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Speeches/Documents

**Title:** Provisional rules of procedure for settling labour disputes

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**Description:.** Drafted and made public by the All-China Federation of Labour for the consideration of its affiliated trade union organisations which will undertake to make recommendations to the local people's governments for framing detailed procedures in accordance with local circumstances.

#### Article 1

These Rules are drawn up for the purpose of precisely defining the procedure for settling labour disputes in order to carry out the policy of developing production and bringing about a prosperous economy by taking into account both public and private interests, and by benefiting both labour and capital.

#### Article 2.

All labour disputes in publicly-owned or privately- owned enterprises, or in enterprises operated by cooperatives shall be dealt with according to the procedure laid down in these Rules.

#### Article 3.

The scope of the labour disputes referred to in these Rules is as follows:

a.

concerning labour conditions of the workers and staff members (wages, working hours, living conditions, etc.);

b.

concerning the engagement, discharge, commendation or discipline of the workers and staff members;

c.

concerning labour insurance;

d.

concerning working rules in the enterprise;

e.

concerning collective agreements, labour contracts, and other matters concerning labour disputes.

#### Article 4.

The Labour Bureaux of the people's governments shall be the organs for mediation and arbitration in all labour disputes.

#### Article 5.

In cases where disputes arise or where one party considers that the other party has violated collective agreements, or labour contracts or has been guilty of other unreasonable acts which cannot be settled by mutual consultation, the workers and staff members in enterprises and their trade unions, the managements of publicly-operated enterprises, owners of privately- operated enterprises and their guilds, shall have the right to appeal to the Labour Bureaux in accordance with these Rules.

#### Article 6.

The first step in the procedure for settling labour disputes shall be consultation between the two parties; the second step shall be mediation by the Labour Bureau and the third step shall be arbitration by the arbitration committee established by the Labour Bureau.

##### a.

Labour disputes in publicly-operated enterprises or enterprises operated by cooperatives, in cases where no settlement can be reached by consultation in the enterprises, shall be dealt with by consultation between the trade unions and managements at a higher level. If this fails to produce agreement, the disputes shall be submitted to the Labour Bureaux of the people's governments at the corresponding level for mediation or arbitration.

##### b.

(b) Labour disputes in privately-operated enterprises shall first be dealt with by consultation between the trade unions and the employers in the enterprises. In cases where no settlement can be reached the disputes shall be settled by consultation between representatives from the trade unions and employers' guilds at a higher level.

If this fails to produce agreement, the disputes may be submitted to the Labour Bureaux for mediation or arbitration.

#### Article 7.

When agreement in a labour dispute in any enterprise is reached, it shall be signed by the representatives of both parties, and submitted to the local Labour Bureau for registration.

#### Article 8.

When a labour dispute in any enterprise is referred to the Labour Bureau for settlement, it is necessary to fill in an application form. The Bureau may set up an investigation and mediation committee to undertake investigation and mediation. Should such mediation succeed, the agreement reached shall be signed by the representatives of both parties for registration. Should such mediation fail, the Labour Bureau shall set up an arbitration committee to arbitrate. The award rendered by the arbitration committee shall be signed by the representative of the Labour Bureau who presides over the committee, and after the award is approved by the Director of the Labour Bureau it shall be notified to both parties to the dispute which must carry it out.

#### Article 9.

Both parties shall abide by and shall not violate any agreement reached in the course of consultation, mediation or arbitration. In case of violation by one party, the other party may appeal directly to the Labour Bureau.

#### Article 10.

If one party to a labour dispute in a publicly- operated or privately-operated enterprise or in an enterprise operated by cooperatives, disagrees with the award rendered by the Labour Bureau, it must inform the Labour Bureau thereof within five days after the award has been rendered and must lodge an appeal with the People's Court for a verdict. Failing this, the award of the arbitration committee shall have legal effect.

#### Article 11.

After a dispute has broken out, both parties, during the period of consultation, mediation or arbitration, shall maintain the status quo in production. The management should not resort to a lockout, suspend payment of wages, cease providing meals or take any other measures which lower the workers' living conditions. Labour shall also maintain production and observe labour discipline. After arbitration by the Labour Bureau, even if one party disagrees and calls for settlement by the court, the two parties shall nevertheless abide by the arbitration award pending the verdict of the court.

#### Article 12.

In handling any dispute, the Labour Bureau shall have the right to summon both parties and their representative organisations to a hearing. The parties to the dispute, after having received the summons of the Labour Bureau, shall appear at the place designated and at the time appointed for the hearing without fail. If one party is unable to appear they may appoint a proxy who shall be permitted to attend only after approval has been obtained from the Labour Bureau.

#### Article 13.

In the event that either of the two parties is found to be committing illegal acts during the period of mediation or arbitration, the Labour Bureau may bring the party concerned before the People's Court for trial.

#### Article 14.

These Rules shall come into force from the date of their promulgation. The right of interpretation and amendment shall be vested in the People's Government.