



Submission to United Nations Universal Periodical Review of China

March 2018

1. All-China Federation of Trade Unions (ACFTU) will follow with interest the third-round Universal Periodic Review to be conducted in 2018 by the UN Human Rights Council of China's human rights situation. In our view, the Chinese government has, over the years, enhanced efforts to guarantee the whole range of human rights. A host of measures meant to benefit the people have been put in place and people's standard of living and quality of life have continued to improve. In particular, the Chinese government has done tremendous work to safeguard the legal rights and interests of the workers, thus scoring outstanding achievements. We would hereby like to offer our opinions and suggestions on the issue of worker rights and interests protection.

2. We are pleased to see that employment in China is continuing to expand, the employment structure has been increasingly optimized and employment opportunities for the most disadvantaged groups have been on the steady rise. From 2013 to 2017, a total of 65 million new jobs were created. In



2017, the registered urban unemployment rate was kept within 4%. The tertiary industry assumed a more prominent role in absorbing employment, with the ratio of employed persons climbing from 38.5% in 2013 to 43.5% in 2016. The regional employment pattern was more reasonable and an increasing number of workers from the country's mid-western regions returned to their hometowns to find jobs or start their own businesses. Since 2013, the employment rate for college graduates has maintained at over 90% and a total of 22.38 million unemployed people have found new jobs. In 2017, 6 million poverty-stricken workers whose names were on file at trade union-run employment agencies saw an increase in their income after getting employed. Between 2016 and 2017, essential arrangements were made for the resettlement of 1.103 million workers who were made redundant due to overcapacity reduction.

3. Income distribution reform is going full steam ahead and workers' right to remuneration for labour is fully guaranteed. Over the past five years, workers have witnessed a marked increase in their earnings, with average monthly wages jumping by 40.7% over 2010. Between 2013 and 2017, 26, 17, 26, 9 and 20 provinces in China respectively adjusted their minimum wage standards. The pay hike policy was obviously shifted in favor of low-income workers. The once excessive income



disparity among various groups in enterprises has been narrowed to some degree with wage distribution gap in various industries gradually closing.

4. With a robust labour law system in place, trade unions have received more attention from the government for their supervisory work. Up to now, Guangdong Province, Jiangsu Province, Yunnan Province, Zhejiang Province, Jiangxi Province as well as large cities such as Shenyang, Harbin, Hangzhou and Ningbo have enacted local laws governing supervision over the implementation of labour laws and regulations by trade unions; Shanxi Province, Liaoning Province and Guizhou Province have had trade unions' supervisory role written into local laws; Fujian Province, Gansu Province, Hebei Province and Heilongjiang Province have included trade union supervision in their legislation plans; Henan Province, Shanghai City and Sichuan Province have tightened their policy on the issue. A mechanism has been created whereby labour, safety inspection and health departments can team up to inspect enforcement of the labour law and mete out harsher punishments for severe violations. A sound arbitration, litigation and mediation mechanism has been put into place to better protect workers' rights.

5. The social insurance system has been further perfected and workers enjoy better protection for their social insurance rights.



Over the past five years, urban residents have basically been covered by the pension scheme at the provincial level, the coverage of medical insurance has been expanding, more categories has been included in the essential-drug list, various insurance schemes have become more portable across different localities, unemployment insurance has played a better role and workplace injury and maternity insurance have covered more people. Over the past decade, more than 100 million retirees from State-owned enterprises, government departments and public institutions have seen large increases in their pension benefits.

6. A sound collective bargaining system has been further developed, with enhanced pertinence and effectiveness. Besides putting a lot of efforts into moving ahead with collective bargaining in the country, governments at all levels have incorporated this work into their plans for national economic and social development and used it as a criterion to evaluate their performance. So far, 30 provinces have promulgated 41 local laws and policies on collective bargaining and 13 provinces have released regulations on collective wage bargaining.

7. At the same time we have noted that China still face immense employment pressure, prominent problems with its employment structure and challenges arising from its current



employment policies and employment service system. As China is pressing ahead with industrial restructuring and overcapacity cut and trying to finish off the horde of zombie companies that haunt its industry, the country is subjecting itself to the looming risk of massive jobless in some regions and industries. Paradoxically, some fields are plagued by an unlikely combination of labour shortage and unemployment. New forms of employment have emerged ranging from platform employment to home employment, intermittent employment and online employment. To better protect and safeguard workers' employment right, the country needs to eliminate the blind spot in its employment policy and public employment service system.

8. Social insurance is still inadequate and the participation rate among migrant workers, flexible workers and dispatched workers is low. Some enterprises default on their workers' insurance payments, stop paying premiums or pay less on purpose, making it difficult for workers to fully enjoy their right to social insurance and keep their insurance coverage when changing jobs. Some workers fall into poverty after a life-threatening illness and it is hard to for them to get an advance payment from the insurance company in case of workplace injuries. Some people employed in the new sectors of the sharing economy have no easy access to social insurance.



Making the current insurance system work out well has become a tough nut China must crack.

9. To speed up development, the 19th National Congress of the Communist Party of China has set out the goal of “ensuring that individual incomes grow in step with economic development, and pay rises in tandem with increases in labour productivity”. To beef up efforts to improve people’s livelihood, the 13th-Five Year Plan for National Economic and Social Development has put forward the goal of improving living standard and quality of all the people, bridging the income gap and raising the proportion of middle-income population”. We support the government to press on with the goals.

10. We are of the view that the government should take further steps to deepen income distribution reform, set up a sounder mechanism of wage growth and wage payment guarantee. We suggest that the government conduct research on minimum wage bargaining, tighten up inspection of wage payment for migrant workers, enhance efforts to step up collective wage bargaining so as to better protect the labour and economic rights of the disadvantaged groups.

11. We suggest that the government pay close attention to the growing problems that have cropped up during the supply-side structural reform and might compromise workers’ right to social insurance, see to it that laws and regulations governing social



insurance are carried out to the letter, make improvements to the social insurance system and expand insurance coverage to meet the needs of workers.

12. We call for the government to increase the role of trade unions and seek their opinions when formulating important laws and policies, and supervising the implementation of laws and regulations so as to better protect, develop and realize workers' rights and interests; give full play to the role of social coordination , encourage social resources to participate in social governance and poverty reduction, give full play to the role of big data, Internet technology and mobile client in poverty reduction.