

## Overview

This country brief of the People's Republic of China, includes the two Special Administrative Regions (SAR), Hong Kong and Macau, that were taken over by the People's Republic of China in July 1997 and December 1999, respectively. As part of the agreements for the changeover China controls Hong Kong and Macau, but will leave the capital system in place for another 50 years. Therefore, the current social and economic systems and the way of life in these two special administrative regions remain intact.

With approximately 1.3 billion people, China is the most populous nation in the world. With an executive, legislative and judicial branch, i.e., the State Council, the National People's Congress, and the Supreme Court. The Chief Executive is President Hu Jintao, the Vice-President is Zeng Qinghong and the Premier, Mr. Wen Jiabao, heads the State Council.

China's entry into the WTO presents some challenges. China is faced with making formerly subsidized state-owned enterprises profitable and competitive. Under the "iron rice bowl" system, state owned enterprises provided lifetime social services to its employees such as housing, food, pensions and health care, among others. Furthermore, layoffs were almost unheard of with employees keeping their jobs for life regardless of their productivity. To be competitive in a socialist market economy, state owned enterprises can no longer provide wages and the additional "iron rice bowl" benefits to its employees and their dependents. Now these employees not only find themselves without a job but also without the social services that were expected under the centrally planned economic system. China is quickly trying to develop a government system of social security, health care and unemployment insurance to deal with the transition.

## ILO Constituents

**Government** - The Minister of Labour and Social Security (MOLSS), a member of the State Council, is Mr. Zheng Silin. Mr Zheng Silin was appointed Minister of labour and Social Security in March 2003. China is a permanent government member of the 56-member Governing Body of the ILO.

**Employers** - China Enterprise Confederation is the largest employers' organization in China and represents Chinese employers in the ILO. CEC was established in 1979, and CEDA (China Enterprise Directors association), was established in 1983, merged into one institution in 1988. The President is Mr Chen Jinhua.

**Workers** - China only has one union, the All-China Federation of Trade Unions (ACFTU). It has a membership of 103 million in more than 586,000 primary trade union organizations. Mr Wang Zhaoguo was elected Chairman of the ACFTU on its Fifth Session of the 13<sup>th</sup> Executive Committee meeting held in Beijing from 27 to 28 December 2002.

## Technical Cooperation

1. In May 2001, China and the ILO signed a MOU covering work to be done in four strategic areas of the ILO's Decent Work Agenda. The areas covered by the MOU were further developed in a document forming a "Joint Technical Cooperation Programme" between China and the ILO, which was adopted at the first session of the High Level Joint Committee in Geneva in November 2001.
2. ILO/Japan Intercountry Project on Strategic Approaches towards Employment Promotion (PEP) – a project funded by the Japanese Government. The project focuses on rural and urban self-employment and small business development through comprehensive services consisting of revolving funds, micro-credit, flexible skill training, and business start-up training. The first phase focused on rural employment, but the project is now entering the second phase, which will last from 2002-2004, and will focus on employment in urban areas.
3. Improved Human Resource Development and Management in Labour Management Relations in Chinese Economic Development Zones. This is a three year project funded by the Swiss Government to assist enterprises in Special Economic Zones to compete in an international market through improved human resources and labour relations.
4. IPEC Project: An on-going sub-regional (includes Vietnam, Laos, Cambodia and Thailand) project to combat trafficking of children and women in Yunnan Province, China.
5. Enhancing Gender Mainstreaming Capacity of ILO Constituents (INT/02/M67/NET). The project assist the ILO constituents and other stakeholders to take positive steps to ensure gender

equality at work through mainstreaming gender concerns into national Decent Work policies, programmes and agendas.

### [International Labour Standards and Tripartism](#)

In October 2001, China ratified Convention 150, Labour Administration Convention and Convention 167, Safety and Health in Construction Convention. The ratifications were received and registered by the ILO on March 7, 2002. The Worst Forms of Child Labour Convention, C182, was ratified by China in August 2002.