill shortages and need to improve employability and skill levels of jobseekers at various levels. The development of high skilled workers is being given high priority. Vocational training and education curricula requires further development and brought up to date with labour market needs. Greater coordination between schools, training centers, enterprises and workplace learning needs to be established.

A unified labour market for urban and rural residents with fair competition needs to be established, aimed at the elimination of discrimination in employment.

Efforts need to be made to remove restrictions on employment of rural migrant workers seeking for jobs in urban areas and across regions so as to improve their employment environment.

Within the country inter-regional collaboration should be enhanced and a “three in one” approach be practiced by integrating training, employment with rights protection to safeguard agricultural workers smooth transition to non-agricultural sectors and urban areas.

The employment capacity of the rural migrants needs to be enhanced through provision of life and vocational skill training as well as enterprise development and management training. Employment information and guidance through regulated employment services needs to be developed and provided. This requires strengthening the institutional role, regulation, management and functioning of both private and public employment services.

There is a trend of an increasing income gap between different sectors, regions and citizens. The promotion of more equitable and equal education, employment opportunities and remuneration

levels is required. The minimum wage system needs to be implemented strictly and kept up to date for the amounts to be gradually increased.

Management practices need to be modernized and made more effective in private and state owned companies. A mechanism to link up employment, unemployment insurance and the minimum living security scheme for urban residents shall be established to facilitate the reemployment of the laid-off and unemployed workers.

Outcomes to be achieved and areas of cooperation

- **National policies developed and implemented to promote employment, improve skills and employability.**

Areas for cooperation:

- Advice on drafting and implementing of the Employment Promotion Law.
- Assessment of impact of active employment policies.
- Promotion of action to address those most disadvantaged in the labour market including disabled, youth, older persons, women and rural migrant workers.
- Refinement of national human resource development policy.
- Assessment and improving of skill/job matching.
- Developing high skilled workforce and improving competitiveness.

- **Multi-prong approaches for promoting small and medium size enterprises along with business support services are developed, increased and improved.**

Areas for cooperation:

- Continuation of SIYB project activities, followed by technical advisory support to sustain and expand it.
- Develop, test and expand use of KAB in Universities.
- Application of LED approaches for employment promotion and poverty reduction.
- Enhance capacity of MOLSS, CEC, ACFTU and ACWF to deliver training and promote and support women entrepreneurs.
- Support to Government and trade union micro credit guarantee systems.
- Improvement of microfinance policy and management.

- **Improved rights, protection and employability of migrants and strengthened legal assistance for them.**

Areas for cooperation:

- Integration of rural and urban labour markets.
- Assessment and improving of employment services.
- Promotion of application of Convention No. 111.

- **Improved collection, analysis and use of labour market information by ILO constituents and employment services.**

Areas for cooperation:

- Labour force surveys (quarterly).
- Analysis and use of data for policy making and implementation.

Priority 2. Promoting harmonious labour-management relations and effectiveness of labour market institutions and labour laws. (through law reform, collective bargaining, dispute resolution, labour inspection, law enforcement, and tripartite mechanisms).

Major Challenges

Labour legislation has to keep up with the transition and meet the needs of the open labour market system. The preparation of new laws and revision and updating of existing labor and employment related laws will be given priority in the areas of labour contract, employment promotion, dispute resolution and social security. Collective bargaining/ collective consultation and resulting conclusion of collective agreements at the enterprise and sector levels are considered to fall short of potential. With the continued campaign of the ACFTU to organize workers in the privately owned enterprises, performance in concluding more and better collective agreements should be strengthened.

The current system for handling of labour disputes, including mediation, arbitration and adjudication procedures and institutions requires reform to meet the needs of the current structure of the labour market and organization of work. Officials working within the system should have their professional knowledge and capacity building upgraded to enable them to perform optimally their jobs.

National, provincial and district level, tripartite mechanisms should be strengthened to promote social dialogue and facilitate good labour relations and prevention of disputes.

An efficient, professional and effective labour inspection coupled with an equitable and effective labour law enforcement system is needed to ensure protection and safeguarding of workers rights and interests. Enterprises managers, supervisors, trade union representatives, employment agents as well as labour inspectors and officials need to be able to improve their own roles in accordance with the new laws and inspection system. Compliance with labour law and provision of a good and productive working environment should be encouraged through Corporate Social Responsibility initiatives.

Outcomes to be achieved and areas for cooperation:

- **Reform of dispute resolution mechanisms to improve handling of cases, streamline formal disputes settlement procedures and to increase efficiency in settlement of disputes.**

Areas for cooperation:

- o Development and preparation for the enforcement of the Dispute Settlement Law.
- o Collection, translation, exchange and study labour disputes settlement and its information of countries or regions with similar features as China in labour field.
- o Training and capacity building for tripartite constituents and labour institution officials.
- o Strengthened cooperation with ACFTU including training to its union officials engaged in labour disputes settlement.

- **Labour law revision, inspection, supervision and enforcement are strengthened and made more effective to improve protection of all workers and to reduce number of disputes.**

Areas for cooperation:

- o Advice on drafting and implementing of Labour Contract Law.

- o Review of labour inspection system.
 - o Review of employment relations, especially fixed labour contracts and way of labour dispatchment.
 - o Review and study of work quota and monitoring system in China.
 - o Provision of trainings to labour inspectors to improve their capacity of labour law enforcement.
- **Collective bargaining and collective consultation at the enterprise level is expanded and improved through capacity building of ILO constituents.**

Areas for cooperation:

- o Capacity building of ACFTU through training.
 - o Capacity building of CEC through advisory services and training in pilot areas.
 - o Promoting law reform that facilitates enterprise collective bargaining.
- **Tripartite mechanisms at all level are strengthened to enhance tripartite approach to addressing social and labour issues.**

Areas of cooperation:

- o Capacity building of constituents with focus placed on work study and the application of work survey in collective bargaining.

Priority 3. Extending and improving social protection for all linked to productivity and sustainable development.

Major challenges

The challenge in China is to establish and improve social protection for the purpose of creating a fair, stable and sustainable environment for social and economic development. Social protection corresponds to a set of tools, instruments, policies which aim, through Government action and constant social dialogue, at ensuring that men and women enjoy working conditions which are not only not harmful, but as safe as possible, which respect human dignity, take into account family and social values, allow for adequate compensation in case of lost or reduced income, permit access to adequate social and medical services, and respect the right to free time and rest.

Social security

Over the past decades, China has taken a prudent but proactive approach to reform and develop its social security systems and made an impressive progress, which has promoted and facilitated the social and economic advancement process. However, with an industrialization and urbanization process in the context of globalization, China is still facing challenges in improving the social security systems: rapidly increasing and ageing population; lack of national laws on social security; immature social security schemes; low level of coverage in terms of participants and contingencies, especially for vulnerable groups such as migrants and the self-employed; needs to modernize and improve social security administration and upgrade a pooling level; the long-term affordability of the pension system and its governance; the design and actual implementation of a suitable pension system for the rural areas, and lack of investment channels of social security funds etc.

Safe and Healthy Working Conditions

With the rapid expansion of industrial activities in China, the number of workers employed in industry has been increasing including those in construction, which is one of the most hazardous

industries. Other dangerous occupations include those in mining and manufacturing processes in particular in small enterprises and township and village enterprises using hazardous chemicals or dangerous machines and equipment without sufficient protective measures.

The number of fatal accidents has been high in the industrial and mining enterprises. There has also been increasing cases of occupational diseases annually. Some of occupational accidents and diseases still remain unreported, and the magnitude of the problem is much bigger. In addition to daily accidents and diseases occurring at work, major industrial accidents have been occurring killing more workers, sometimes over 100 workers, at once. Such major accidents are occurring mainly in coalmines.

The Chinese government has taken a number of major actions to strengthen work safety. Nevertheless, challenges remain and it takes some time for China to greatly improve OSH situations. First of all, the enforcement of the laws must be strengthened; Secondly, the overall inspection system, which was recently completely reorganized, requires strong support to become fully operational and produce lasting benefits in terms of compliance with existing legislation; Thirdly, cooperation among the various ministries involved and the social partners has to be strongly encouraged, with special attention to be devoted to the prevention of major industrial hazards and related threats to the environment; Fourth, a nation-wide network of occupational safety and health services should be established particularly to reach small enterprises and township and village enterprises; The last but not least, special attention must be given to the development of a preventive safety culture and a systematic approach at both the national and enterprise level.

Protection of migrant workers

Rural – urban migration is a phenomenon of growing concern in China for both the public authorities and the social partners. Economic development requires that labour mobility take place in an orderly manner. Commitments of China to international laws and treaties also requires that rural - urban migrations take place under conditions respecting the fundamental rights of migrant workers, who should be recognized as having right to at least a minimum level of social protection.

The overall issue of reducing the gap between urban and rural development while facilitating orderly and socially beneficial internal migratory flows will no doubt form one of the most formidable challenges for the development of the comprehensive social protection system that is much needed by contemporary China.

Other social and economic risks

All these issues directly relate to a modern conception of social protection which is not to be seen as limited to granting social safety nets, but would include at the same time guaranteed access to essential goods and services, a comprehensive set of preventative and protective measures to deal with potential risks likely to negatively affect the income of individuals or social groupings, policies and measures aiming at promoting opportunities for realizing human potential. Social protection policies are clearly to be linked to anti-poverty strategies, of which they should form a major component.

SARS, avian flu and other infectious diseases such as HIV/AIDS are the emerging and increasing threat to the social and economic development to China and the world. China already has 650,000 HIV positive people. Without an effective and proactive prevention, the epidemic could affect or disturb the national development goal. The National Regulations on Prevention and Control of HIV/AIDS requires taking action to educate all staff and employees of any kinds of organizations on knowledge, national and workplace policies and information and services available at localities

and workplaces. The current actions in this regard are far from satisfying such a basic requirement: Lack of a national guideline for workplace policy-making and programme development; Silence among businesses towards the epidemic; stigma and discrimination to people infected or affected by HIV/AIDS; a few initiatives or workplace programmes among national corporations; Therefore, it is hard to say or realize the national working principle of participation of the whole society in the national fighting against HIV/AIDS.

Social protection has to be seen in China in a context of accelerating economic and societal changes, characterized notably by rapid transformation in prevailing forms of ownership, a growing vulnerability of wide categories of the population, persistent urban/rural gaps in welfare and standards of living. A sound foundation for a revisited social security will facilitate the nation's economic restructuring as social consequences will be eased and the public will more readily accept changes.

Outcomes to be achieved and areas for cooperation:

- **Social security coverage extended to cover more workers and farmers and benefits and service delivery improved for participants.**

Areas of cooperation:

- Provide capacity building on actuarial services.
- Promote and disseminate good practice.
- Consultation on Social Insurance Law.
- Research on the establishment of pension scheme for migrant workers.
- Study on links between the work injury insurance and OSH prevention.

- **Improved occupational safety and health management system applied at national and enterprise level to improve policy, planning and inspection.**

Areas of cooperation:

- Development and implementation of National Work Safety Programme.
- Promotion of cooperation among the relevant key ministries (SAWS, Health, Construction) and social partners.
- Promotion of ratification and implementation of ILO Convention 155 along with other OSH related conventions.
- Promotion of Safety Culture and Safe Development through awareness raising events.

- **Occupational risks, accidents and fatalities are reduced in particular in high risk occupations and industries including mining, construction and chemical use.**

Areas of cooperation:

- Development and implementation of coal mine safety programme through tripartite cooperation.
- A Promotion of Safety Culture and Safe Development through awareness raising events with industry focus.
- Addressing major hazard control.

- **Awareness and prevention efforts on HIV/AIDS undertaken by ILO constituents.**

Areas of cooperation:

- Capacity building of constituents at national and enterprise levels to manage HIV/AIDS in the workplace.

- o Awareness raising and training on ILO Code of Practice.
 - o Developing and implementing HIV/AIDS policies at different levels (national, provincial and enterprise).
 - o Changing behavior among target workers through workplace interventions.
- **Improved human resource management, the working environment, and productivity at the enterprise level.**

Areas of Cooperation:

- o Developing improved WISE approach through updated training with social partners.

Priority 4. Promoting worker rights and fundamental labour rights and principals.

Major Challenges

Promotion of respect and protection of fundamental labour rights and principles and the rule of law is essential to promoting the goal of balanced social and economic development. In the field of labour, principles of social justice and equity are based on international labour standards. One challenge is to ensure that law and policy are in line with the requirements of international labour standards. This often requires law and policy reform and revision. Another of the challenges is to ensure that in the application of the law, those workers most vulnerable to disadvantaged in terms of skill development and employment opportunities must be targeted for particular attention and protection. Among those requiring targeted action are disabled workers, migrant workers, ethnic minorities, older workers and certain women who are particularly disadvantaged due to circumstance or discrimination. Greater attention needs to be paid to identifying and preventing abuse and possible exploitation of labour within and outside China such as trafficking in humans for purpose of labour, child labour, discrimination and forced labour. Working issues such as non issuance of labour contract, long and uncompensated hours of work, non or deficient payment of wages, and occupational safety and health risks.

While the practical application of the special restrictive laws on household registration have eased, the existence of such laws still creates a discrimination in practice for internal migrants in terms of access to some medical, reproductive health, and educational facilities and services. Gradual removal of the restrictions is necessary to facilitate the migration process in a manner that is both safe and sustainable. Moreover, migrants are most often found working in employment and occupations that are unsafe, subject to hazards and risks and low paid. They are often subject to late or non payment of wages and long, inadequately compensated hours of work. The expansion and improvement of the application of labour rights of the internal migrant workers requires special attention.

Outcomes to be achieved and areas of cooperation:

- **Safe migration channels promoted to avoid situations of forced labour and trafficking in persons for labour.**

Areas for cooperation:

- o Policy advice on trafficking prevention.
 - o Awareness raising, research and advocacy.
 - o Training on good practices for safe migration.
 - o Technical advice on employment services.
- **Promotion of ratification of Conventions Nos. 29 and 105 enhanced.**

Areas for cooperation:

- o Awareness raising activities for enterprise level practices.
- o Supporting dialogue and understanding on these standards.
- o Conducting activities to prevent and address trafficking which can lead to violations under the conventions.

- **Specific measures carried out by ILO constituents to promote non discrimination and equality in the world of work in accordance with ratified Conventions Nos. 100 and 111.**

Areas for cooperation:

- o Development of training materials.
- o Capacity building of constituents through training activities and seminars to address discrimination.
- o Public education campaign.
- o Providing advice on legal reform and policy guidance.
- o Providing knowledge of law and gender equality to enhance workers sense.

- **Child labour prevention further enhanced.**

Areas for cooperation:

- o Awareness raising, advocacy and information gathering.
- o Prevention advocacy and assistance to promote application of Conventions Nos. 138 and 182.
- o Monitoring and inspection with unions' participation.

- **Adherence to the Global Compact principles promoted.**

Areas for cooperation:

- o Awareness raising, research and promotion of implementation.
- o Capacity building and training for CEC programme.

- **Improved knowledge and impact of international labour standards promoted.**

Areas for cooperation:

- o Knowledge building and training for constituents.

- **Gender mainstreaming in policies and programmes of constituents and other partners.**

Areas for cooperation:

- o Continued research, training and capacity building with constituents and ACWF.

Annex 1

Main Targets of Economic and Social Development

With the aim of building a moderately prosperous society, the following main targets should be achieved during the 11th Five Year:

1. Smooth and steady operation of macro-economy. The GDP is expected to grow at an annual average rate of 7.5% and GDP per capita will be doubled than that of 2000. New urban employment and transformed agricultural laborers will increase 45 million respectively. The registered urban unemployment will remain under 5%. The price index will be stable and the international payment will be balanced.
2. Optimizing and upgrading industrial structure. There will be more rational industries, products and enterprises organization. Proportion of added value in service industry to GDP and that of new employment to total employment will grow by 3 and 4 percentage points respectively. The capacity for independent innovation will be strengthened. Research and experiment expenditure will increase to 2% of GDP. There will be some advantageous enterprises with independent intellectual property rights, renowned brands and strong capabilities of international competition.
3. Remarkably improving efficiency of resources utilization. Energy consumption per unit of GDP is to decrease by 20%. Water consumption per unit of industrial added value is to decline by 30%. Irrigation water utilization efficiency is to increase by 0.5. Industrial solid waste recycling and conserving rate is to grow to 60%.
4. Balanced development among regions, rural and urban areas. Remarkable progress should be registered in the building of new socialist countryside and urbanization rate is to increase to 47%. The development patterns with regional characteristics are to form and the tendency of enlarging disparities is to be controlled on public services, per capita income and living standards among regions, rural and urban areas.
5. Reinforced basic public services. People's average education is to increase to 9 years. There will be relatively sound system of public health and medical services. Social security is to cover a wider areas and the urban basic endowment insurance is to cover 223 million people. New rural cooperative medical care's coverage will reach over 80 percent. The number of people living in poverty will be reduced and improvements will be made for disaster prevention and relief. The situation of social order and safe production is to change further for the better.
6. Strengthened capacity for sustainable development. The total national population is to be controlled to fewer than 1.36 billion. The arable land is to be maintained at 120 million hectares and there will be an improved supply of fresh water, energy and important mineral resources. The trend of ecological deterioration is to be contained.
7. Relatively complete market economic system. Breakthroughs will be made in reform and system building on administrative management, state-owned enterprises, finance, taxation, science, technology, education, culture and health. There will be distinct enhancement of market supervision and social management. There will a further coordination between opening up and domestic development and the open economy is to reach a new high.
8. Continuously improved living standards of people. Urban resident per capita disposable income and rural resident per capita net income will grow by an annual rate of 5 percent respectively. There will be a general improvement on living quality for urban residents and a great improvement on situations related to accommodation, transportation, education, culture and environment.
9. New progress on building democracy and legal system and materialist civilization. There will a comprehensive advancement of legislative work and the socialist legal system with Chinese characteristics is to take shape. The moral construction is to be further enhanced and new progress on building a harmonious society is to realize.