

Conditions of Work and Employment Programme

***Working time in transition:
The dual task of standardization and flexibilization in China***

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Contents

	<i>Page</i>
Preface.....	v
Section 1. Introduction.....	1
Socio-economic context.....	2
Social discussions and debates.....	3
Section 2. Working hours: Towards a 40-hour workweek?.....	7
Laws and regulations.....	7
Regulations on daily and weekly hours.....	7
Overtime work.....	8
Rest breaks, rest days and paid holidays.....	9
Working hours in practice.....	10
Weekly working hours.....	10
Overtime hours.....	15
Annual paid leave.....	17
Section 3. Working time arrangements: Farewell to standard working time?.....	19
Legal and policy framework concerning working time arrangements: Standardization versus flexibilization.....	19
Working time arrangements in practice: Challenges for standard working time.....	20
Unsocial working hours.....	20
Flexible working time arrangements.....	22
Part-time work.....	23
Workers' evaluations.....	25
Section 4. Conclusions and prospects.....	27
References.....	29
Annex.....	31
Descriptive statistics: The employee survey (2003-2004).....	31

Preface

Concerns have often been expressed about long working hours in China, but their extent and nature have not been well understood. In particular, little is known about how Chinese workers feel about their working time. At the same time, China as a transition country has been faced with a difficult task in the area of working time, namely, the dual task of standardizing and flexibilizing working time. These important issues are taken up in this report, based on a new survey which was undertaken between late 2003 and early 2004 in three major Chinese cities.

This report is part of our global research project which aims to improve our understanding of working time in developing countries. The result of this project will be published in early 2006. In addition, the ILO has collected national laws and practices on working time and made them more accessible to ILO constituents by providing a searchable database (<http://www.ilo.org/travail/database/index.htm>). Research work based on this database is currently under way.

It is hoped that this report will stimulate discussions and debates on working time in China, thereby contributing to improving working time policies in this country. We thank Professor Zeng of the Renmin University and his colleagues for their excellent work and Kristine Falciola for her professional editing.

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Section 1. Introduction

For more than 20 years, there have been significant milestone changes in China through the implementation of open and reformation policy. In particular since the beginning of the 1990s, the Chinese labour market has gradually developed and become standardized, based on policy measures of a free market economy. With the emergence of new forms of ownership and the intensification of market competition, employment forms have been changed from lifetime employment to various forms of employment. This change has brought challenges both for the government and workers: the government has to adapt to the new situation to standardize labour relations and protect workers' rights and interests; workers are required to have more employment qualifications, such as good education, a higher degree or more years of work experience. For instance, as far as educational attainment is concerned, it is more difficult for those with a college or associate degree to find a job than those with a bachelor degree. This phenomenon hardly existed five years ago.

In China, flexible employment forms emerged at the end of 1970s and the beginning of 1980s in the context of a severe employment situation (i.e. steadily rising unemployment rates). Since then, the adjustment of legal working time and leave and the encouragement of flexible employment have become the main policy direction, and some relevant policies and laws have been set down and implemented. For example, the policy direction concerning "inducing workers to change their employment opinions, adopting flexible forms of employment such as part-time employment and seasonal employment, and promoting self-employment" was clearly outlined in the Tenth Five-year Plan for Economic and Social Development of the People's Republic of China (2001). At the national re-employment work conference (2002), the highest leadership in the Chinese government reiterated the importance of flexible forms of employment.

In light of these dramatic changes, this report aims to analyze recent developments in working time in China. It will be suggested that, as the economy has undergone transition to market economy in the context of intensified global competition, working time has experienced double pressures: standardization and flexibilization. On the one hand, the standardization of working time through limiting the length of working time and providing proper regulatory frameworks concerning how working time should be organized has been well under way; on the other, faced with the increasing importance of securing a competitive edge in a globalizing market, the need for flexibilization of working time has gained importance, especially at the workplace level. As a result, working time is increasingly complicated in China, and its implications need to be properly examined from various perspectives (especially from those of the social partners).

The systematic review of working time in China is not an easy task, particularly due to the paucity of data and information. In order to overcome this, a new survey was undertaken in three major cities (Beijing, Guangzhou and Changsha), focusing on both length and organization of working time (see Section 2 for survey details). While the survey also included some questions about flexible employment, such as temporary employment, this report will not present survey findings on this issue unless they provide useful insights on working time arrangements. Some research results and statistical data from the National Bureau of Statistics of China, the Ministry of Labor and Social Security, and academia are also widely used in the study to supplement our survey and also to check the reliability of survey results.

Socio-economic context

As the economy is more open, liberal and energetic, types of ownership and industry structure have witnessed considerable changes. First, the number of foreign direct investment (FDI) has increased steadily. In 2001, the total of FDI contracts amounted to \$82.8 billion, an increase of more than 19.6 per cent compared to the previous year. The actual amount used was \$52.7 billion, an increase of 12.5 per cent. In 1983, the total FDI was only \$0.91 billion. Second, the impact of state-owned enterprises became less strong than ever. At the beginning of economic reform, these state enterprises accounted for 80 per cent of the gross value of total industrial output. In 2002, however, state-owned and state-holding enterprises accounted for only 36.1 per cent of total value added. Other types of non-state-owned firms, such as private and foreign capital firms, are getting stronger, and their share of employment is also rising.

Table 1.1: Changes in urban employment in China (1978-2001)

Year	State-owned units	Urban collectively owned units	Private enterprises	Hong Kong, Macao and Taiwan-funded enterprises	Foreign-funded enterprises	Self-employed
1978	7451 (78)	2048 (22)	15 (0)			
1992	10,889 (70)	3621 (23)	98 (1)	83 (1)	138 (1)	740 (5)
2001	7640 (58)	1291 (10)	1527 (12)	326 (2)	345 (3)	2131 (16)

Unit: 10 thousand people (percentage share of total employment)

Source: National Bureau of Statistics of China: *China statistics yearbook* (2002); statistics database (1996).

As Table 1.1 shows, the employment shares of state-owned enterprises and urban collectively owned enterprises decreased recently, which implies that traditional working time arrangements and employment patterns have also been decreasing. The rising number of employment in private enterprises is associated with the government policy to promote private economy. While employment in foreign capital-funded enterprises increased considerably, it is also interesting to note that the share of self-employed had tripled between 1992 and 2001.

Although the growth rate of the Chinese economy has ranged between 7 per cent and 8 per cent in recent years, both the total number of unemployed and the unemployment rate are rising mainly due to the steady decline of domestic demand, the regulation of the industrial structure and the increasing strength of economic reform. By the end of 2001, unemployment affected 7.57 million workers (the official registered urban unemployment rate was 4 per cent). However, the reliability of the official unemployment figure is often in question, as some estimated that the actual unemployment rate was 7 per cent (Rong Mo and YuqunYao, 2002).

The Chinese government pays attention to the issue of protecting workers' rights and interests, and has already established the labour law system reflecting market economy principles. For example, the Labour Law was adopted in 1994, taking into account the experiences and practices of other countries as well as ILO labour standards. It has two basic features:

■ *Wider coverage*: the law covers not only state-owned enterprises but also foreign-funded enterprises, private enterprises and individual economic organizations.¹

■ *Broader range of employment*: the law is not limited to labour discipline and labour security, but is extended to address other important aspects of the employment relation, such as employment promotion, labour contracts, collective contracts, working time and leave, wages, protection of female and young workers, career training, social security and welfare, labour disputes, and labour supervision.

During the period under review (since 1994), 42 matched administrative and departmental provisions were established to ensure the implementation of the Labour Law. However, the rights and interests of flexible workers are not well protected, as laws and regulations concerning flexible employment patterns are currently lacking in China.

In the course of reform, a considerable number of state-owned enterprises have cut down expenditure as well as the number of trade union officers, which has to some extent hindered union activities. Unions were not established widely in foreign capital-funded enterprises and private enterprises, and the rights and interests of employees in these enterprises eroded. Not surprisingly, the number of labour disputes, especially collective labour disputes, has increased recently (see Table 1.2).

Table 1.2: Labour dispute cases accepted and heard between 1998 and 2002

<i>Year</i>	<i>Cases of labour disputes</i>	<i>Cases of collective labour disputes</i>	<i>People involved in collective labour dispute cases</i>
1998	940	67.7	2,510
1999	1,200	90.4	3,190
2000	1,350	82.5	2,590
2001	1,550	98.5	2,870
2002	1,840	110.0	n/a

Unit: Hundreds

Source: Ministry of Labor and Social Security: *PRC Bulletins* (1998-2003).

Social discussions and debates

At present, discussions about flexible employment patterns and working time are largely limited to government circles and academics, while these issues are hardly raised among unions, enterprises and employees. Though the original reduction of working time was practiced among some enterprises, the government's initiatives concerning adjustments of working time since the 1990s have had powerful influence on working time in practice. With economic development, employment patterns have also diversified (part-time work, flexitime work, short-term work, etc). While the government has acknowledged existing problems with these employment patterns, it has also recognized the need for encouraging these employment patterns in order to alleviate heavy employment pressure and maintain steady growth of the economy. As a result, the government has adopted measures and policies to *gradually* standardize these types of employment.

With regard to employment status, it needs to be noted that, for a long period of time, there had been no contracted workers within state-owned enterprises. Instead, there were two major types of employment: "fixed workers" and "temporary workers". The state-

¹ Since the 1980s, "individual economic organizations" have been used to refer to small-scale enterprises which employ no more than seven workers.

owned enterprises were not able to fire “fixed workers” easily, who in fact had a long-term employment relationship (lifetime stable job) and enjoyed rights to welfare benefits, such as medical treatment, old-age pension and housing. By contrast, “temporary workers” did not enjoy these benefits and their employment relation was short term. Not surprisingly, this traditional employment system was seen as hindering economic efficiency and became the hotspot of discussion in economic reform. In 1986, the government issued the provision that the labour contract system must be applied in state-owned enterprises. Since the Labour Law was enacted in 1994, the labour contract system became a national legal system, which is applicable to all types of enterprise. In line with international practices, the law defines three types of employment contracts: fixed-term contracts, non-fixed-term contracts, and term contracts based on the completion of specific work. Currently, most enterprises introduced the fixed-term contract system in order to secure employment flexibility.

In the case of working time, the issue of overtime has been the focus of social attention. It exists not only in private and foreign capital-funded enterprises, but also in state-owned enterprises and non-profit organizations where employees work more hours and get no or insufficient overtime premiums. In addition, there appears to be considerable amount of “forced” overtime in private enterprises. An investigation by the China Economic Monitoring and Analysis Center of the National Bureau of Statistics showed that, in Beijing, Xi’an and Wuhan, more than 50 per cent of 900 people surveyed worked overtime every working day and 60 per cent of them did not get appropriate compensation for their overtime work. This phenomenon was also identified in our survey when the majority of workers reported their overtime was not properly compensated (see Section 2 for details). In 2001, the first case of “death caused by tiredness” triggered much concern in China.² Although there are clear stipulations on overtime work in relevant laws and measures issued by local governments,³ their implementation is often questionable due to: the poor understanding by enterprises of these laws, the weak execution of labour laws and, most importantly, workers’ fear of losing their jobs. As one scholar pointed out, “In the market economy, workers often find themselves in a weak position when they sign a labour contract with enterprises. In particular when the labour market is slack (e.g. over-supply), enterprises may make working conditions worse in order to pursue higher profits; moreover, workers may work excessively when they are in competition for jobs and tend to underbid one another to get a job” (XiaoWu Song, 1995).

With the improvement of living standards, people began to care about their quality of life. To examine the living situation of urban residents, sociologists have undertaken time-use studies concerning the distribution of time to different activities, such as working time, leisure and housework, and explored the value and meaning of time use (QiYan Wang, 2000). Although these studies could not show how working time was organized at the workplace, they indicated that working time appears to have declined gradually with variation across region, occupation, age and gender.

Surveys of working time for rural workers are limited, normally covering one or two provinces in China. For instance, one survey in Chengdu Plain and neighbouring areas showed that, if an effective man-hour was employed as the basic unit of measuring labour

² Before his death at his duty post, this worker once worked 226 consecutive days and 17 hours every day.

³ In Beijing, for instance, when enterprises extend working time, the maximum period should not exceed 36 hours per month. In Guangzhou, enterprises with overtime exceeding 36 hours per month shall constitute a breach of law, whereby a penalty of RMB 100 per hour per head shall be imposed on the liable enterprise. For more details, see Section 1.

utilization levels and a way of estimating rural underemployment,⁴ the extent of underemployment varied depending on geographical areas. The study revealed that the underemployment level was negatively correlated with education and household income; that underemployment was one of the economic factors causing a drain of manpower to urban areas; and the underemployment level had no correlation with family and marital status (JingXi He, 1999).

Since the reduction of statutory working hours in the mid-1990s, the issue of flexible working time has been the key aspect of working time debates in China. Many researchers consider it helpful in improving working time efficiency (hence economic efficiency) and increasing employment, especially for handling massive redundancy in the process of restructuring state-owned enterprises. Yet there is little empirical evidence on to what extent the reduction of standard working hours is likely to increase employment. In addition, it is generally considered that the official extension of national holidays such as International Labor Day and National Day has increased the demand of business and trade, transportation and tourism industries.

⁴ Taking into account the local conditions in the Sichuan region, it was estimated in the study that the standard of annual working hours was set at 2,000 hours. Therefore, underemployment was defined as working less than 2,000 hours per year.

Section 2. Working hours: Towards a 40-hour workweek?

Laws and regulations

The institutional and regular framework concerning working time has undergone significant changes in the 1990s. As mentioned earlier, China adopted the principle of a 40-hour workweek in line with ILO international standards [Forty-Hour Week Convention, 1935 (No. 47)]. At the same time, taking into consideration the principles of a market economy, the former Labor Department and the present Labor Insurance Department have twice amended related laws and regulations, while repealing a total of 358 regulatory documents. The majority of these repealed documents were enacted during the period 1949 and 1986 when the fixed working hour system was practiced.

In order to better implement the legal provisions on working hours, the Chinese government has promulgated several corresponding regulations, such as the State Council's Decisions on Changing 'Regulations on Working Hours of Workers', Examining and Approval Standards on Enterprises Practicing Flexible Working Hours and Integrated Accounting of Working Hours, Statutes on the Implementation of the State Counsel's 'Regulations on Working Hours of Workers'. According to the Labour Law, the working hours system can be divided into three parts: working hours, overtime and paid leave. The working hours system is consistent across the country and is applicable to staff in all state organizations, social groups, enterprises, government institutions and other organizations.

Regulations on daily and weekly hours

Working hours is the period of time during which workers do the work stipulated in their employment contract. On the one hand, workers should finish their assigned work according to the working contract; on the other hand, the employer is entitled to assign work to employees while guaranteeing the working conditions stipulated in related laws and regulations, collective contracts and employment contracts.

China's Labour Law was approved by the National People's Congress on 25 July 1994 and has been enforced since 1 January 1995. The Labour Law has two important regulations on working hours in order to protect the health and safety of workers: the limitations on daily and weekly working hours and the restrictions on overtime work. Before the promulgation of the Labour Law, the State Council issued in February 1994 "Regulations on Working Hours of Workers", which changed the 48-hour workweek (which had been practiced for over 40 years) into 44 hours per week. This was reflected in Article 36 of the Labour Law, which states: "workers' working hours should not exceed 8 hours a day or 44 hours a week". However, a year later, the State Council issued another decision (Changing 'Regulations on Working Hour of Workers') in March 1995, which introduced a further reduction of working hours to 40 hours per week. Considering that some enterprises would have difficulties in the immediate implementation of this new decision, enterprises were allowed to postpone its implementation for two years.

However, the relationship between the Labour Law and the 1995 decision concerning weekly working hours has not been well understood. In fact, the existence of two working time standards has invoked confusion and disputes in practice. According to the Chinese Labour Law, the State Council's regulations should apply after the regulations of the Labour Law, but it is the administrative regulations that are enforced in practice. This is to a large extent due to the fact that the State Council may make some matched administrative regulations reflecting different situations to ensure the proper implementation of the

Labour Law, while the adjustment of the Labour Law needs more time and procedure. Therefore, it is suggested that the Labour Law should be revised to adapt to the regulations of the State Council (i.e. a 40-hour week). In addition, it is important to consider the sizeable disparity between different enterprises, regions and professions. For example, it is rather difficult for all enterprises, regardless of size, to replace the 48-hour system with the 40-hour one within one or two years. In the case of some small and sea-side enterprises, their actual working hours can be exempted from the working time limits, as long as the working hours are not in conflict with the Labour Law and there is no case of labour disputes.

As the average working hours per day in some enterprises might exceed or be lower than eight hours, the Labour Law permits employers to make adjustments, taking into account their specific circumstances. However, even in this case, total working hours should not exceed 40 hours a week. As the legal public holidays were increased to ten days by a decision of the State Council, the standard average monthly working days and monthly working hours adjusted to 20.92 days and 167.4 hours respectively,⁵ and they became the standard for calculating daily, hourly and overtime payments.

As to whether working hours include preparation time and the lunch break, the Labour Law does not give specific guidance. Some scholars maintained that working time should include the actual work time and the time spent in doing work-related activities as well as the time spent in participating in social activities according to related laws and administrative regulations (Changshao Wang, 1999).

Overtime work

Overtime is the period of time during which employers require the workers to work longer than the daily standard hours, or work during legal holidays or weekly rest days. As overtime work means the reduction of rest time, which may have negative health and safety impacts on workers, certain restrictions are imposed on overtime in the laws and regulations. It is also expected that these restrictions could also promote employers to improve enterprise efficiency. First of all, overtime is conditional. For example, overtime is prohibited for minors, pregnant women and women with nursing infants under 1 year of age. Overtime should be undertaken only when there are urgent needs which have important consequences on enterprise productivity. Employers are also required to first consult with the workers concerned so as to obtain their approval. Secondly, there is the limitation on the length of overtime work: one hour a day. In special circumstances, overtime work can be further extended, but it should not exceed three hours a day and 36 hours a month under the condition of guaranteeing workers' health. Finally, overtime premiums should be paid with different legal standard rates for the types of overtime work. The minimum premium of 150 per cent should be paid for overtime work during normal working days, while 200 per cent and 300 per cent should be applied for overtime work during weekly rest days and public holidays, respectively. In some cases, non-financial compensation is allowed: the Labour Law stipulates that, if workers are scheduled to work overtime during their rest days, they may choose to take compensatory leave. However, this option is not allowed for overtime during normal workdays and public holidays, which should be compensated by the relevant premium rates.

As the present Labour Law has provisions only on daily and monthly overtime work, some scholars recommended a further restriction on annual overtime (Xuelan Hung, 2002).

⁵ Calculation of annual working days: 365 days/year-104 days/year (days off)-10 days/year (statutory public holidays) = 251 days/year. Calculation of monthly working days: 251 days/year /. 12 months = 20.92 days. Calculation of working hours: 20.92 days x 8 hours = 167.4 hours.

Overtime should be provisional in nature: if overtime is performed every day and every month, the nature of overtime would change; therefore, limiting the annual overtime working hours is of great significance.

Rest breaks, rest days and paid holidays

Rest breaks refer to the period of time when workers are allowed to take a short break during the working day (including meal breaks). Starting after four hours of work and duration varying between work posts and nature, rest breaks last generally one to two hours, with at least 30 minutes not counted as working time. In the event that the operation of certain types of work should not be discontinued and it is not possible to provide rest breaks as stipulated in the law, enterprises should take measures to ensure workers' meal breaks. Some enterprises practice the work break exercise system, allotting 20 minutes of break time to workers in the morning and afternoon, which starts after two hours of work. Work breaks count as working time.

Workers should be provided a daily rest period, i.e. a rest period between the end of one working day and the start of another, which generally lasts for 15 to 16 hours. If a shift work schedule is practiced, it should be arranged by turns and with proper rest breaks, and workers should not work two consecutive shifts without a daily rest break.

In addition to daily rest, workers should be granted weekly rest. Before the implementation of the State Council's Regulations on Staff Working Hours and the promulgation of the Labour Law in 1994, the weekly rest day was only one day. With the enforcement of the State Council's Decisions on Changing 'Regulations on Working Hours of Workers', weekly rest days were extended to two, normally Saturday and Sunday. However, for enterprises and institutions that cannot have fixed working time, the rest days can be arranged differently reflecting their specific conditions. For example, workers in telecommunications, post offices and broadcasting, who continue to provide service on the customary rest days, should be granted the same length of compensatory leave within one week. In addition, workers working on the weekend should not work more than eight hours a day. There are also public holidays that are applicable to all workers, such as Spring Festival (three days), New Year (one day), Labour Day (three days), and National Holiday (three days). There are also holidays which apply to specific categories of workers, such as Women's Day, Youth Day and some ethnic holidays.

Paid annual leave should be provided to workers after one year of continuous service with the same employer. This system had been practiced for a long period before it was abolished during the Cultural Revolution (1966-1976), and has been resumed according to Article 45 of the Labour Law, which states: "China practices the paid annual leave system", but "the actual implementation procedure shall be decided by the State Council". Based on this, the "Circular of the Central Committee of the Communist Party of China and the State Council Concerning the Issue of Leave of Employees" states that: "In determining the number of days of leave of employees, distinction should be made based on different circumstances, such as work assignments, qualifications and records of service, and posts of various kinds of personnel, etc., and the maximum days of leave should not be more than two weeks. All enterprises are obliged to abide by the time limit of the annual paid leave of this regulation in except unusual situations".⁶

⁶ For example, in Qinghai, one remote province with arduous conditions in the west of China, the local government stipulates that the maximum length of annual leave for employees is 35 days.

Working hours in practice

Weekly working hours

A new survey on working time was undertaken between 2003 and 2004 in order to overcome data limitation and capture various aspects of working time in China. The survey covered both human resource managers and employees in three major cities (Beijing, Changsha and Guangzhou). A non-random sampling was used for the survey, as it was important to take into account the size of enterprises both in terms of total capital and number of employees. In each of 300 enterprises selected, one personnel manager and ten employees were surveyed (which means 3,000 copies of the employee questionnaire were distributed). A total of 1,975 employee questionnaires were returned and the response rate was relatively high at 65.8 per cent. After eliminating invalid questionnaires, a total of 1,824 questionnaires were used for analysis.⁷ A description of key variables used in this report is presented in the Annex.

With regard to weekly working hours, the survey adopted an indirect method in which workers were asked to provide their daily working hours (and overtime hours) and the number of working days, without being asked directly about average weekly working hours. The reference period was (“last week”) introduced in the survey. Therefore, weekly working hours are estimated in the following way:

$$\text{Weekly working hours} = [\text{average daily working hours} + \text{average overtime hours per day}] \times \text{the number of working days}$$

It is therefore possible that the estimates of working hours from the survey are different from other statistical estimates, such as labour force surveys. However, as will be discussed, the estimates obtained largely correspond to those in other statistical sources. [These paragraphs are added to briefly explain about the surveys and the methodologies used. Please note that the tables in the final report have been compressed or adapted for a more effective delivery of findings. A new Annex is also added based on the dataset of the survey.]

Table 2.1: Average weekly working hours (employees, 2003-4)

Beijing	Guangzhou	Changsha	Total
44.0	44.6	45.7	44.6

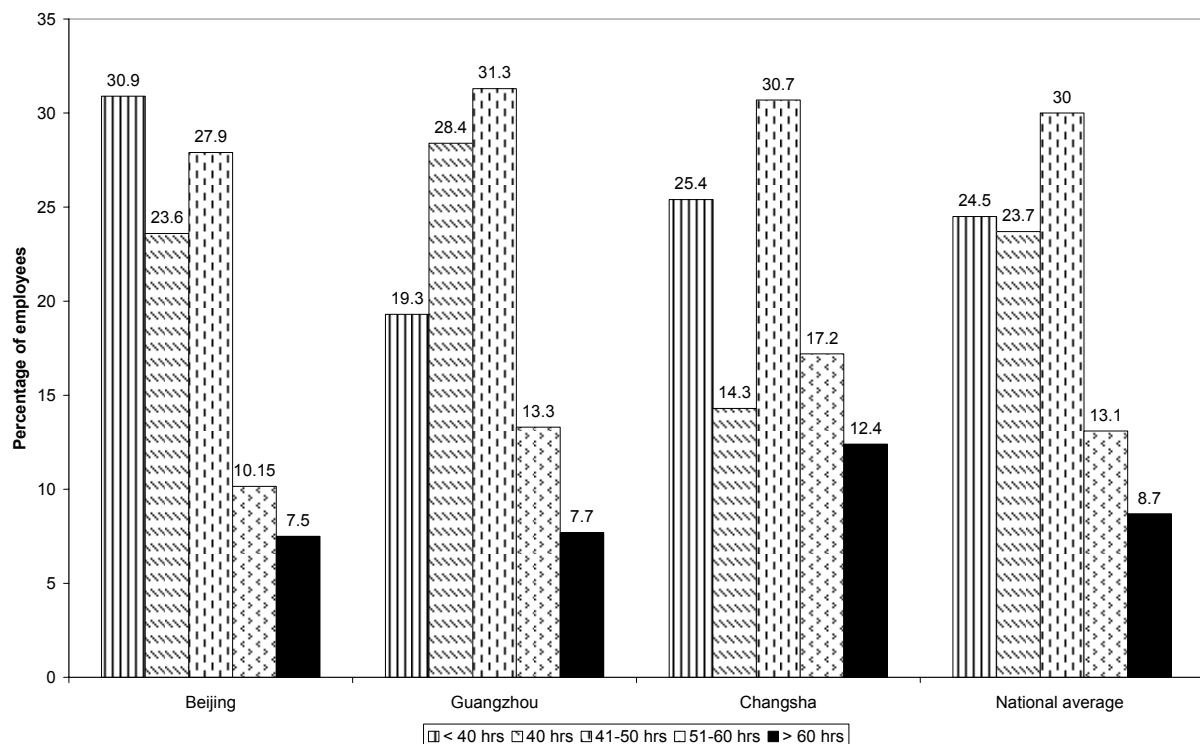
As Table 2.1 shows, the survey revealed that weekly working hours were 44.6 hours on average: 44.0 hours in Beijing, 44.6 hours in Guangzhou and 45.7 hours in Changsha. This result indicates that the working hours of mainland urban employees basically meet the 44 working hours stipulated under the Labour Law, but clearly exceed the 40 working hours standard specified in the Decision of the State Council on Revising the Regulations of the State Council on Employee Working Hours (hereinafter referred to as the Decision) issued by the State Council in 1995.

Caution is needed in analysing these average figures because they hide wide variations between individual workers. For instance, Figure 2.1 shows that only slightly more than 50 per cent of employees were working between 40 and 50 hours, while a considerable proportion of workers were working either short or long hours. It appears that

⁷ Further details of the surveys, including the questionnaires and dataset, can be obtained by sending an e-mail to travail@ilo.org.

Changsha has a more skewed distribution of working hours, while the proportion of short working hours (less than 40 hours) are noticeably high in Beijing. It is particularly important to note that about 20 per cent of employees were working more than 50 hours per week and the proportion was much higher in Changsha (29.6 per cent). The survey results also suggest that such long hours are common among those who are single, male, under 25 years old, and with junior college degrees or above. Given that the Fifth National Population Census of 2000 indicates that 53.8 per cent of the employees were working for over 40 hours a week (assuming eight hours a day), our estimate (51.8 per cent) demonstrates the high reliability and validity of the survey.

Figure 2.1: Distribution of weekly working hours



With regard to short working hours (less than 40 hours), it is found that some enterprises have implemented the working system of seven hours or 7.5 hours a day and five days a week. If employees performing overtime work are excluded (those where actual working hours may reach or exceed 40 hours), 251 employees (or 14.6 per cent) were estimated to work 35 hours or 37.5 hours per week and almost half of them were working in state-owned enterprises. These workers were concentrated in some occupations such as office clerks and specialized technical personnel.

Although the proportion of short working hours is notably high, this does not mean that part-time work is common in China. In fact, most of these workers are working between 30 and 40 hours. The survey shows that only 2.2 per cent of the employees on average were working for less than 30 hours a week. In addition, it is hard to say that even these employees are part-time employees. In China, an employee is regarded as working part time when he/she works for the same employer for no more than five hours a day and no more than 30 hours a week. If this definition is applied, a negligible 0.35 per cent of the employees were part-timers. However, it should be remembered that the survey was confined to workers in the formal sector, whereas part-time employment seems to be more common in the informal sector.

As mentioned above, many Chinese workers were working more than the legal standard. When asked about the reasons for this, 56.5 per cent of the human resource

managers stated that the intensification of market competition was mainly responsible. This implies that working time flexibility through overtime work is an effective way of securing competitive advantages. Interestingly, 42.5 per cent of human resource managers mentioned employees' personal reasons, such as promotion and higher wage earnings. Another 33.5 per cent of the managers believed that long working hours were caused by internal reasons, such as cost savings and workforce reductions.

Table 2.2: Reasons for the extension of working hours (percentage of personnel managers, multiple choices)

Intensified market competition	Employee's personal reasons	Company's internal reasons
56.5%	42.5%	33.5%

The potential effects of personal characteristics on weekly working hours are demonstrated in Table 2.3. With regard to gender, household registration and marital status, we found that mean-differences are significant at the level of 0.05. More specifically,

- Male employees (45.9 hours) are likely to work longer than female employees (43.4 hours);
- The weekly working hours of employees with local urban household registration are the shortest at 44.2 hours, while the weekly working hours of employees with rural household registration are the longest at 48.4 hours;
- The weekly working hours of married employees are 44 hours, shorter than those of single, divorced or widowed employees.

Table 2.3: Weekly working hours by demographic characteristics

		Beijing	Guangzhou	Changsha	Total
Gender	Male	45.0	45.9	47.3	45.9
	Female	43.0	43.5	43.9	43.4
Household registration	Local urban household registration	43.2	42.2	45.1	44.2
	Non-local urban household registration	45.1	47.4	48.1	45.7
	Rural household registration	47.4	50.2	45.2	48.4
Marital status	Unmarried	44.5	45.8	45.6	45.3
	Married	43.4	43.7	45.6	44.0
Educational levels	Divorced or widowed	49.1	40.7	60.3	46.3
	Junior high school education and below	59.9	50.0	43.7	51.6
	Secondary technical school, senior high school and vocational senior middle school education	45.2	47.3	48.4	47.0
	Junior college education	43.6	44.4	45.8	44.6
	Regular college education	43.0	42.6	45.3	43.4
	MA degree and above	43.4	42.2	39.7	42.5
	Under 20	59.3	63.0	45.1	49.8
Age	21-25	44.6	45.8	44.6	45.1
	26-30	43.3	46.2	47.8	45.6
	31-35	42.7	43.8	48.7	44.3
	36-40	42.9	42.1	47.5	43.1
	41-45	43.6	41.8	41.5	42.5
	46-50	49.1	41.5	42.5	44.3
	51-55	42.9	40.8	41.1	41.5
	Over 56	44.9	38.3	44.5	43.0

In addition, there is a negative correlation between educational levels and weekly working hours (Spearman correlation coefficient is -0.108 , significant at the level of 0.01): workers with lower education are more likely to work longer hours. The working-hours gap is particularly big between workers with junior high education or below (51.6 hours) and those with master degree and above (45.2 hours). Given that higher education is largely associated with higher income in China, it appears that longer working hours among workers with lower educational attainment are a way of securing “decent” income. With regard to age, the survey results point to the presence of a negative correlation between age and working hours (Spearman correlation coefficient is -0.156 , significant at the level of 0.01): the younger workers are, the longer hours they work.

Occupational variations are also notable. Table 2.4 suggests that average weekly working hours were highest among manufacturing personnel (47.3 hours), followed by employees in other categories (mainly logistics support personnel such as drivers, or other employees who are difficult to categorize). White-collar workers, such as financial personnel and office clerks, show relatively short working hours. Other interesting variations concern employment status. As Table 2.5 indicates, average workers with non-fixed-term contracts tend to work shorter hours (43.5 hours), but this is the case only in Changsha. In Beijing and Guangzhou, those with fixed-term contracts are working shorter hours than those with non-fixed-term contracts. Overall, differences in working hours between different employment contracts do not show a consistent pattern.

Table 2.4: Weekly working hours by occupations

	Beijing	Guangzhou	Changsha	Total
Financial personnel	41.2	42.9	46.5	42.8
Purchasing and sales personnel	43.4	46.4	46.6	45.5
Office clerks	43.3	43.3	43.6	43.3
Human resources personnel	43.7	42.6	45.9	43.5
Manufacturing personnel	44.9	47.9	51.5	47.3
Specialized technical personnel	44.7	44.2	44.0	44.6
Others	44.7	46.1	46.9	46.0

Note: "Others" include logistics support personnel, such as drivers, and other employees who are difficult to categorize.

Table 2.5: Weekly working hours by employment status

	Beijing	Guangzhou	Changsha	Total
Fixed-term contract employee	43.5	43.7	46.6	44.2
Non-fixed-term contract employee	44.1	43.8	40.6	43.5
Practice contract employee	44.7	51.2	44.5	46.2
Probation contract employee	39.0	46.0	45.6	44.4
Other	53.8	45.2	42.5	46.2
Temporary contract employee	44.4	47.6	45.8	46.1

Insofar as industrial variations are concerned, employees in the electricity, gas and water production and supply industry have the longest weekly working hours at 49.4 hours, followed by those in the construction sector at 47.9 hours (see Table 2.6). By contrast, working hours in the communications and social services sectors show much shorter working hours. However, these averages for three cities do not have much importance, as differences across these cities are considerable. For example, in Guangzhou, the construction sector has the shortest average working hours. The reasons for the regional variations needs further research in the future.

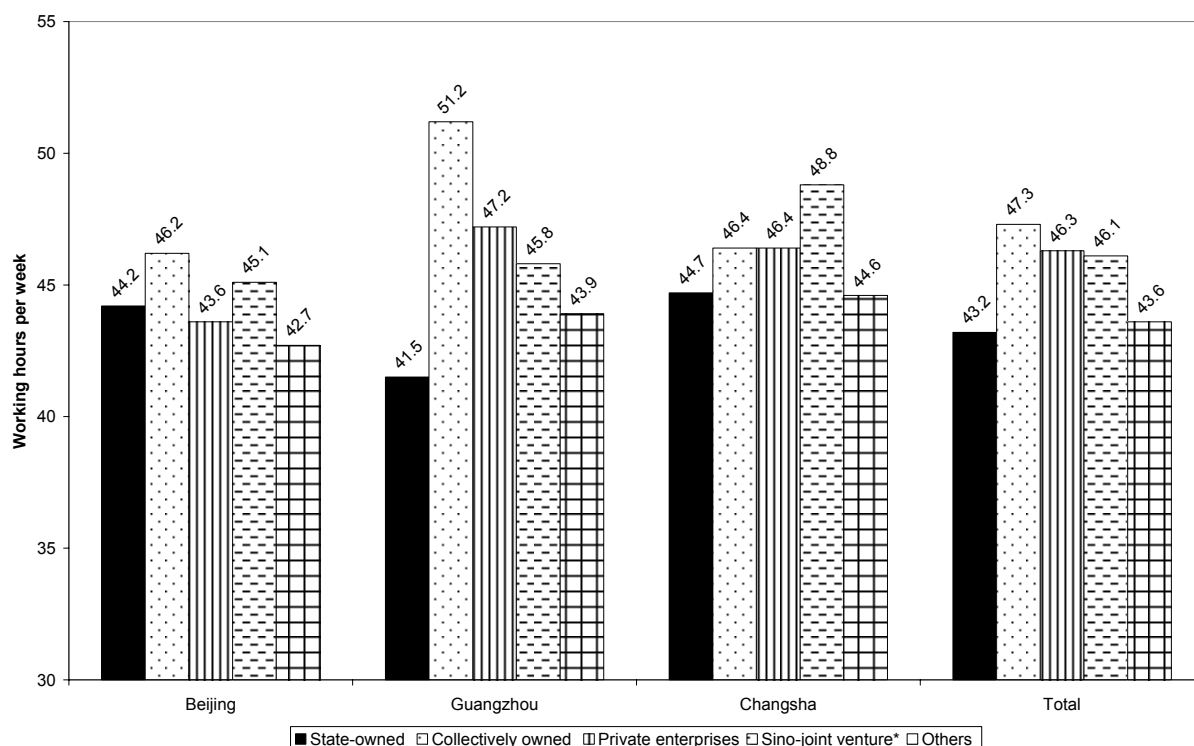
Table 2.6: Weekly working hours by industry

	Beijing	Guangzhou	Changsha	Total
Manufacturing	43.0	46.2	46.9	45.5
Electricity, gas and water production and supply		50.2	46.9	49.4
Construction	50.5	39.8	51.8	47.9
Real estate	41.5	40.4	52.8	44.3
Transport and (tele)communications, and warehousing	41.7	41.1	45.2	41.3
Wholesale and retail, trade and food and beverage	45.3	48.0	49.2	46.5
Finance and insurance	43.1	42.2	51.2	43.3
Scientific research and comprehensive technical service	41.9	44.2	41.6	43.2
Social services	43.3	49.2	42.6	41.6
Education, art and broadcasting, film and television		42.4	42.2	45.6
Others	50.1	40.5		42.3

Figure 2.2 demonstrates how working hours differ among different types of ownership. As the Chinese economy has been encouraging private enterprises, its potential implications for working hours deserve attentions. The overall pattern emerging from the survey is that state ownership is associated with shorter working hours (43.2 hours), although they exceed the principle of a 40-hour workweek. Working hours in private enterprises tend to have longer working hours (except in Beijing), but the highest average is found in the collective ownership. The nature of collective ownership is complex and

hard to discern. In the survey, 62.5 per cent of the collectively-owned enterprises are joint-stock enterprises which were founded by private investments and affiliated to state-owned enterprises and institutions.

Figure 2.2: Weekly working hours by types of ownership



* Sino-joint venture, cooperative business and exclusively foreign-owned enterprises

Overtime hours

As mentioned in Section 1, there has been social concern about the extent of overtime work in China. The widespread use of overtime is in fact confirmed in the survey. Table 2.7 demonstrates that 41.4 per cent of the surveyed employees worked overtime during workdays last week, and 38.1 per cent worked overtime on their days off (the dual-leave days or weekly rest days) last month, and 34.5 per cent worked overtime during legal leave days last year. In this regard, it should be noted that, according to the Labour Law, maximum overtime is one hour per day. If it is assumed that workers are working five days per week, the actual overtime of 7.9 hours per week by an average employee exceeds the legal maximum. Relatively lower incidences of overtime work during weekly rest days and legal public holidays appear to be related to the fact that employers are expected to pay higher overtime premiums during those days.

Table 2.7: The frequency and duration of overtime work

	Beijing		Guangzhou		Changsha		Total	
	(A) %	(B) hours	(A) %	(B) hours	(A) %	(B) hours	(A) %	(B) hours
Overtime during working days	40.9	8.6	41.5	7.1	41.9	8.6	41.4	7.9
Overtime during dual leave days in the last month	36.0	15.4	37.5	13.6	42.9	19.5	38.1	15.7
Overtime during legal public holidays during the last year	31.6	3.8	36.5	4.2	35.4	4.6	34.5	4.7

Note: (A) refers to the percentage of workers who worked overtime hours during the reference period; (B) refers to the average length of overtime hours for those who did overtime work.

Table 2.8: Workers' preferences concerning overtime

		Beijing	Guangzhou	Changsha	Total
Overtime preference	Yes	32.0	40.5	40.4	37.4
	No	43.7	42.9	43.3	43.2
	Indifferent	24.3	16.7	16.3	19.3

Note: Some columns do not add up to 100.0 due to rounding errors.

However, overtime work is not always objected to by workers. In fact, as Table 2.8 shows, the overwhelming majority of workers (80.7 per cent) would like to do, or at least are indifferent to, overtime work that is assigned to them. As discussed earlier, the acceptability of overtime is probably due to the fact that (1) overtime work constitutes an important income source for workers; (2) they appreciate the necessity of overtime work (hence, they do not perceive that overtime is “forced” or “imposed”). For the latter aspect, it is interesting to note that workers believe that the main reason for overtime is “temporary tasks” (53.8 per cent) and “heavy workload” (33.9 per cent) rather than “unreasonable working hour schedule” (4.6 per cent). Concerning overtime payments, however, it should be noted that overtime work is often not properly compensated. As Table 2.8 shows, 51.1 per cent of the employees nationwide who have worked overtime during workdays did not receive their overtime pay, while the figure was 32.3 per cent for those who have worked overtime during legal holidays (44.2 per cent for those who worked overtime on legal holidays). This might imply that employees are more aware of their rights to receive overtime pay when working overtime on legal holidays, while they tend to regard overtime work during workdays as part of regular working hours. Other standards suggest that quite a few enterprises compensate their employees for their overtime work through shift exchange, shift rotation or other self-made standards in order to reduce overtime pay.

Table 2.9: Overtime work and payments (percentage distribution of workers working overtime by types of overtime payment: percentage distribution within each column)

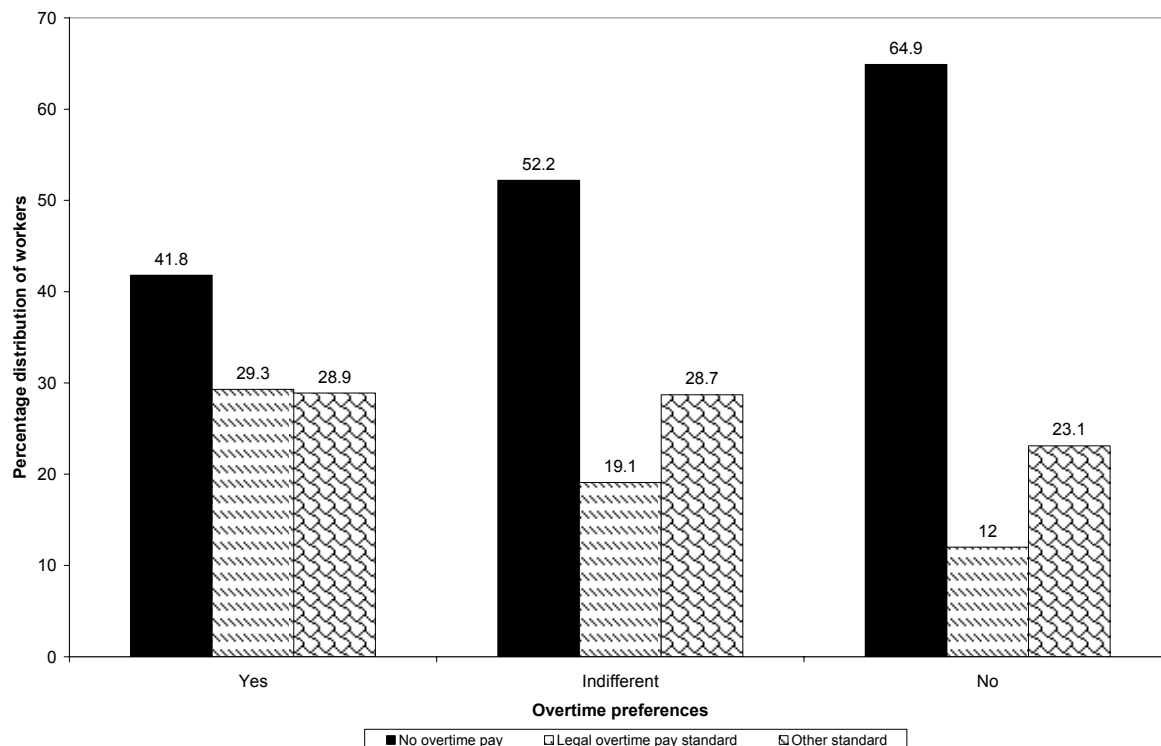
	Overtime during workdays	Overtime during weekly rest days	Overtime during legal holidays
No overtime pay	51.1	46.0	32.2
Legal overtime pay	21.3	24.3	44.2
Other standards	27.6	29.7	23.5
Total	100.0	100.0	100.1

Note: Other standards generally refer to shift exchange or shift rotation, or standards set by enterprises.

Combining overtime payments and workers' preferences concerning overtime, an interesting picture emerges. Figure 2.3 shows the situation of overtime payments by preferences concerning overtime. It is obvious from this figure that workers who prefer overtime are more likely to receive overtime payments. For example, 41.8 per cent of workers who prefer overtime work during normal working days did not receive overtime

payment, but the proportion is much higher at 64.9 per cent among those who do not prefer overtime work. Therefore, it is fair to expect that the appropriate compensation for overtime work will help workers have a more favourable attitude to overtime work (hence, potentially leading to higher labour productivity during overtime hours).

Figure 2.3: Overtime payments and preferences (overtime work during workdays only)



Annual paid leave⁸

While workers are entitled to the maximum of 14 days of paid leave, the survey reveals that the number of days actually taken is far below this maximum. The average days of paid leave was estimated at 7.3 days for men and 7.6 days for women. Variations between different regions in this case are not big, although workers in Changsha on average took slightly shorter paid leave (6.8 days for men and 6.6 days for women). More interestingly, older workers are likely to take longer annual leave, as is demonstrated by the linear correlation between age and paid annual leave (Table 2.10). Young workers take less than seven days for their annual leave, but workers over 56 years of age are enjoying almost the legal maximum length of annual leave. This implies the role of seniority (length of service) in determining annual leave at the enterprise level.

⁸ Since the government stipulates that the maximum number of days for annual paid leave is 14 days, we therefore made some treatment to the answers given by the employees on this question: answers exceeding 14 days are set as a missing value.

Table 2.10: Paid annual leave by age

	Average number of days taken last year for paid annual leave
Under 20	7.5
21-25	6.3
26-30	6.7
31-35	7.4
36-40	9.6
41-45	9.4
46-50	9.4
51-55	11.3
Over 56	13.0

Section 3. Working time arrangements: Farewell to standard working time?

Legal and policy framework concerning working time arrangements: Standardization versus flexibilization

The length of working time has a great impact on enterprise performance and the quality of working life. However, the way in which the given number of working hours is organized at the workplace has at least equal importance for both workers and employers. For example, eight hours of work during the day cannot be the same as night work for the same length of time. Similarly, the extent to which working hours vary by day, week or month is also an important aspect of organizing working time.

In China, the Labour Law and related legal regulations refer to different working time arrangements, such as standard, reduced, irregular and comprehensive working time schemes, and part-time work, as well as unsocial working hours (night and weekend work). *Standard working time* is the core of working time arrangements (eight hours a day and 40 hours per week), which are widely implemented in government offices, public organizations and private enterprises. When other types of arrangement are applied, they should be within the framework of the standard working time arrangements (eight hours a day and 40 hours a week). For instance, when a company introduces a piecework system, the daily workload should be determined by considering how many pieces a worker can accomplish within eight hours. If employees are expected to achieve more than this, they should be considered as working extended hours.

Reduced working time here refers to the situation when employees work less than eight hours a day. It normally applies in cases where the job is considered more dangerous, under harsh conditions, extremely intensive mentally or physically.⁹ The Labour Law does not have specific stipulations on short working time arrangements but, in principle, allows businesses to use short working time arrangements according to the nature of operations; for example, coal mines using four shifts (six hours per shift) so as to secure a 24-hour non-stop operation. This also applies to night workers whose work normally starts at 22:00 and ends at 06:00. Since night work has potentially negative impacts on a worker's health and life outside the workplace, the law stipulates that working time be reduced by one hour. Female employees who are nursing and young employees (16-18 years old) may work for less than eight hours a day.

Irregular working time arrangements refer to unfixed working hours. In some cases, due to the nature and constraints of the work, it is hard to measure the work by the standard eight-hour working day arrangement (for example, senior management, sales people and long-distance transportation of cargo). When an irregular working time arrangement is introduced and the employee needs to work longer than eight hours, the extra hours are not considered as overtime and employees are not entitled to overtime pay, but can take time off *in lieu*.¹⁰

⁹ This does not apply to part-time work which is not related to harsh working conditions.

¹⁰ To avoid confusion, it is noteworthy that irregular working time arrangements mainly emphasize the nature of the job, while comprehensive working time arrangements mainly emphasize the nature of the industry. Therefore, there are some overlaps in practice, such as in transport.

Comprehensive working time arrangements are generally used to calculate working hours for employees who have to work continuously due to the special nature of their jobs, such as those working in transportation, railway, postal and telecommunication services, water transport, aviation, fishery, etc.; or some employees in industries limited by the seasons or natural conditions, such as geological and resource exploration, construction, salt-making, sugar-making and tourism; or other employees that the comprehensive working hours calculation scheme applies to. This scheme also applies to some employees in enterprises with unbalanced production tasks due to the influence of external factors in market competition.

Part-time work¹¹ is a form of employment where payments are calculated by the hour. Workers are considered as part-time workers if they work for the same employer for no more than five hours a day in average and no more than 30 hours a week in total.

In practice, there is a scheme called flexitime, which divides working hours into two parts: one is core working hours, during which all employees are required to be at work; the other is non-core (or “flexible”) working hours, during which employees can choose which hours to work, as long as the contractually required hours are worked for a specific work period. To ensure sufficient working hours, generally the average daily working hours of an employee are no less than the legal standard of eight hours. While such working hours schemes have been reported,¹² it has not been addressed in existing laws and regulations in China.

Working time arrangements in practice: Challenges for standard working time

The survey on working time in China has provided a unique opportunity to investigate how working time is organized and especially the extent to which different working time arrangements mentioned above are introduced at the workplace. As will be discussed in detail, it also gives useful insights on (1) how flexibility of working time is secured; and (2) how workers evaluate their current working time. One of the major sources for working time flexibility is certainly overtime, which is already discussed in the previous section. This section will focus on unsocial working hours (such as night work) and new types of working time arrangements.

Unsocial working hours

Shift work is common in China. The survey revealed that 36.1 per cent of workers were undertaking shift work, and the most common type of shift work was the two-shift scheme. Expectedly, shift work is industry-specific, concentrating on several industries, such as manufacturing, the wholesale and retail sector, and social services. It is also interesting to note that, unlike the manufacturing sector, three-shift systems are common in the wholesale and retail sector (see Table 3.1).

¹¹ No statistical definition of part-time work is established in China.

¹² “Flexitime causes disputes”, in *China Youth Daily*, 10 August 2004; “Open and flexitime work: The Agilent Corporation becomes the best employer in China”, in *Beijing Evening Paper*, 1 August 2003.

Table 3.1: Distribution of shift work by industry (percentage of employees within each column)

	Two shifts	Three shifts	Other shifts	Total
Manufacturing	20.7	44.2	27.5	28.6
Electricity, gas and water production, and supply	2.5	1.9	3.2	2.6
Construction	6.4	2.6	5.0	5.0
Real estate	8.6	10.9	5.9	8.2
Transport and (tele)communication, warehousing, etc.	5.4	11.5	8.1	7.8
Wholesale and retail, trade, and food and beverage	27.9	9.6	15.3	19.3
Finance and insurance	1.8	1.9	3.2	2.3
Scientific research, comprehensive technical service	5.0	0.6	6.3	4.4
Sanitation, sports and social welfare	3.6	3.8	1.8	3.0
Social services	12.5	9.0	16.7	13.1
Education, art, and broadcasting film and television	4.6	0.6	4.1	3.5
Others	1.1	3.2	3.2	2.3
Total	100.0	100.0	100.0	100.0

The incidence of night work is lower than that of shift work. Overall, about 17.5 per cent of the surveyed employees reported performing night work at least once every month. Regional differences are significant, ranging from 12.3 per cent (Beijing) to 22.5 per cent (Changsha), which apparently reflects their different industrial structures. Most of these night workers were doing night work between one and ten times per month, while about 2.7 per cent appears to be on permanent night work (see Table 3.2). It is noteworthy that the extent of night work does not show any considerable gender difference, but the average hours of night work among male night workers are much higher than those for female night workers (47.8 versus 30.6 hours).

Table 3.2: Frequency of night work by gender (per month)

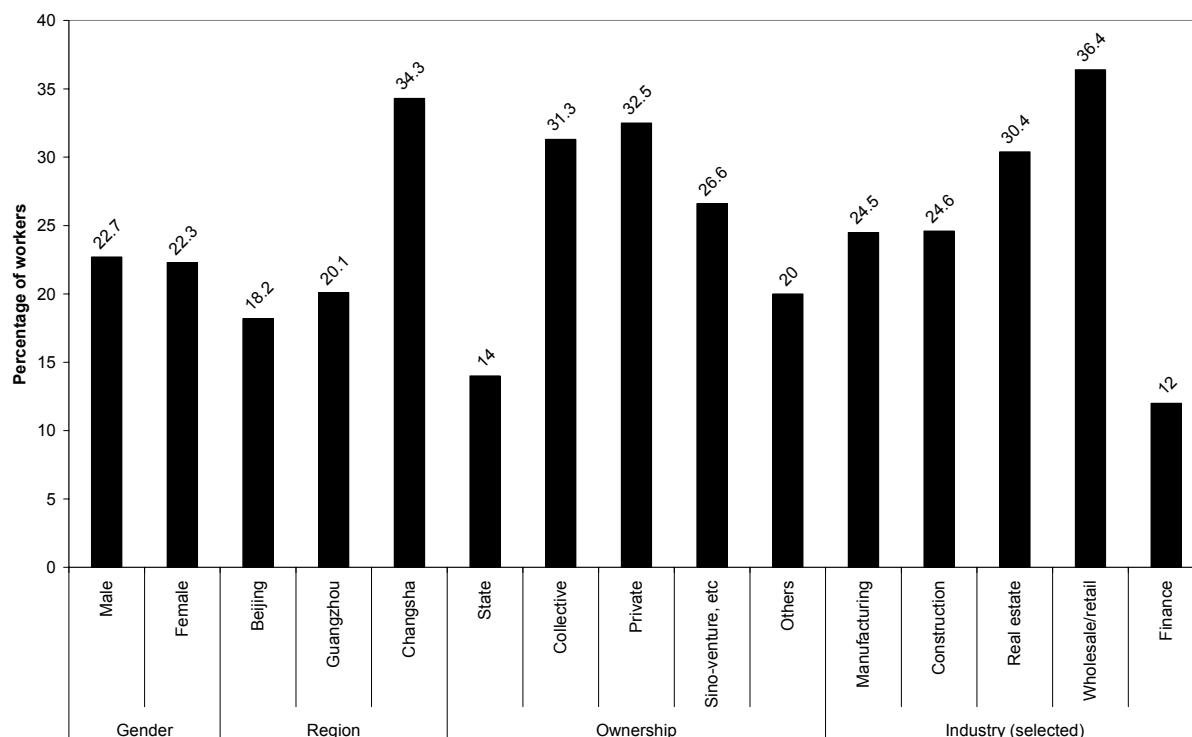
Hours	Male	Female	Total
1-10	88.1	90.0	88.9
11-20	8.0	8.7	8.3
21-30	4.0	1.3	2.7
Total	100.0	100.0	100.0

Table 3.3: Average hours of night work per month (night workers only)

	Beijing	Guangzhou	Changsha	Total
Male	48.7	52.0	40.0	47.8
Female	30.6	31.0	30.0	30.6

Along with the high proportion of shift and night work, weekend work is also common in China. In our survey, 22.5 per cent of respondents reported that they were working during the weekend. As Figure 3.1 demonstrates, the incidence of weekend work varies depending on region, types of enterprise ownership and, not surprisingly, industry. A relatively high incidence of weekend work is found in Changsha, in private enterprises and the wholesale and retail sectors. There is no significant gender difference in weekend work.

Figure 3.1: Weekend work (percentage of workers working during the weekend)



Flexible working time arrangements

In order to discover the different types of working time arrangements under which individual workers are working, the respondents were asked to identify the type of working time arrangement which can best characterize their current situation. The options provided included standard working time, comprehensive working time, irregular working time, flexitime and work at home. In the case of flexitime, it was not included in the survey for Beijing and Changsha, so the survey results are not strictly comparable across three cities.

The survey results are presented in Table 3.4. Although the standard working time is the most common, it should be noted that “non-standard” working time arrangements, such as comprehensive and irregular working time, are considerable. In Changsha, for example, one might argue that the non-standard working time is in fact “standard”, as it accounts for the majority of workers in this region.

When *comprehensive working time* is put into practice, the principle should be that an employee may work for more than eight hours in a specific day, or more than 40 hours in a specific week, but the average daily and weekly working hours during the reference period should not exceed the standard legal working hours. With regard to the reference period, however, the Labour Law does not provide any specific guidance. Under this scheme, overtime is allowed insofar as it does not exceed 36 hours per month. The overtime premium applicable in this case is no less than 150 per cent (but 300 per cent for legal public holidays). In reality, Table 3.4 shows that comprehensive working time is not common in China. The survey results indicate that 12.2 per cent of workers were working under this scheme, but a higher proportion was reported for Changsha (16.7 per cent).

Table 3.4: Types of working time arrangements (percentage distribution of workers in each day)

	Beijing	Guangzhou	Changsha
Standard working time	49.3	59.4	41.8
Comprehensive working time	10.7	11.1	16.7
Irregular working time	33.3	8.8	34.5
Flexitime*	n/a	13.5	n/a
Work at home	4.3	3.6	4.4
Others	2.4	3.6	2.6
Total	100.0	100.0	100.0

* Flexitime was not included in the survey questionnaire in Beijing and Changsha. Therefore, figures are not strictly comparable across cities.

With regard to *irregular working time*, more than 30 per cent of workers reported this arrangement in Beijing and Changsha. However, it is not easy to know exactly what kinds of working time patterns it covers. For example, when these figures are compared with a relatively low average in Guangzhou, workers with flexitime appear to have categorized their working time pattern as “irregular” in the other two cities. Therefore, some workers with irregular working time are granted discretion over their working hours so as to better coordinate their work and family lives. At the same time, there must be some other workers who suffer under this scheme, as the irregularity of working time is often imposed by employers without proper considerations to individual workers. For example, some enterprises arbitrarily extend employees’ working hours to reduce the payment of overtime wages, as is demonstrated by the following news report:

A milk delivery worker filed a complaint with the Municipal Employee Interest Protection Center, claiming that his employer arbitrarily extended his working hours from 12 to 14 hours a day in the name of adopting an irregular working time scheme. He has been working in this company for a whole month without taking one day off, yet he has never received any overtime pay. Similar situations are reported to be taking place from time to time, and it gets even worse in some labour-intensive enterprises such as clothing and textile.

(*Ningbo Daily*, 1 March 2004)

The survey reveals that flexitime is not rare in China, although the result is confined to only one city, Guangzhou (13.5 per cent). This may reflect the fact that serious consequences brought by socio-economic development and urbanization (traffic congestion, for instance) have prompted people to pay more and more attention to such schemes as a way of better coordinating employees’ work and family lives while raising management efficiency. The city of Beijing is planning to try out this scheme among its commercial department employees to avoid peak traffic hours (*Economic Information Daily*, 1 March 2004, Jingbo Yu). As mentioned earlier, it is plausible that similar proportions of workers may have flexitime in Beijing and Guangzhou. Nevertheless, certain practical difficulties prevent flexitime schemes from spreading around China. Managers of most domestic enterprises still do not place their employees as a priority. The fact that supply exceeds demand in the labour market leads enterprises to feel that it is not necessary to ‘cater to’ employee needs. In addition, domestic enterprises are still dominated by traditional manufacturing industries which often have technical difficulties in introducing flexitime schemes (for instance, to operators working on production and assembly lines). Flexitime schemes do not apply to traditional institutions either, such as government offices, where an employee’s work is closely related to people inside and out of the institution.

Part-time work

Currently the main form of part-time work is hourly employment. Due to the lack of a statistical definition of part-time work in China, it is hard to provide a statistical portrait concerning nationwide or regional part-time work. We have already seen in Section 2 that,

when the legal definition of part-time work is applied, its proportion is still rare, at least in the urban formal sector which concerns our survey. Nonetheless, it is important to note that the government has turned its attention to developing flexible forms of employment, including part-time work, in the context of the increasing number of unemployment (economic restructuring) and the increasing number of farmers seeking employment in the cities. The tenth five-year plan for economic and social development (2001), the report of the 16th conference of the Chinese Communist Party (2002) and the minutes of the meeting of the Working Session on Re-employment all indicated that the government would encourage businesses to increase the number of people employed through flexible forms of work. Preferential tax and loan policies are developed to encourage this.

In 2001, Shanghai became the first city in China which issued the Hourly Employment Administration Measures. On 30 May 2003, based on the resolution of the State Council, the Ministry of Labour and Social Security issued its "Opinions on Certain Issues about Part-time Employment", which provided the definition of part-time work, wage standards, form of contracts and insurances: part time means hourly based work, which should less than five hours a day and less than 30 hours a week; part-time workers can have employment relations with more than one employer. Contracts shorter than one month can be made by oral agreement; hourly wages paid to part-time workers should not be lower than the minimum wage requirements.

Since then, other cities followed by issuing their own regulations and measures on part-time employment. According to recent estimates, 60 to 70 million people are engaged in flexible employment in the urban area, many of them in part-time employment. The number of part-time employees is increasing in catering, supermarkets and community services in particular (Weigang Jin, 2003).

An investigation of the hourly employment labour market in Beijing (Tsuitensyouko, 1998) demonstrates that, in general, there are two types of hourly employment in Beijing: one offers services for families, including tutoring and shopping assistance, as well as general housekeeping services; and the other offers services for organizations, including various attendants, sales and promotions, and translations. Most of the hourly employees work in housekeeping services, which may be related to the high female employment rate in China, especially in big cities, where children are left unattended when both parents work. The hourly employment market tends to fluctuate a great deal. For example, the demand for housekeeping services almost doubles around the Chinese New Year.

Unlike industrialized countries, there is not much gender difference in part-time work in China. According to the afore-mentioned report, 53.9 per cent of the hourly employees in Beijing were male, while 46.1 per cent were female. Compared to Europe and the United States, the hourly employment market in Beijing does not have the tendency to be dominated by women. In addition, most of the hourly employees in the labour market are not local residents. Their educational backgrounds and salaries are similar to those for migrant workers.

However, there is an indication that laid-off workers have taken the place of non-residents to become the major force in the hourly employment market. When asked whether they were willing to continue their work as hourly employees, 75.5 per cent said yes and 24.5 per cent said no. The reasons for saying yes (multiple choices) were "satisfied with the working hours of hourly employees" (56.0 per cent), "suitable job content" (25.3 per cent), "couldn't find another job" (18.7 per cent), and "satisfied with the salaries of hourly employees" (14.7 per cent). By contrast, the reasons for negative responses (multiple choices) were "feeling the work is unstable" (64.0 per cent), "not satisfied with the salaries of hourly employees" (60.0 per cent), and "looking for a formal job" (44.0 per cent). In order to find out what the laid-off workers thought about part-time jobs (including hourly jobs), they were asked their views on the statement that "there is no difference

whether one works a part-time (for instance, hourly job) or a full-time job, so long as one can make money”: 44.9 per cent of respondents completely agreed with this statement and 33.9 per cent basically agreed, while 13.6 per cent basically disagreed or completely disagreed. This result indicates that most laid-off workers do not think there is any difference between part-time and full-time jobs, so long as they can make money.

Workers’ evaluations

The discussions so far show that working time is increasingly diversified and complicated in China. In a sense, the standardization of working time, as reflected in the Labour Law, is accompanied by the increasing need for flexibilization. However, the simultaneous presence of these two seemingly conflicting trends cannot be seen as contradictory because, in China, both of them need to be addressed at the same time in the transition to a market economy.

The need for changes in working time can also be gauged from the perspective of individual workers. It is needless to say that a successful working time policy requires the proper consideration of workers’ needs and views as well as enterprise efficiency. In this regard, the survey provides useful insights on this. First, the survey asked workers about their views on the effects of current working time on several important aspects of working life and work efficiency. The responses were largely mixed, as is shown in Table 3.5. Relatively similar proportions of positive responses (ranging from 22.7 per cent to 34.5 per cent) are reported for both the bright and dark sides of working time, which means that workers have complicated views about their working time. For example, among those workers who believed their working time contributed to “improving the mood”, only 31 per cent agreed that it also made their life “more convenient” and 33 per cent even said that it lead to a lack of motivation. In addition, 42 per cent of those workers reported that current working time contributed to improving work efficiency, while another 25 per cent had a completely different view (“reducing work efficiency”).

Table 3.5: Workers’ views concerning the effects of current working time (multiple choice)

Do you believe your current working time leads to the following? (percentage of positive responses)

<i>Improving the mood</i>	<i>Improving work efficiency</i>	<i>Making life more convenient</i>	<i>Preventing delay and absence</i>	<i>Lack of motivation</i>	<i>Causing frequent overtime</i>	<i>Reducing work efficiency</i>
22.7	34.5	30.1	32.0	28.8	29.2	26.2

However, when it comes to the balance between work and family/social life, a consistent picture emerges. When asked about the compatibility between working time and family/social life, workers are split between positive (53.3 per cent) and negative (42.0 per cent) responses. The proportion of workers who said “very well” or “not at all” is very low (see Table 3.6). More interesting is that workers’ responses vary depending on their current working hours. For example, the overwhelming majority of workers (63.4 per cent) who were working 40 hours per week believed that their working time was largely compatible with family/social life, but the proportion was less than 30 per cent for workers working more than 60 hours (27.6 per cent). A similar observation can be made for weekend work. As Table 3.6 demonstrates, working on the weekend increases the likelihood of work-life imbalance. Around 40 per cent of weekend workers reported that their working time is compatible with family/social life, while a much higher proportion (57 per cent) was reported for non-weekend workers.

Obviously, shorter working hours can contribute to improving work-life balance. This finding needs to be compared to the fact that, as discussed in the previous section, Chinese workers tend to have positive attitudes towards overtime work. This means that, although their working time is not desirable from the perspective of work-life balance, the presence

of strong income constraints reduces the importance of this factor in determining working time.

Table 3.6: Compatibility of working time and family/social life by working hours (percentage of distribution within each column)

Do you believe that your current working time is compatible with your family/social life?						
	<i>Very well</i>	<i>Fairly well</i>	<i>Not very well</i>	<i>Not at all</i>	<i>Don't know</i>	<i>Total</i>
<i>Weekly hours</i>						
Less than 40	17.6	49.0	25.6	3.6	4.1	100.0
40	15.8	47.6	28.3	1.8	6.5	100.0
41-50	8.0	40.8	41.9	5.2	4.0	100.0
51-59	7.3	29.1	51.8	7.7	4.1	100.0
60 and over	6.9	20.7	51.0	16.6	4.8	100.0
<i>Weekend work</i>						
Yes	8.8	31.1	45.0	10.7	4.3	100.0
No	13.3	43.6	34.5	4.1	4.6	100.0
Total	12.1	41.2	36.7	5.3	4.7	100.0

Finally, workers in China appear to show a growing interest in flexible working time arrangements. When workers were asked about their preference concerning fixed working time compared to flexible working time, the majority of workers (63.5 per cent) chose the latter. As Table 3.7 shows, a strong preference for flexible working time is the case, irrespective of workers' current working time arrangements. It is particularly interesting to see that 61.0 per cent of workers under standard working time arrangements preferred flexible working time, while the overwhelming majority of workers with flexitime schemes would continue to have working time flexibility.

Table 3.7: Workers' preferences concerning fixed versus flexible working time arrangements (percentage of distribution within each row)

	Fixed	Flexible	Total
<i>Current working time patterns</i>			
Standard working time	39.0	61.0	100.0
Comprehensive working time	38.5	61.5	100.0
Irregular working time	35.9	64.1	100.0
Flexitime	22.4	77.5	100.0
Work at home	26.7	73.3	100.0
<i>Compatibility between working time and family/social life</i>			
Very well	53.1	46.9	100.0
Fairly well	42.0	58.0	100.0
Not very well	33.8	66.2	100.0
Not at all	35.7	64.3	100.0
All workers	36.5	63.5	100.0

It should be remembered that workers' preferences on flexible working time are often difficult to explain partly due to their "subjective" nature. In addition, flexible working time may have different meanings and implications for individual workers, and the limited nature of our survey does not allow any tentative answer on this issue. However, the survey results signal an important message that workers in China would like secure working-time flexibility in improving their working life. For example, when workers' preferences are matched with their evaluation about the compatibility of working time and family/social life, the majority of workers (53.1 per cent) who believed their working time was very compatible with their non-working life would like to have fixed working time. The preference on fixed working time was, however, much weaker among those whose working time was not compatible with their non-working life (33.8 per cent for "not very well" and 35.7 per cent for "not at all").

Section 4. Conclusions and prospects

Based on the human resource manager and employee surveys, this paper has provided one of the few systematic analyses of working time in China. It is revealed that the dual trends of standardization and flexibilization have been unfolding, reflecting the unique process of economic transition to a market economy. Laws and regulations have been adopted to standardize working time through limiting daily and weekly hours, although the co-existence of two working hour standards (44 and 40 hours) appears to have caused confusion at the workplace. While these standard hours are widely worked, in practice a considerable proportion of workers work either short (less than 40 hours) or long hours (more than 50 hours). Yet, due to the lack of reliable time-series data on working time, it is not clear whether this indicates the diversification of working hours in China. At the same time, the laws and regulations encourage the introduction of greater flexibility in the organization of working time. Different types of working time arrangements are already introduced in enterprises, and the surveys show that, in some cases, standard working time is no longer “standard”. In addition, one important finding in this report is that Chinese workers are interested in flexible working time patterns, although the reasons for such attitudes or preferences need to be further analysed. Therefore, it is crucial to monitor the dynamics of standardization and flexibilization and their impacts on actual working time patterns.

Long working hours in China deserve special attention. Certainly, a key cause for long working hours is frequent and long overtime, and the surveys confirm that overtime work is widely undertaken. It is also important to note that overtime work is often not properly compensated. This phenomenon should be evaluated against the fact that most workers do not object to overtime work and that such acceptance is notably high among workers who are properly compensated for their overtime work. This indicates the presence of a strong income incentive among workers and the need for ensuring proper compensation for overtime work (which is stipulated in the laws and regulations).

With regard to working time research, in-depth studies on working time are currently scarce in China, due to the lack of comprehensive official data. Enterprise-level studies are also difficult, given the lack of working time records at the workplace and employers’ unwillingness to participate in surveys, especially in private enterprises. Although a preliminary description of employees’ evaluation of existing working hours schemes is provided in this paper, the subject of the relationship between working hours arrangements and the lives, job security and satisfaction of workers is still a brand-new field that requires further in-depth studies.

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Annex

Descriptive statistics: The employee survey (2003-2004)

Variables		Frequency	Percentage
Industry	Manufacturing industry	406	22.3
	Electricity, gas and water production, and supply industry	38	2.1
	Building industry	130	7.1
	Real estate	169	9.3
	Transport and communication, warehousing	199	10.9
	Wholesale and retail trade and food and beverage	206	11.3
	Finance and insurance sector	91	5.0
	Scientific research and comprehensive technical service sector	172	9.4
	Sanitation, sports and social welfare sector	45	2.5
	Social services sector	223	12.2
	Education, art and broadcasting, film and television sector	98	5.4
	Others	47	2.6
	Total	1,824	100.0
	Ownership	State-owned enterprises	667
Collectively owned enterprises		57	3.1
Private enterprises		526	29.0
Sino-joint venture, cooperative business and exclusively foreign-owned enterprises		241	13.3
Others		320	17.7
Total		1,811	100.0
Missing		13	
Gender	Male	911	50.1
	Female	907	49.9
	Total	1,818	100.0
	Missing	6	
Age	20 and under	28	1.6
	21-25	560	32.0
	26-30	484	27.7
	31-35	287	16.4
	36-40	158	9.0
	41-45	108	6.2
	46-50	77	4.4
	51-55	35	2.0
	56 and over	12	0.7
	Total	1,749	100.0
	Missing	75	

Variables		Frequency	Percentage
Educational level	Junior high school education and below	60	3.3
	Secondary technical school, senior high school and vocational senior middle school education	338	18.6
	Junior college education	623	34.3
	Regular college education	691	38.1
	MA degree and above	103	5.7
	Total	1,815	100.0
	Missing	9	
Marital status	Unmarried	868	47.6
	Married	928	50.9
	Divorced or widowed	26	1.4
	Total	1,822	100.0
	Missing	2	
Occupations	Other category	389	23.0
	Financial personnel	184	10.9
	Purchasing and sales personnel	155	9.2
	Office clerk	357	21.1
	Human resources personnel	131	7.7
	Manufacturing personnel	132	7.8
	Specialized technical personnel	344	20.3
	Total	1,692	100.0
Missing	132		
Employment status	Fixed-term contract employee	1,224	69.1
	Non-fixed-term contract employee	57	3.2
	Practice contract employee	30	1.7
	Probation contract employee	51	2.9
	Others	104	5.9
	Temporary contract employee	306	17.3
	Total	1,772	100.0
	Missing	52	
Hokou (household registration)	Local urban household registration	1,188	66.6
	Non-local urban household registration	434	24.3
	Rural household registration	162	9.1
	Total	1,784	100.0
	Missing	40	

Variables		Frequency	Percentage
Number of working days per week	1	8	0.5
	1.5	1	0.1
	2	15	0.9
	3.5	3	0.2
	4	6	0.3
	5	1,289	74.7
	5.4	1	0.1
	5.5	86	5.0
	6	250	14.5
	6.5	3	0.2
	6.7	1	0.1
	6.8	1	0.1
	7	62	3.6
	Total	1,726	100.0
Missing	98		
Actual working hours per week	Less than 40 hours	421	24.5
	40 hours	407	23.7
	41-50 hours	516	30.0
	51-60 hours	225	13.1
	Over 60 hours	149	8.7
	Total	1,718	100.0
	Missing	106	
Overtime payment (normal working days)	No overtime pay	796	51.1
	Daily salary standard	199	12.8
	Legal overtime pay standard	332	21.3
	More than legal stand	6	0.4
	Other standard	224	14.4
	Total	1,557	100.0
	Missing	267	
Overtime payment (weekly rest days)	No overtime pay	700	46.0
	Daily salary standard	193	12.7
	Legal overtime pay standard	370	24.3
	More than legal standard	8	0.5
	Other standard	252	16.5
	Total	1,523	100.0
	Missing	301	

Variables		Frequency	Percentage
Overtime payment (legal public holidays)	No overtime pay	484	32.3
	Daily salary standard	104	6.9
	Legal overtime pay standard	663	44.2
	More than legal standard	24	1.6
	Other standard	225	15.0
	Total	1,500	100.0
	Missing	324	
Preferences on overtime work	Yes	647	37.4
	Indifferent	747	43.2
	No	333	19.3
	Total	1,728	100.0
	Missing	96	
Number of days taken of annual leave	0.5	1	0.1
	1	14	2.0
	2	28	4.0
	3	62	8.8
	3.5	1	0.1
	4	20	2.8
	4.5	1	0.1
	5	134	19.1
	6	19	2.7
	6.5	2	0.3
	7	127	18.1
	8	20	2.8
	9	8	1.1
	10	170	24.2
	11	5	0.7
	12	22	3.1
	13	5	0.7
	14	63	9.0
	Total	702	100.0
	Missing	722	
Total	1,122		
Shift work	Two-shift work	280	42.6
	Three-shift work	156	23.7
	Other	222	33.7
	Total	658	100.0
	Missing	1,166	

Variables		Frequency	Percentage
Frequency of night work per month (days)	1-10	292	89.0
	11-20	27	8.2
	21-30	9	2.7
	Total	328	100.0
	Missing	1,496	
Weekend work	Yes	379	22.5
	No	1,303	77.5
	Total	1,682	100.0
	Missing	142	
Working time arrangements	Standard working time schemes	777	52.0
	Flexitime	87	5.8
	Comprehensive working time schemes	183	12.2
	Irregular working time schemes	344	23.0
	Work at home	60	4.0
	Other	44	2.9
	Total	1,495	100.0
	Missing	329	
Preferences on working time arrangements	Prefer fixed working time arrangements	700	39.2
	Prefer flexible working time arrangements	1,087	60.8
	Total	1,787	100.0
	Missing	37	
Evaluation of working time	Improving the mood	1,412	77.4
	Improving working efficiency	1,197	65.6
	Making life more convenient	1,275	69.9
	Preventing delay and absence	1,241	68.0
	Lack of motivation	1,300	71.3
	Causing frequent overtime	1,292	70.8
	Reducing working efficiency	1,348	73.9
Compatibility between working time and family and social life	Very good	213	12.0
	Fairly good	721	40.6
	Not very good	656	37.0
	Not good at all	100	5.6
	Don't know	85	4.8
	Total	1,775	100.0
	Missing	49	
Regions	Beijing	634	34.8
	Guangzhou	794	43.5
	Changsha	396	21.7
	Total	1,824	100.0