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Evaluation of the NHO Programme in China

by

Anne Inga Hilsen & Benedicte Brøgger

Arbeidsforskningsinstituttet/Work Research Institute
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Work Research Institute
P.O.Box 6954 St. Olavs plass
NO-0130 OSLO

Telefon: +47 23 36 92 00
Telefax: +47 22 56 89 18
E-post: afi@afi-wri.no
Webadresse: afi-wri.no

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PREFACE

The purpose of the evaluation is to gather knowledge that can give directions to further development of the programme. Evaluator is the Work Research Institute in Oslo, Norway, represented by researcher Anne Inga Hilsen and senior researcher Benedicte Brøgger.

We are very grateful to everybody who assisted us during the evaluation, both in China and in Norway. We would like to especially thank Mr. Xu Boawen of All China Federation of Industry and Commerce (ACFIC) and Mr. Zhu Gang of China Enterprise Confederation (CEC) for practical assistance in the evaluation. We are also very grateful to Mr. Jon Vea of NHO and Program director, Mr. Bjørn Willadssen for help and support in the evaluation and for making extensive documentation of the Programme available to us.

As a motto for the evaluation we have selected the Chinese proverb:

“You do not see the real beauty of the Lushan Mountain, because you are in the Lushan Mountain.”

May we be able to demonstrate the value of the NHO Programme with respect for the work that has gone into it over the years, as well as in a way that helps the further work of the Programme.

Oslo, June 24th 2005



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SUMMARY

This report is an evaluation of the NHO Programme in China. The objectives of the NHO Programme is to support the further development of democratic institutions within Chinese working life, through development of organisations and businesses within a developing tripartite system.

The Programme was initiated in 1986, and re-established on a new platform in 1993. Originally the focus had been on management training. With establishment of the Human Rights Dialogue between Norway and China in 1993, the NHO Programme was given a new direction and focus on development of democratic institutions within Chinese working life. In 1996 the Programme was expanded to include both major Chinese employers association: China Enterprise Confederation (CEC) and All China Federation of Industry and Commerce (ACFIC). From 2003 both form and content was somewhat changed. The Programme is organised in two parallel processes in China, one NHO-CEC and one NHO-ACFIC. As today's organisation of the Programme seems to work very well and meet Chinese needs, we see no reason to suggest changes made in this area.

The purpose of the evaluation is to gather knowledge that can give directions to further development of the NHO Programme. Evaluator is the Work Research Institute in Oslo, Norway. The evaluation uses Logical Framework Analysis (LFA). The means of verification of the objectives of the NHO Programme is through gathering of information from available documentation of the Programme, two one-day workshops in Beijing March-April 2005, interviews with representatives of the involved organizations (CEC & ACFIC) as well as with some participants in the Management Training Program (MTP). We also conducted a survey among all participants to the MTP 2002-2004 representing both CEC and ACFIC.

The purpose of the Programme is to support development of organisations and businesses within a developing tripartite system. The participants demonstrate good knowledge about tripartism. The NHO Programme's strategy of sharing practical knowledge and experiences of how tripartism functions in Norway, seems to be the logical and respectful way to let the Chinese decide what the elements and practices of tripartism might mean in China and how they might bring them about.

Information about the Programme seems to be an area that could successfully be expanded, particularly towards Norwegian work life and enterprises.

Compared to before 2003, the **Management Training Programs** (MTPs) are now shorter, and targeted at cooperation. In the period 2003-2005, there were 3 MTP for each of the two employers associations (3 for CEC and 3 for ACFIC), covering a total of approximately 90 participants. As the managers participating in MTPs live and work locally, through them the Programme can have an impact at the shop-floor level all over China. Recruitment of managers in China seems to have a far greater potential than the Programme can realize

today. Recruitment of enterprises in Norway might become more critical if activities expand. Systematic cooperation with networks of enterprises or other organisations in Norway may alleviate the pressure on the administrative resources in the Programme and facilitate expansions.

In the period 2003-2005 **thematic seminars** have covered approximately 700 participants in 17 provinces. The themes covered in the Programme, both in the seminars and the Management Training Programs (MTP), are in line with the actual situation in China.

Based on material from interviews, workshops and the survey, we can conclude that the themes covered in the Programme are seen as relevant and the Programme, as such, is seen as responsive to Chinese needs.

1.1 Introduction

This report is an evaluation of the NHO Programme in China. The objectives of the NHO Programme is to support the further development of democratic institutions within Chinese working life, through development of organisations and businesses within a developing tripartite system. The Programme is expected to produce strengthened democratic dialogue within and between participating institutions. The activities that are expected to produce these outcomes are: thematic seminars, Management Training Programs, and reporting/publishing.

The Programme was initiated in 1986, and re-established on a new platform in 1993. Originally the focus had been on management training. With establishment of the Human Rights Dialogue between Norway and China in 1993, the NHO Programme was given a new direction and focus on development of democratic institutions within Chinese working life. Labour relations and Corporate Social Responsibility (CSR) is a theme in the Human Rights Dialogue, and the NHO Programme supports this through practical cooperation between NHO and the Chinese employers association.

In 1996 the Programme was expanded to include both major Chinese employers association: China Enterprise Confederation (CEC) and All China Federation of Industry and Commerce (ACFIC). From 2003 both form and content was somewhat changed. All through the Programme there have been annual reports, summarizing activities and results, there has been participant-evaluations as part of the separate activities, and there has been extensive documentation of the Programme.

When China was accepted to WTO November 2001, they agreed to a 10 years Transitional Review Mechanism that allows other member-countries to raise issues that are felt to be lacking. Market access is coupled with an obligation to deliver when it comes to labour relations, environment, health and safety, etc. China has to demonstrate a system based on rule *of* law, as opposed to rule *by* law, and as part of this process it is very important to discuss and agree on responsibilities and roles between the social partners. The NHO Programme supports this development.

The Programme also serves to enhance the business-to-business relation between Norway and China. Today China is the 5th most important exporter to Norway. 200 Norwegian companies have production in subsidiaries in China. At least 2000 companies are importing from Chinese producers, or have outsourced part of their production to China. This makes co-operation between Norway and China important for both countries.

The purpose of the evaluation is to gather knowledge that can give directions to further development of the NHO Programme. Evaluator is the Work Research Institute in Oslo, Norway.

The evaluation uses Logical Framework Analysis (LFA). Logical Framework Analysis is a tool for planning, managing and evaluating development projects by setting out the key components of the project in a table (*log frame*). First we set out the objectives of the Programme in a log frame. For each level of objectives we have defined measurable indicators and means of verification. The means of verification are gathering of information through available documentation of the Programme, two one-day workshops in Beijing March-April 2005, interviews with representatives of the involved organizations (CEC & ACFIC) as well as with some participants in the Management Training Program (MTP). We also conducted a survey among all participants to the MTP 2002-2004 representing both CEC and ACFIC.

The report is organised in the following way:

Chapter 1 sets out the context of the NHO Programme, with particular attention to tripartism in Norway and China, and presents the Chinese employers' associations involved in the Programme. Chapter 2 gives the framework for the evaluation and presents the method used. Chapter 3 is an analysis of the Programme, organised around goal, purpose, outputs and activities. The main conclusions from the evaluation are presented in chapter 4, also here organized around goals, purpose and outputs/activities in the Programme. In addition we also present some suggestions for further development of the Programme in chapter 4.

1.2 Tripartism

The term 'tripartism' refers to the collaboration between government, employers' and workers' organisations to jointly work out solutions on labour, or labour-related issues. Tripartism is central in the work of the International Labour Organisation (ILO), the organisation that first took initiative to the Programme in 1986.

The basic philosophy and objectives of the ILO are based on the goals of industrial democracy and social justice for all the parties concerned. This can be summed up by ILO's concept of "decent work", which can be secured through: centrality of employment in national policy, guarantee of workers' basic rights, a floor for social protection, and promotion of social dialogue (ILO. 2005). These are affirmed through a number of ILO Conventions. Each convention has to be ratified by the member states, and the legislative and institutional apparatus has, if necessary, to be developed accordingly. Due to national requirements in a context of history, culture and tradition, there has developed a variety of national tripartite mechanisms serving various purposes (Swensen, 1994, xiii).

Tripartism provides a conceptual and institutional framework for the NHO Programme, and development of this in China was an explicit goal from the start of the Programme. Furthermore, the interviews conducted in China as part of the evaluation uncovered that the Programme's contribution to institution building in China in the areas of labour relations and democratic or social dialogue, were regarded as important dimensions of the Programme.

Tripartism, as a concept and a practice, generally and in relation to China specifically, is too broad and complex an issue to be given full justice in this short report. However, some glimpses at important issues will be given below in order to provide a better understanding of the context of the Programme.

1.3 Industrial relations and tripartism in Norway

The NHO Programme builds on an approach to industrial relations and tripartism that has been developed in Norway since the 1960s. This approach and the Norwegian experiences constitute both an important backdrop for the Programme, as well as the reason why China chose to cooperate with Norway in the Programme at the beginning in 1986. Therefore, it seems to be necessary to present this approach as background information, in order to facilitate understanding of what the NHO Programme is trying to achieve.

Industrial relations in Norway, and tripartism as an essential part, have developed in Norway since the Industrial Democracy (ID) Programme during the 1960s and 70s (Emery & Thorsrud 1976; Gustavsen and Engelstad 1995). The efforts of the ID Programme demonstrated the critical importance of dialogue and broad participation as the means of generating local solutions (Gustavsen 1995: 87).

The ID Programme was based on collaboration between the two main labour market organizations in Norway and a group of social researchers. The main idea *“was partly to analyse some of the conventional approaches to industrial democracy, such as employee representation on the board of directors (...), and to perform experiments with alternative forms of work organization”* (Gustavsen & Hunnius 1981: 37).

The efforts of the ID Programme demonstrated the critical importance of dialogue and broad participation as the means of generating local solutions (Gustavsen 1995: 87).

The first phase of the ID Programme (Thorsrud & Emery 1964) focused on the effect of boardroom representation as a means to further democracy. The researchers concluded that it was not a valid way of achieving democracy at work (Ibid.). The main responsibility of the board is economic viability and success of the enterprise. Even though this is not a contradiction with industrial democracy, it has a somewhat different focus. The researchers argued that managers and workers co-operating on trying out new and more democratic ways of organising work, better achieve industrial democracy. The researchers came to be convinced that shared practical action at the shop-floor level was necessary to break the situational power structures defining the relationship between workers and employers.

The second phase (Emery & Thorsrud 1976) developed this idea through a set of experiments in four major Norwegian industrial enterprises aimed at developing new and more democratic ways of organising work. As presented by the Norwegian corporation Hydro on their centennial celebration website: “1967 – Learning that 1+1=3. The old hierarchies are no longer effective. Hydro's management and employees at Herøya start revolutionary

cooperation trials that come to set a deep imprint on the company culture. Greater responsibility, wider participation and a smoother organization produce results. Hydro is used as a model for the development of modern Japanese management principles” (www.hydro.no).

From the set of experiments in a selection of industrial enterprises as part of the ID Programme, to the Value Creation 2010 (VC2010) Programme almost 50 years later¹, the participative models of democracy in working life have been an important part of Norwegian society.

Compared to Norwegian industrial development, China today struggles with many of the same challenges that in Norway fuelled the efforts that gave us the Work Environment Act of 1977. The Norwegian Work Environment Act of 1977 was based in tripartite cooperation between Government, Labour and Management, and was supported by research based on broad participation and industrial democracy. More than 25 years later, China faces the same challenges of organising working life in a way that protect the workers as well as supports cooperation on enterprise development. The most important message in the NHO Programme today might be our own hard-learned lesson that improved working conditions benefits not only the workers, but also successful enterprises and a democratic society.

The Norwegian form of tripartism has taken many years to develop, and it is still developing as technology, markets and relationships between the social partners change. In China, the development of a national tripartite system has taken a very different course. It is only during the last 5 years that it has come to be formally institutionalised, and there are many unresolved issues, as will be illustrated in the following sub-chapter.

1.4 Tripartism in China – developing ‘harmonious labour relations’

China was one of the founders of the International Labour Organisation (ILO) in 1919. With the People’s Republic of China in 1949, the relations were discontinued until ILO recognized the PRC as a legal government in 1971. China started participating in 1983.

After 1949, the government and people (workers) were defined as the same, there were no private property rights and hence no capitalists or employers. Tripartism, as it is defined above, lacked the conceptual and institutional apparatus in which to develop. This is not to say that there were not a number of channels for consultation and decision-making. There were the National People’s Congress (NPC), and the Chinese Peoples’ Political Consultative Conference (CPPCC). These were under the control of the Communist Party, more or less firmly in different periods. Hence, throughout there were at least some channels for deliberation and difference. For example, members of the then dissolved chambers of

¹ Value Creation 2010 (VC2010) is a nation-wide R&D program with a ten year time horizon, starting up in 2001, encompassing R&D institutions across Norway. Broad participation for learning, development and innovation in the enterprises is central to the programme. VC2010 succeeds the Enterprise Development 2000 (ED2000) Programme.

commerce and industry were appointed seats in the CPPCC. The All China Federation of Industry and Commerce (ACFIC), one of the partners in the NHO Programme, had, and has, seats in the conference since its beginning. Its role has changed over time, and today, with a rapidly growing private sector, again it has to adjust itself to a different political economy, as have the others parties. This is a slow process.

There is a widely shared concern between many politicians, administrators and businesspeople that stable and sound development must be ensured, and indeed the development of a new political economy has been slow and deliberate. For example, what has happened in Russia, with its rapid transformation of the economy, not only with productive results, is mentioned as a memento on pitfalls to be avoided. In China, the transformation process started in 1978, with the “four modernisations” were decided at the National People’s Congress. One of these concerned industry, and all were to support the economic development of the country. (The three others were agriculture, science and technology and defence).

Under the banner of the “two roads to socialism”, a term coined by the then president, Mr. Deng Xiaoping, one of its driving forces, a few pilot cases like the free industrial zones in the South were initiated. Experiences from these trial cases were then used to extend the scope of marketisation of the economy. Tripartism, however, did not appear to be part of the process until the late 1990s. At that time, it came to be seen as one possible inroad for ensuring a more sound economic development process and procedure. Its different aspects are by no means uncontested. It is especially the lack of separation of powers and responsibilities between the government, the employers’ associations and the union, which are seen as problematic.

China ratified the ILO convention on tripartism (c. 144. International Labour Standards, from 1979), in 1990, and China is a permanent government member of the Governing Body of the ILO. In May 2001, China and the ILO signed a Memorandum of Understanding (MOU) launching a programme of cooperation to support the reform process in the country (An Employment Agenda for China, ILO, April 2004). A new system of tripartite consultation was introduced later the same year when a national tripartite consultative committee (NTCC) was established. The members of the committee are: The Ministry of Labour and Social Security (MOLSS), the All-China Federation of Trade Unions (ACFTU), and The Chinese Employers' Confederation (CEC). All three parties talk of tripartism in terms of a means to ensure ‘harmonious labour relations’ in the enterprises and the country at large.

As mentioned above, all associations in China are still very much under government control. When it comes to tripartism, this fact is most clearly seen by the fact that there is only one legal union, and that this is firmly and explicitly under control of the Communist Party. There are several employers’ associations, but it is only the ACFTU that is acknowledged by the government on the union side. ACFTU is a People's organization under the direct control of the CPC. Under the umbrella of ACFTU, there are 31 federations of trade unions at provincial level and 16 industrial unions at national level. It has a membership of about 100 million.

Independent unions are not recognized by the government and may not represent employees in disputes or collective bargaining. The direct link with the CPC is the reason why the ACFTU is not accepted as a member of the International Federation of Trade Unions.

Separation of roles between the different parties in the tripartite endeavour is also an issue at enterprise level. One study concludes: "it is primarily the continued integration of the trade union into management at the workplace that prevents collective consultation from providing an adequate framework for the regulation of labour relations" (Clarke, Lee and Li. 2004). Another study indicates the same; that there is a great need to overhaul and reform the system of institutionalized labour relations more generally (Han Bin, 2004).

The fact that China has not ratified ILO conventions about the freedom to associate and collective bargaining (c. 87 and 98), are other issues that are seen as problematic when it comes to tripartism in its present form in China today.

Another matter is the need to develop the apparatus and experience with tripartism at all different administrative levels in China, as well as in the millions of enterprises. Both the employers' and the union side are concerned with developing their own capacity for being a partner in a tripartite collaborative process. The sheer scope of the endeavour in terms of number of associations, people and enterprises is daunting. In a study of the changes in the associational landscape in China in the new era, the authors conclude that "the government has gone out of the way to encourage trade associations, as they are seen as necessary for development of market economy, but had no room during the planned economy". However, the associations model themselves on the mass-organisations with which China has a long experience, and their role today is more to facilitate information spread and monitoring of members, than to serve their members as independent partners vis-à-vis the government" (Wang and He 2004). The choice of quantity versus quality in scope of tasks and themes is a recurrent one when it comes to development of the associations' capacity and competence in tripartism.

So even though development of a national tripartite system in China is very much on the agenda, there are still a number of unresolved issues. Assessing to what extent participation in the Programme has contributed to development of a national tripartite system has not been part of the evaluation. Responsibility for that development lies with the government. What can be said, however, is that as the two main employers' associations in China, the China Enterprise Federation/Chinese Enterprise Directors' Association (CEC/CEDA) and All China Federation of Industry and Commerce (ACFIC), are partners in the NHO Programme, and these associations do play roles in the practice of tripartism in China. Hence participation in the Programme may indirectly have had an impact. Concepts and experiences with tripartism in Norway have been recurrent themes and the Programme has been one source from which the associations have gained further knowledge about tripartism. The Programme is one part, if tiny, of an important institutional building endeavour in China.

1.5 Chinese employers associations

As mentioned above, there are two main employers' associations in China, one formally acknowledged as the main national association, the China Enterprise Confederation/China Enterprise Directors Association (CEC/CEDA, hereafter shortened to CEC), which represents the employers in the national tripartite consultative committee. The other association, the All China Federation of Industry and Commerce (ACFIC), represents the rapidly growing private sector, and it has come to play an increasingly important role. Some background information on each is presented below.

1.5.1 China Enterprise Confederation/China Enterprise Directors Association (CEC/CEDA)

CEC is China's main employers' association.

Today CEC has about 436 000 members, including state-owned enterprises and individual private employers representing 34 industry sectors in 30 provinces, 260 industrial cities and regions. Membership mainly involves enterprises, companies, entrepreneurs, provincial and municipal associations, industry associations and trade associations.

The CEC was established in 1979 under the name of Chinese Enterprises Managers' Association (CEMA), and changed its name to CEC in 1999. In 1988 it merged with another employers association, China Enterprise Directors Association (CEDA).

The stated goal of CEC is: "to provide enterprises and companies with: training, advisory and information services and technology transfers; participate in the legislative processes concerning industrial relations; publish books and periodicals on business management; facilitate international exchanges to achieve the ultimate objective of establishing modern enterprise management systems; improve communication between Chinese and foreign companies; promote cooperation between Chinese and foreign companies; help foster sound relationships between managers and workers; award excellent companies and entrepreneurs; tap human resources; and develop advanced business models" (www.cec.org).

CEC has several tasks, and has continuously adjusted its organisation to the changes in the political economy of China as well as internationally.

It has an international department with, among other things responsibility for following up international issues and relationships. It plays the role as the state's representative in a number of international associations. It represents China's employers in the international Labour organization (ILO). Other international representative tasks are in the International Organization of Employers International (IOE), and it represents China in the World Business Council for Sustainable Development (WBCSD), both from 2003.

The Employer Work Department was set up in 1992 to deal with issues of labour relations and tripartism in China. CEC is one of the three parties in the National Tripartite Committee on Labour Relations.

It provides services to its members, not least through The China Enterprise Management Consulting Center that was established in 1980.

Through its Research Department and The China Enterprise Management Publishing House (set up in 1979), it takes initiative to relevant studies, as well as dissemination of information to members, the general public and the Government.

Through its extensive network, both associations and enterprises, the CEC plays an important role in the development of tripartism, and good management practices in the Chinese context.

1.5.2 All China Federation of Industry and Commerce (ACFIC)

ACFIC was established in 1953. ACFIC is China's largest employer's association and represents the country's rapidly growing private sector.

It has a diverse membership base of about 1,6 million members. Of these are about 660,000 small and 280,000 medium-sized and large private enterprises, as well as a number of individual business people.

In addition it has about 3000 local organisations as members. These are chambers' of commerce and industry at all administrative levels, provincial, prefectural, town and county. Hence ACFIC has built up a nationwide network in accordance with the national divisions of administrative areas. The ACFIC is responsible for conducting the work of local federations of industry and commerce and non-governmental chambers of commerce. Relationships between chambers at different levels are informal and quite loose, and the national ACFIC provide guidance, but do not have formal authority to issue orders to the local organisations.

The ACFIC has several tasks, and three will be focused specifically here:

One task is to provide service to the members. This role has come to be increasingly more important with the opening up of the economy, and the rapid increase in number of private enterprises, and will continue to be even more important in the future. ACFIC has set up more than 200 various educational institutions, and conducted at regular intervals training courses concerning industry and commerce at home and abroad. ACFIC arranges seminars and workshops of issues deemed important to its members, either at the national level or in cooperation with one or more of the local chambers of commerce. Such seminars include themes like Corporate Social Responsibility (CSR), environment, safety, occupation and health, leadership development, human resource management, strategy to name but a few examples.

Another task is to disseminate information to members, between members and to the general public. ACFIC edits and publishes China Business Times, China Industry and Commerce Magazine, and has a publishing house - China Industry and Commerce Associated Press.

A third task is to represent the interest of the members towards the government. One recent example of this is that it submitted a proposal to the First Session of the 10th National Committee of the Chinese People's Political Consultative Conference (CPPCC), China's top advisory body, asking for a Constitutional amendment so as to "improve the legal system for the protection of private property," (the China Business Times newspaper reported on March 3.2005).

As the CEC, the ACFIC is an important change agent in China.

1.6 Adapting to the changes in China's political economy

The associations' capacity, competence and roles in development of tripartism have been the main focus above. In the following we will present another, connected, responsibility that they have: support for development of good management practice in Chinese enterprises.

The ability of owners and managers to understand and operate within a tripartite system is no less important the quality of the relationships between the partners. A study about development of industrial relations institutions similar to those of developed capitalist societies confirms this. Here the conclusion is that tripartism in China cannot yet be described as a developed system of social dialogue. The main barrier to this is described as being the dependence of the trade union on management in the workplace. (Clarke S. and C-H Lee. 2002).

Hence the management's understanding of the separation of interests and simultaneously the need for collaboration, and their power to implement principles and procedures of tripartism in the companies would in itself serve as one important, but still one of several, building blocks to the development of the social dialogue in China.

The owners and managers of enterprises in a capitalist economy have other responsibilities than the social ones, namely to secure a sound economy for the company and a good work environment for their employees (although the last may not always be apparent, neither in Norway nor in China). Doing business in a capitalist market economy is very different from doing business in a socialist planned economy, and in China both are operative at the same time, and greatly affect the owners' and managers' daily work. Understanding the impact and the importance of the Programme is difficult without some knowledge of the enormous transitions that are taking place in China today.

The International Labour Organisation in China has this to say about the internal change and reform processes:

“China's social climate has seen great changes in the past two decades due to the upheaval of the economic transition from a centrally planned economy to one oriented around an open market. A society formerly organized through static work units and an "iron rice bowl" has found itself in the uncertainty of an entirely new system. The Chinese Government has made significant efforts to keep the restructuring a controlled process, and important strides can indeed be seen in the economic achievements of recent years. GDP has reached record highs, and inflation has been avoided. The self-imposed deadline for turning around most of the large and medium-sized enterprises operating at a loss is close to being met. However, further work is needed” (www.ilo.org/public/english/region/asro/beijing/inchina.htm).

All in all this results in a range of complex and at times paradoxical pushes and pulls. This process seems to be a mix of Chinese and foreign impacts and impulses. Some of the changes bear the mark of planned reform of a socialist economy; others of the “creative destruction” of capitalism, and most come in surprising and productive, sometimes in sinister, blends. Only some of them can be presented here, and only briefly, but they should suffice to demonstrate the needs for enterprise and management development in China for several years to come.

The most critical issue of all is employment, and to ensure this there is a need to develop sound and viable enterprises in the private sector. For example in 2004, two thirds of workers laid-off by state-owned enterprises were re-employed in private enterprises. The private sector now accounts for more than 70 per cent of urban employees.

The composition of the workforce in 2004 was as follows:

Total number of employees of the whole country were 752 million, up by about 7,5 million from 2003. Almost the whole total of the increase was employment in urban private enterprises and self-employment. The urban unemployment rate was 4,2 %, the rural far higher.

Employees in the primary industry were 46.9 % of the total.

Employees in the second industry were 22.5 % of the total.

Employees in the tertiary industry were 30.6 % of the total.

(Statistical Communique 2005).

In 2004, 10 million workers entered the job market, around 14 million people were still laid-off and jobless, and 130 million surplus labourers in the countryside needed to be transferred into the cities (www.humanrights.cn). There are about 145 million so called flexible workers, most of them self-employed with little social security (Cheng, Duosheng, 2004). There are also about 95 million migrant workers who come in from the rural areas to find work in the cities. For the owners and managers this means a possibility for getting cheap, unskilled labour, but at the same time this hampers the incentive to invest in or develop new technology. Investing in expensive technology when labour is cheap and plentiful may seem a poor choice in economic terms. It does lead to a situation where “most enterprises “are lagging

behind by their core technology development from a lack of funds and an innovative system. Most companies are small in scale and of low labour productivity (People's Daily, August 30, 2003).

This is a concern also in relation to Chinese enterprises' ability to compete on the world market. One study points out that "most major corporations in China have penetrated overseas markets by exporting, and only a handful have set up production bases overseas through direct investment and secured global distribution channels for their products. In other words, there are very few companies that have organizational structures and management strategies befitting of transnational corporations, many of whom operate in highly monopolized sectors that are protected through government regulations" (Chi 2002). Chinese managers of the reformed state owned companies, as well as managers of private enterprises who themselves have little experiences as private enterprises hardly existed in China between 1949 and 1978, are as eager to learn about other aspects of capitalist business management practices: strategy, human resources management, risk management, financial management, leadership models and techniques, how to set up a corporate board, how to develop a shareholder system etc.

And not only managers need to learn. A recent report concludes that "there is a huge shortage of skilled labour and that these shortages are particularly acute at managerial and technical levels. We also suggest that the formal education and training system appears most geared to the needs of State owned enterprises and less to the needs of employers operating in newly emerging sectors and those operating in international markets where employers are concerned to develop both higher level skills and softer skills than have been traditionally sought". (Venter, Ashton, Sung/CEC. 2005).

And workers learn in other ways as well. Two recent examples of this are the recent migrant labour shortage, and the increase in labour disputes. This migrant labour shortage is said to be produced partly by the growth in economy, partly to poor working conditions, and that costs have risen far faster than wages (Stephen Frost. CSR Asia, Vol 1. week 24. p. 17). Attempts have been made to deal with the wage issues. A wage guideline system was set up in 30 provinces, autonomous regions and municipalities. The wage guide level in the labour market was released in 140 large and medium sized cities and the information on industry labour cost was released in 13 large and medium cities. The wage collective bargaining system was established in about 300 000 enterprises. Another recent trend is the sharp increase in labour disputes, and the system for dealing with this is developing as well. In 2004, 260 000 million labour disputed cases were dealt with by the labour dispute arbitration commission at all levels, involving more than 760 000 workers (Statistical Communiqué 2005).

Adding to the paradoxical pushes and pulls is the fact that it can be politically risky, sometimes dangerous, for individuals attempting to transgress too far out of the established order, in China as well as outside (Amnesty International. 2004. Bello and Mittal Anuradha. 2000).

In connection with the themes of the NHO Programme, attention should be drawn to the increase in the number and scope of international quality standards, like the ISO 9000, ISO

14000² etc. or the social responsibility standard SA8000. Many Chinese companies and government agencies have eagerly adapted their organisations to such standards and gained their certificates, and even more companies are eager to learn more about them (Garreth D. 2003, Fu Jing, 2004). In a state where the collective labour relation institutions and relations are far from generally institutionalised and practiced, it may be that such standards are an alternative route to development of practices to ensure protection of workers, in safety, occupation and health, and environmental protection. This may also be a reason why the managers in the Programme were so eager to learn about these issues. Their development is not without paradoxes and ironies, as the following examples will illuminate:

Example 1.

In place of the SA8000 (which is not very widely known), China has developed its own standard, C9000T, for the textile and apparel industry. The Chinese standard was criticized for, among other things, not being in line with a number of ILO conventions, particularly the key c. 87 and 98 on the freedom of association and collective bargaining (Frost. 2005a). The reply to the criticism is relevant and interesting as an example of the form of the pushes and pulls, as they appear in practice in a low-key exchange. It is acknowledged that many managers are indeed sidestepping implementation of good practices and responsibilities, and that pressure from international buyers and retailers is felt to increase the social performance. The reply further states that as there is a high turn in the industry requiring well documented social responsibility systems, there are many migrant workers in the industry and many are without work contracts, hence the need to include this, and there are many female workers, hence equality of treatment is included. Therefore the quality system has to be developed not as a list of requirements, but as a management system suitable for China (Frost. 2005b). Not all exchanges of this kind and about such issues are as polite, yet they are happening to a degree and in a manner that was unthinkable 25 years ago, and it indicates changes on both sides.

Adjusting to and implementing such standard has a price, and places company managers in a range of dilemmas as the following two examples demonstrates.

Example 2:

“‘CSR costs us money. We have to talk about costs.’ He was a factory owner and his outburst articulated the frustrations and anger of supplier factory owners in China. Due to competitive pressures, suppliers like him feel squeezed by the Western corporations in the prices they

² ISO 9000 refers to a set of internationally accepted quality management standards. ISO 9000 currently includes three quality standards: ISO 9000:2000, ISO 9001:2000, and ISO 9004:2000. ISO 9001:2000 presents requirements, while ISO 9000:2000 and ISO 9004:2000 present guidelines.

ISO 14000 refers to a set of internationally accepted environmental management standards. ISO 14001 is an internationally accepted specification for an EMS. An Environmental Management System (EMS) is a set of cohesive elements that an organization may use to minimize its impact on the environment.

receive for their products and at the same time are pushed to improve labour conditions” (Chan 2005).

Example 3:

The factories in China gradually have learned to trick the monitors, developing elaborate double bookkeeping, and coaching workers on what to say to monitors. In turn, many of the Western corporations have moved on to a new stage: paying trainers to go into the subcontractors' factories to educate workers in their labour rights. There are no official statistics, but based on the large number of organizations, including the official All-China Women's Federation in Guangdong, that have been hired to provide 'workers training,' it appears that a fair portion of the more than 10 million migrant factory workers in south China have had at least a couple of hours of this consciousness-raising exercise. Nevertheless, recent China's Statistical Bureau statistics show that the wages of migrant workers in South China's Guangdong province have been progressively dropping over the last ten years, and that the hourly pay of most are below the legal minimum wage. CSR activities have not raised labour standards. Notably, though, workers' awareness of their rights is on the rise. In the past few years, the number of migrant factory workers filing lawsuits against employers over an array of labour violations has increased dramatically (IHLO 2004).

It is thus not difficult to understand why The Chinese managers who have participated in the Programme have expressed wishes to learn about every tiny detail of the structure and operation of a capitalist enterprise, which they then bring as addition to their own management practices and ways of operating. At the same time it has to be born in mind that they have to manoeuvre in a society that is characterised by intense and complex reform and change, and where their decisions may affect thousands of workers in their daily work, and the natural environment in which their factories and plants are situated.

2

THE EVALUATION

2.1 The framework for the evaluation

The objectives of the NHO Programme is to support the further development of democratic institutions within Chinese working life, through development of organisations and businesses within a developing tripartite system. The Programme is expected to produce strengthened democratic dialogue within and between participating institutions as an outcome. The activities that are expected to produce these outcomes are: thematic seminars, Management Training Programs, and reporting/publishing.

The purpose of the evaluation is to gather knowledge that can give directions to further development of the NHO Programme. Evaluator is the Work Research Institute in Oslo, Norway.

The focus of this evaluation has mainly been on the period 2002-2005, but with a recognition of what has gone before whenever necessary. A main purpose is to gather knowledge that can give directions to further development, this focus seems the most useful and relevant.

Given the practical limits of the evaluation, we have to a very limited degree been able to verify the stories we were told through observations or interviews at the shop-floor level or through participation in operative activities of the Programme. There are many reasons why this would have been difficult, from economic limitations, through practical limitations (as different language and cultural codes), to considerations of the limited added value such efforts might have yielded.

2.2 Logical Framework Analysis (LFA)

The method chosen for this evaluation is Logical Framework Analysis (LFA). Logical Framework Analysis (LFA) is a tool for planning, managing and evaluating development projects (Bond Guidance Notes³ nr.4). By setting out the key components of the project in a table (or framework), the LFA can present information about the project in a clear, logical and systematic way that will support all phases of the project. Even if LFA was not used for planning or managing the NHO Programme it seems to be a useful and systematic tool for evaluation of the Programme. A log frame is a systematical presentation of what the project has

³ BOND is the network of over 270 UKbased nongovernmental organisations (NGOs) working in international development and development education. BOND aims to improve the extent and quality of the UK and Europe's contribution to international development, the eradication of global poverty and the upholding of human rights. The Guidance Notes Series aims to provide 'how-to' information on a variety of topics for the development sector. This edition also provides signposts to resources for those keen to pursue the topic further. BOND's Guidance Notes aim to encourage good practice through practical advice.

worked to achieve, what activities were carried out to achieve its outputs and purpose, what are the problems which affect the success of the project, and how the progress and ultimate success of the project can be measured and verified in the evaluation.

Why did we choose to use LFA for the evaluation of the NHO Programme? As the Guidance Note describes it: LFA “encourages the discipline of clear and specific thinking about what the project aims to do and how, and highlighting those aspects upon which success depends” (BOND 2003: 1).

Even more important, as we systematised the components of the project in the log frame, we also *opened the evaluation up* to both participants and organizers. We presented the log frame to both NHO and the Chinese employers associations (CEC & ACFIC) at seminars in Beijing March 31st and April 1st 2005 as well as at subsequent interviews. By visualizing the components of the Programme that is focused in the evaluation, participants are able to challenge both focus and scope of the evaluation while it is still possible to make changes. As the objective of the evaluation is to gather knowledge that can give directions to further development of the NHO Programme, the idea is not to impartially observe everything from the outside, but to involve participants and stakeholders in discussions on further development of the Programme. One way to do this is to make the Programme and its components transparent to the participants. The Programme is not supposed be something that “happens to” the participants, but something they can actively use to build democratic institutions within Chinese working life through the development of organisations and businesses within a developing tripartite system. Local action and local results are more important than comparable, measurable effects, and an evaluation focused on measurable effects as the only important indicators is not expected.

The log frame describes the objectives of the Programme, as well as assigning relevant measurable indicators to each objective and defining what means of verification will be used to measure the indicators. For each objective there is also defined important assumptions outside the control of the Programme that might interact or influence how the objectives can be obtained. The log frame for the NHO Programme sets this out in the following table.

Table 1. Log frame for the NHO Programme

Objectives	Measurable indicators	Means of verification	Important assumptions
Goal: To support the further development of democratic institutions within Chinese working life	Continued support for the program Organisation participating in political processes	Interviews Workshop Budgets (i.e. continued funding for the Programme)	Continued cooperation between China and Norway Elections/political climate Moral and economic support from all

			involved institutions
Purpose: Support development of organisations and businesses within a developing tripartite system	Participants have more specific knowledge of tripartism Participants have experience with business functioning in tripartite system	Existing documentation Survey to participants of the MTP Interviews	Cultural sensitivity Not included factors/-actors/ relationships
Outputs: Strengthen democratic dialogue within and between participating institutions Activities: Thematic seminars Management Training Programs (MTP) Reporting/publishing	1. Thematic seminars: Participation and content 2. MTP Profile of participants, content of the programs, experienced outcome 3. Reporting/publishing Content and types of publications	Existing documentation Survey to participants of the MTP Interviews	Force majeure (e.g. SARS) Economic climate Recruitment of managers in China/-companies in Norway Qualified and interested teachers/supervisors Visa-regulations (hindering Norwegians visiting China or Chinese visiting Norway)

As defined in the log frame, **democratic dialogue** is a central output on the Programme. This does not just refer to people talking together, but *democratic dialogue* is a distinct concept, developed in Norway during the Industrial Democracy Programme in the 1960s and 70s.

Gustavsen (2001) argues that democracy is not first and foremost important as an ideology. Democracy, he argues, is the only possible set of institutional structures that enable change, development and the exchange of ideas between actors. Democracy is defined as “a set of historically validated practices that we can enter into and make our own” (p.25).

Gergen (2003) argues for democracy not as an end result, but as a kind of relationship that enables people to join in a process of joint meaning making. In this respect, his understanding of democracy is related to Gustavsen’s idea of democracy as the only possible societal structure that enable development and change for the better. Gergen discusses first and second orders of democracy. First order democracy is simply “practices that bring groups of people into a state of effective coordination” (p. 47). As this practice of coordination can be used for good or bad, first order democracy is always in the danger of becoming destructive. There-

fore, second order democracy is the “theoretical and practical means of restoring the generative process undermined or destroyed by first order democracy” (p. 52). He relates second order democracy to Giddens’s concept of dialogic democracy, as the focus is not on democracy as a result but as an ongoing process of meaning making.

Democratic dialogue can be recognised by a set of principles that ensures that all participants have a voice in the joint process of meaning making. Democratic dialogue does not eradicate power differences, but sets out rules that make cooperation between different partners with different interests and power bases possible. Criteria for Democratic Dialogue is, according to Gustavsen (1990), the following:

1. The dialogue is a process of interaction. Different views and arguments travel back and forth between the participants.
2. All concerned must have the opportunity to participate.
3. The opportunity to participate is however not enough; everyone has to be active in the discussion.
4. At the outset, all participants are equal. Even though there might be power differences between participants, the dialogue is organized to compensate for such differences rather than emphasise them.
5. The work experience is the entrance ticket to participating.
6. At least some of the experiences a participant has must be seen as relevant when he/she enters the dialogue.
7. It must be possible for each and everyone to form an opinion of and an understanding of the contents of the discussion.
8. All arguments that concern the issues that are being discussed are legitimate.
9. All arguments, ideas and statements introduced to the dialogue should be represented by one of the participants. Do not speak on behalf of not represented interests.
10. All participants must acknowledge that others might have better arguments.
11. The participants’ work roles could also be made a point of discussion.
12. The dialogue should successively be radicalised, so that agreements could be reached despite large differences in opinion.
13. The dialogue must continuously result in agreements that can serve as platforms for further investigation and action.

The method in the evaluation is centered on the objectives defined in the log frame. For each level of objectives measurable indicators and means of verification has been defined. The means of verification are gathering of information through available documentation of the Programme since it was established, two one-day workshops in Beijing March-April 2005,

interviews with representatives of the involved organizations (CEC & ACFIC) as well as with some participants in the Management Training Program (MTP). We also conducted a survey among all participants to the MTP 2002-2004 representing both CEC and ACFIC.

The purpose of interviews with important stakeholders in China was to gather information about how the programme had been experienced from the Chinese perspective and on what kind of changes could be attributed to the programme.

The survey was sent to all participants in the MTP 2002-2004 from both CEC and ACFIC. A draft of the questionnaire was discussed with CEC and ACFIC before the evaluators finished the English version (see attachment 1). It was translated into Chinese with the help of CEC, and the organisations (CEC and ACFIC) distributed it to the participants from each organisation. The questionnaires were gathered by the organisations, and sent to Norway for analysis. The evaluators from Work Research Institute (WRI) analyzed the data and report the result back in this report. We got 42 replies, of which 12 (29 %) represented private companies (ACFIC) and 30 (71 %) state owned companies (CEC). Respondents were distributed evenly between 2003 and 2004. According to the documentation, MTPs had around 90 participants 2003-2005, and this gives us a response rate of slightly less than half of all participants in the period.

3

ANALYSIS OF THE NHO PROGRAMME

This analysis will follow the logic set out in the log frame in the last section. We will first discuss the goal of the Programme, then the purpose and finally the outputs and activities of the Programme, concentrating on the last three years.

3.1 Goal

As defined in the log frame, **the goal of the Programme is to support the further development of democratic institutions within Chinese working life.** This can be measured through two indicators: Continued support for the Programme and Organisations participating in political processes.

Budgets (i.e. continued funding for the Programme) act as proof of the support from both the Norwegian and the Chinese side. The Norwegian Agency for Development Cooperation (NORAD)⁴ funds the Programme, but Chinese participants and organisations cover their own travel expenses, time resources to participate and administrative resources linked to the Programme. In this way, both countries pledge their commitment to the continued cooperation in the Programme economically as well as in other ways.

Through the interviews and the workshops in China, we were given ample demonstrations of support for the Programme. The Chinese organisations stressed the importance of exchanging experiences and good practice. Tripartism is seen as an important tool to improve the work environment and build better workplaces, as well as a tool that contributes to stability in society and in working life. Democratic institutions are linked to tripartism and stable labour-management relations. Better and more democratic workplaces are referred to as benefiting Chinese workers as well as contributing to successful businesses.

For example, we were told about a manager who had participated in the MTP. When coming back from Norway this enterprise (a construction company) had improved its focus on Occupational Safety and Health (OSH) and invested in safety measures. In an industry with high accident rates (also in Norway), this had resulted in no serious accidents the last two years, as well as introduction of health controls for workers. In addition to improved OSH-standards, the workers now reported higher job satisfaction.

As described in the sub-chapter on Chinese employers associations (1.5), both CEC and ACFIC participate in political processes within their own sphere or outside. CEC represents China's employers in ILO, and in interviews CEC stressed how the NHO Programme had helped them in their international role, e.g. by acquainting them with the international discourse on CSR and environmental issues. Both organisations are important change agents in

⁴ NORAD is a directorate under the Norwegian Ministry of Foreign Affairs (MFA).

China, and input from the NHO Programme contributes to strengthen this role in the areas of labour relations and CSR.

The two employers associations also play important roles within Chinese working life, as described earlier. The Programme supports the further development of democratic institutions within Chinese working life through long-term change processes. Continuous cooperation between China and Norway over many years within the Programme provides a firm foundation for changed practices. In contrast with shorter projects, the impact of continuous relationships and cooperation was stressed as important. The Programme is also important because it is not a “one-way” relationship. As stressed by several Chinese stakeholders and participants, the Programme is based on a mutual learning process, not on Norway teaching how it should be done in China or “selling” predefined solutions.

Countries that receive support from abroad are often not in a position to define what kind of assistance they need, and may risk being made dependent on the support. This is also a well-known situation in enterprise development, when outside experts enter the organisation to diagnose and prescribe solutions outside the control of the enterprise. In this case, the experts “own the solutions”, and the ability to develop local solutions have not improved. In the NHO Programme, Chinese definitions of the situation are the basis for development of activities that are felt to be truly helpful to China. Chinese organisations cooperate with the Programme director (representing NHO) to develop the Programme and its activities. CEC and ACFIC work with their regional or sectoral associations to select participants or organise thematic seminars, and this also strengthen the organisations’ ability to work within a model of social cooperation and tripartism.

Continuity is another valuable side to the on-going cooperation in the Programme. Both Chinese and Norwegian participants and stakeholders stressed that the cooperation between Norwegian and Chinese employers’ associations was unique in the length of the cooperation. Particularly in the field of enterprise development (or business development), projects tend to be short-term, to be replaced by the next “fresh start” or new recipe for change (Micklethwait & Woolridge 1996). Cooperating over years makes it possible to establish relationships of trust between partners who know each other. The longevity of the cooperation between Norway and China is an illustration to both countries of their mutual willingness to cooperate.

Research has demonstrated that successful organisational development processes need to be anchored in local understanding of the situation and locally developed solutions (Gustavsen et al. 1996). Concept-driven change, change that is inspired by a shared idea of what one tries to achieve, can succeed, where expert-driven change often leaves the recipient less able to meet the challenges of a changing environment (Ibid.).

The building of relationships is also a part of successful change work. Diffusion of new knowledge and new practices depend on relationships outside the single enterprise. In the survey we also asked participants in MTP about the relational benefits of the Programme. As demonstrated in the table below, the Programme has both contributed to closer relationship between participants (representing companies) and between the participants and CEC/ACFIC:

Question: Has participation in the program had any network effects? (Please tick all appropriate boxes)

	N	%
I have established closer relationship with other participants	36	(86%)
I have established closer relationship with my organisation	9	(21%)
I have established closer relationships with Norwegian companies	2	(5%)
Others ⁵	4	(10%)

Building relationships are important for the further success of new practices initiated under the Programme. Isolated cases of new practice have little hope of winning through, but linking them through relationships improves the possibility for bigger and more long lasting change, as argued in evaluations of the Swedish Working Life Fund (Gustavsen et al. 1996).

3.2 Purpose

As we defined in the log frame, **the Purpose of the Programme is to support development of organisations and businesses within a developing tripartite system.** Measurable indicators are two: Participants have more specific knowledge of tripartism and Participants have experience with business functioning in tripartite system. This can be verified through existing documentation, the survey to the participants of the MTP and Interviews.

In the survey to the participants in the MTP 2002-2004 we asked about tripartism.

Question: Has participation in the program resulted in better knowledge of tripartism? (Please tick all appropriate boxes)

	N	%
I have heard of tripartism	37	(88 %)
I have heard of how tripartism evolved in Norway	33	(79 %)
I have heard about the important elements of tripartism (as its institutions, rules and regulations, how it operates, etc.)	28	(67 %)
I have seen how the company I visited in Norway was functioning within a tripartite system	25	(60 %)
I have learned how to implement elements of tripartism in my company	6	(14 %)
I have implemented elements of tripartism in my company	2	(5 %)

As described in Chapter 1, tripartism is an institutionalised system for cooperation in the labour market. Demonstration of how Norwegian enterprises operate within this system may

⁵ As the questionnaire was prepared in English, translated into Chinese, filled out by participants that might not understand English, and returned to the evaluators, who do not understand Chinese, unfortunately we could not ask the participants to specify further.

support development of organisations and businesses within a developing tripartite system in China. Tripartism concerns the roles of the social partners and government within a tripartite system, it concerns the social institutions that support tripartism and it concerns local cooperation at the enterprise level.

Chinese managers and stakeholders pointed out that the social partners and government in Norway has a long tradition of cooperation, with a clear understanding of separate but complementary roles. This is different in China, where this distinction is not as operative.

The collective bargaining system and the institution of *Riksmeklingsmann* (Chief State Mediator) are examples of Norwegian institutions under tripartism, and were mentioned as of particular interest to the Chinese participants and stakeholders. They stressed the importance of the Norwegian history of developing tripartism and industrial democracy, and that institutions like this cannot simply be implemented from the top by political decree. They need to be anchored in established cooperation between the social partners and government in working life and build on willingness to develop solutions together. This is a process that necessarily takes time and small steps.

Board representation is another example. Employee representation on the board was introduced in Norway to further industrial democracy in the 1950s and 60s, and even if it is not sufficient, it still constitutes an important side of industrial democracy in Norway. The Norwegian model for state owned companies (SOC) with representatives from outside the company on the board (not just government as owners), is another example of how Norwegian enterprises function within this system.

At an enterprise level, tripartism build on cooperation and participation. Supporting tripartism through management training programs (MTP) makes it critical that managers share what they have learned with the employees and union representatives. As one of the managers told us, he had discussions with the local union representative both before going to Norway and after he came back. Valuable knowledge was shared, and this helped facilitate local change.

In the survey, we asked the participants if they had heard of tripartism, heard of how tripartism evolved in Norway, heard about the important elements of tripartism, seen how Norwegian companies function within a tripartite system, learned how to implement elements of tripartism or have implemented elements of tripartism themselves. These questions are organised as a progressing development, where we would expect each step to build the foundation for the next. That is, we would not expect anyone to implement tripartism before they had knowledge about it and had experience with how it functions. The survey showed that 6 managers had learned how to implement elements of tripartism in their companies and 2 said that they had implemented elements of tripartism in their companies. This might seem like a slow process, but these 8 managers represent 2 small enterprises (below 50 employees), 4 medium size enterprises (50-250 employees) and 2 enterprises with 250-1000 employees. Even if the process may be slow, these small steps influence the practical work situation for many employees, and once started, this is a process that is harder to reverse. Again, we would

like to stress that tripartism is not a solution to implement, but a system of relationships between the social partners and government that needs to be built slowly through cooperation.

We were told several stories of how managers had invested in training of workers, as a result of learning in the Programme. The result was more skilled workers, which enhanced effectiveness and quality of production. As the “value” of the workers increased, so did their attractiveness to other employers in the area. To ensure that these valuable workers stayed with the company that had invested in them, the managers realized that better work environment become a competitive advantage. In many ways this underlines the “one-way” process of work life development, where one step in the process supports the next. As Norwegian enterprises have experienced in the 25 years since the Work Environment Act of 1977 was introduced, improving work conditions are both motivating to workers as well as effective for production. Reversing this development would also cause great resistance and unrest. A business consultant in Norway was once asked if he could prove that good work environment was conclusive to good production and replied: “If you doubt the value of a good work environment, try deteriorating it.”

3.3 Outputs and activities

The output of the NHO Programme is to strengthen democratic dialogue within and between participating institutions.

In the NHO Programme, strengthening democratic dialogue within and between participating institutions will be achieved through the following activities: Management Training Programs (MTP), thematic seminars, and reporting/publishing.

3.3.1 Management Training Programs (MTP) in China and Norway

Initially the Programme had most of its focus on Management Training Programs (MTP), although it has grown in both scope, ambitions and focus since then. Through China’s membership in World Trade Organization (WTO), themes like Corporate Social Responsibility (CSR) became important. CSR means the company’s responsibility towards the economic bottom line, responsibility towards the environment and its social responsibility. This triple bottom line is central to the concept of CSR. *“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as the local community and society at large.”* (World Business Council for Sustainable Development)

As China moves towards a market economy, Norway can make a contribution to assist the transformation of Chinese working life. One of the things that make Norway relevant to this process is that Norway had a larger amount of state owned enterprises (SOE) than other

western countries, well run and making money. Participants have met some of these SOEs and been able to see how they operate. Chinese participants mention this as valuable.

In the period 2002-2004 there have been several themes covered in the MTP. From the survey we can see in which areas the Programme has contributed to most positive changes.

Question: In which of the following areas have the program contributed to positive changes in your company? (Please answer each question)

Area	Number of positive answers
Human resource management	34
Employee performance assessment systems/employee evaluation systems	32
Relationship between managers and workers	28
Management strategy and planning	26
Team development	26
Workers participation	24
Workers education/competence	23
Corporate social responsibility	22
Management training	19
Occupational safety and health standards	18
Collective bargaining	14
Social security	13
International quality standards (eg. ISO 9001, ISO 14001, SA8000)	12
Environment/pollution	12
Systems for salaries and wages	12
Marketing	11
Management systems (eg. ISO)	9
New patterns of work organisation	7
Productivity	7
Technology	2

Even if many of the areas are partly overlapping, the main positive effects seems to be concentrated in four areas: Human resource management (in the broad sense, encompassing HRM-systems, Workers education/competence, Employee performance assessment systems/-employee evaluation systems and Relationship between managers and workers); Management strategy and planning; Participation and organisation of work (Team development and Workers participation); and Corporate Social Responsibility.

There have been some changes the last few years, mainly relating to length and specific requirements for the participants. There used to be three stages to MTP participation: A preparatory period of three days in China where learning goals were formulated. The main part of the Programme was a 2 weeks stay in Norway with group and individual work on the learning goals, with study tours to Norwegian enterprises and with thematic lectures. After returning to China there was a third period of three days summing up what they had learned

and how they were working on implementing new knowledge and practices in their own companies.

Compared to before 2003, the MTPs are now shorter, and targeted at cooperation. According to the Programme director, the MTPs can be summed up as follows:

Management Training Programs (MTP) 2003-2005

	Number	Days each	Approx. participants	Places
MTP - CEC	3	9-15	45	Oslo, Beijing, Tianjin
MTP - ACFIC	3	9	45	Oslo, Beijing, Hainan

A total of 90 participants over a three-year period seem to be small-scale efforts to support the goal of furthering the development of democratic institutions within Chinese working life. Even so, these participants are managers in companies from around China, and this gives the Programme a reach of hundreds of thousands Chinese workers.

According to the survey, the 42 managers who responded represent companies from below 50 employees to companies with more than 100.000 employees.

Question: What is the number of employees in your company?

	N	%
Below 50	5	12%
50 – 250	15	36%
250 – 1.000	12	29%
1.000 – 10.000	6	14%
10.000 – 100.000	2	5%
more than 100.000	2	5%

Influencing managers to try out new, more democratic practices in their companies may change the work situation for the average Chinese worker more effectively than would efforts at a higher level. Working both levels at once is a particular strength of the cooperation between Norway and China. Labour relations and CSR are not only central in the NHO Programme, but are simultaneously themes in the on-going Human Rights Dialogue between Norway and China. In this way, both levels can support development in the same direction.

To ensure the practical usefulness of the NHO Programme, the participating managers set individual learning goals for their participation in the MTP, they work according to those goals during the MTP and they initiate new practices according to the ambitions of their learning goals when they return to the companies.

The Management Training Program (MTP) also challenges the local organisations, as they are responsible for selection of participants based on applications from interested managers in the province. The selected managers live and work locally, and through them the Programme can have an impact at the shop-floor level all over China.

According to the survey, MTPs 2002-2004 include participants from the following provinces:

Question: In which province is the place of your work? (Please tick all appropriate boxes)

Province		Frequency	Percent	Valid Percent
Valid	Beijing	24	57,1	58,5
	Tianjin	1	2,4	2,4
	Henan	3	7,1	7,3
	Shandong	4	9,5	9,8
	Anhui	1	2,4	2,4
	Hubei	1	2,4	2,4
	Guangdong	1	2,4	2,4
	Sichuan	1	2,4	2,4
	Guizhou	2	4,8	4,9
	Yunnan	1	2,4	2,4
	Hainan	2	4,8	4,9
	Total	41	97,6	100,0
Missing	System	1	2,4	
Total		42	100,0	

To support development of organisations and businesses within a developing tripartite system, it is important that managers participating in the MTPs represent this geographical diversity. By introducing new principles for worker-management relations and improved working environment for workers in many parts of China, the Programme supports better working conditions also in the remoter provinces.

Geographical diversity may collide with principles of concentration. Through the interviews and workshops the importance of joint participation was stressed. More participants from within the same enterprise can have a bigger impact than solitary participants. We also asked about the value of more enterprises from the same region, but this did not seem to strike the same needs.

The reason for less need for geographical proximity between participants might be because the participants who meet through the MTP establish relationships across geographical distan-

ces. According to the survey, participating in the program has had such benefits to most of the participants;

Question: Has participation in the program had any network effects? (Please tick all appropriate boxes)

		N	%
9.1	I have established closer relationship with other participants	36	(86%)
9.2	I have established closer relationship with my organisation	9	(21%)
9.3	I have established closer relationships with Norwegian companies	2	(5%)
9.4	Others	4	(10%)

The participants seem to be overwhelmingly positive to the MTPs and their experiences there, whether they are asked directly, through the survey or on the evaluation forms that are filled in at the end of each MTP.

In the Annual Report for 2004, we find the following evaluation by the participants of the MTP. (Scale from 1 to 5, where 5 is “very good”, 4 is “good” and 3 is ”OK”):

Subject	ACFIC	CEC	Total average
Visit to companies	4,25	4,6	4,4
Individual learning	4,3	4,5	4,4
Inspiration/new ideas	4,4	4,3	4,3
Organization of the MTP	4,5	4,5	4,5
Transportation/ Accommodation	4,75	4,5	4,6
Total impression from stay in Norway	4,7	4,7	4,7
Average score	4,5	4,5	4,5

As the table shows, participant satisfaction is high on all scores. This combines with data from our survey, interviews and the workshops confirming a very positive impression of MTP.

The MTP seems to be generally agreed upon as both effective and successful in sharing knowledge on new ways of organizing work. The themes are seen as relevant to Chinese needs, and, as managers define their own learning goals, the learning of the MTP goes directly to support desired changes in local practice. According to existing documentation and evaluations of the individual MTP, there seems to be a tendency for the participants to set many learning goals, and one challenge might be to focus enough to be able to carry through

the desired changes. From a Norwegian perspective, we tend to stress prioritizing as necessary to implementation of organizational change. For the Chinese participants, relevance of the goals seems to be more decisive than having to choose between them.

The responses in the survey to the question: “In which of the following areas have the program contributed to positive changes in your company?” seem to indicate that they were implementing changes in many areas at the same time. The participants we met in China told a consistent story: they had implemented many changes after participating in the MTP.

As one manager in the chemical industry told us: he had implemented OSH-measures to reduce chemical exposure for the workers, he had invested in training for the workers, and he had had the company certified according to ISO 9000 (quality management) and 14000 (environmental management). Realizing that he needed better qualifications in business management and accounting, he had invested in a business education. He had also changed his management recruitment policy from recruitment of managers based on family ties and acquaintances to recruitment based on competence. He described his experiences in Norway as “the turning point in my life of business”.

He was not the only one to tell these kind of stories. Others also told of change in HRM policies, increased focus on work environment measures and on more environmentally friendly production. Standardization according to international standards often confirmed the results.

One of the participants had focused on internal organization and the relationship between workers and management. He said that they were working on introducing a more flat structure. He said that, according to Chinese tradition, this is a very new management model for organising. In China the hierarchical model where management instructs and the workers do what their supervisor tells them, is more common.

Introducing a different model is difficult and challenging, as are introducing new measures and policies for OSH, HRM and CSR. It is also part of the practical process of a restructuring of Chinese work life, supported by the NHO Programme.

3.3.2 Thematic seminars

An important part of the Programme is thematic seminars held in provinces around China. Seminars have played an important part of the Programme; although there has been some changes and development in their thematic focus. The last three years, CSR/cooperation has been the core theme. According to the Programme director, the seminars can be summed up as follows:

CEC	Number	Days each	Approx. participants	Places
HR Management	4	2	200	Chengdu, Sichuan Guiyang, Guizhou To be decided
CSR	1	2	40	Beijing
State Owned Enterprises Reform	1	1	100	Lanzhou, Gansu
OSH	4	2	160	Dalian, Liaoning Shenzhen, Guangdong Fuzhou, Fujian Changsa, Hunan
ACFIC	Number	Days each	Approx. participants	Places
HR Management	2	2	100	Chengdu, Sichuan, Nanning, Guanxji
CSR	1	2	40	Beijing
OSH	2	2	80	To be decided

As we can see, the seminars have covered approximately 700 participants in 17 provinces around China. These seminars have involved participants, speakers from Norway and China, but also the regional or sectoral associations of CEC and ACFIC.

The seminar on State Owned Enterprises Reform in September 2004 came about on request from China. Transformation of SOE in a market economy is seen as a great challenge, and we were told that experiences from Norwegian enterprises operating in this kind of landscape are of great use to Chinese SOE.

This is a good example of a seminar that demonstrates the role the Chinese employers' associations play. CEC, as a member-organisation for SOE, recognizes the need to focus on this theme. Their local association is responsible for organising the seminar and inviting participants. Norway contributes through the Programme with speakers sharing Norwegian experiences working with this theme. The Chinese participants have opportunity to ask questions and discuss with the Norwegian speakers, as well as to discuss among themselves. The NHO Programme can, through seminars such as this, support the development in China as well as strengthen the organisations as social partners within a system of tripartism.

At the seminar Deputy Director General Mr. Lars Chr. Berge, NHO, talked about NHO and tripartism. His main point was that tripartism never starts as tripartism. It begins with bipartism: Bilateral co-operation between workers and employers. It starts at enterprise level, going all the way to the national federations, and it has to do with mutual trust and integrity, and involves social partners and authorities.

Former Director General, NHO Mr. Karl Glad, talked about his experience reorganising State Owned Enterprises from his experiences as president and CEO of Aker Group (a privately owned shipbuilding and offshore construction company), as chairman of the Board of Kongsberg Group (a State owned enterprise in high-tech defence industry in Kongsberg), as chairman of the Board of Norwegian Steel (a State owned enterprise in the steel industry) and as chairman of the Board of Raufoss ASA (a former State owned enterprise in the automotive industry).

According to existing documentation the seminar was well received and sparked great interest among the Chinese participants. This seminar also illustrates well the pedagogy of the Programme: Norwegian speakers share their experiences working with the selected theme in Norway, Chinese speakers present their experiences and participants are invited to participate in discussions. The mutual relationship between Norway and China in the NHO Programme is the basis, and there are neither lectures on “how to do it” nor presentation of ready-made models for implementation. By sharing experiences the participants are invited to find their own solutions and develop their own new practice.

In the Annual Report for 2004, we find the following evaluation by the participants of the seminars held in 2004. (Scale from 1 to 5, where 5 is “very good”, 4 is “good” and 3 is “OK”):

	CEC HR, Chengdu	CEC HR, Guyian	ACFIC CSR, Beijing	Total average
Thematic relevance	3,6	3,9	4,4	4,0
Norwegian speakers	4,1	4,0	4,5	4,2
Chinese speakers	3,7	3,8	4,5	4,0
Discussions/questions & answers	3,1	3,9	3,6	3,5
Technical arrangement	3,5	3,0	4,1	3,5
Average score	3,6	3,7	4,2	3,8

Norwegian enterprises contribute widely to the seminars by sharing their experiences. Important companies as Norsk Hydro, DNV (Det norske Veritas), Borregaard, Shell, Telenor, Veidekke, Elkem and Nycomed as well as many others have contributed.

According to documentation, Chinese top management is well represented at the seminars, and in this way the seminars reach Chinese enterprises at a level with decision-making powers.

3.3.3 Reporting/publishing

Spreading of information is also an activity in the Programme. As coverage in Chinese media is difficult to map for many practical reasons, we have to rely on interviews to give us an impression of content and types of publications. According to the Chinese stakeholders, there has been extensive coverage of the thematic seminars in trade journals, newspapers and media. The seminars are held in many provinces around China, and this makes them local

news. As both CEC and ACFIC run Publishing Houses, we were told that experiences and knowledge from the Programme had been published as books/reports.

Within the Programme, there is extensive documentation of activities, evaluation reports from seminars and MTP, as well as annual reports. As far as we can see, some of this documentation is bilingual in Chinese and English; some of the documents and formal reports are in English, while most documents are in Norwegian.

As far as we can ascertain, the Programme has no central information plan, but opportunities for communication are used when available. Limited administrative resources might explain this, as the Programme seems to focus its resources on practical activities, more than on planning as such.

According to the existing documentation, there seem to be plans for a book about the Norwegian experiences with tripartism, in English and Chinese, aimed at Chinese managers. There exists a concept for the book, dated January 2004, but no further activities can be traced. Whether this plan is worth taking up again is beyond the evaluation to indicate.

3.4 Outside factors/important assumptions

In this section we point to some important assumptions outside the main focus of the evaluation, which influence the possibility for the Programme's success.

Outside factors (important assumptions), which can influence the possibility of success of the Programme is: Force Majeur (e.g. SARS), Economic climate (the continued ability and willingness to finance activities by all sides), Recruitment of managers in China/companies in Norway, recruitment of qualified and interested teachers/supervisors and Visa-regulations (hindering Norwegians visiting China or Chinese visiting Norway).

As both seminars and MTP are dependent on travel between Norway and China, outside factors can do serious damage, as exemplified when activities were cancelled due to SARS in 2003. *"Severe acute respiratory syndrome (SARS) is a viral respiratory illness that was recognized as a global threat in March 2003, after first appearing in Southern China in November 2002. By late July 2003, no new cases were being reported, and WHO declared the global outbreak to be over."* (Source: www.cdc.gov/ncidod/sars/faq.htm#2003)

Even if we do not go into the economic running of the Programme, existing documentation show that the Programme director reports annually to NHO, and so far audits have had no negative comments as to how the Programme has been run.

Recruitment of managers in China and companies in Norway may seem to be a very parallel question, though our data indicate otherwise. According to the people we interviewed in China, the interest and willingness to participate in the Programme seem to be growing. Several people referred to existing restrictions on how many participants from the same enterprise were accepted as a limiting factor. For large companies, especially SOC, one

participant may have small influence. The impact of one person's input is limited in an organisation that may employ hundreds of thousands employees. In such cases, opening the Programme to larger delegations from the same company may increase the organisational impact of new learning. From this perspective, the restrictions seem to be on Programme capacity more than on lack of interested participants.

Recruitment of companies in Norway to host the delegations in the management training programs (MTP) might pose another kind of challenge to the Programme. Today recruitment happens through established relations and acquaintances. Personal network is important and this is truly a question of the importance of know-who, not only know-how. According to NHO and the Programme director, Norwegian enterprises participate out of interest in the Programme, interest in developing business-to-business relations to Chinese enterprises and as part of their corporate social responsibility (CSR).

Existing documentation in the Programme indicate both Norwegian enterprises' willingness to take part as well as positive experiences resulting from participation. Preparations beforehand and setting aside the necessary resources during the visit, seem to be critical factors, though. For the Programme to expand beyond the existing scope, more resources may be necessary on the Norwegian side. The Programme director is employed part-time in the Programme, and the job requirements seem to be at the maximum level that can be handled within these resources. A different kind of move to increasing administrative resources, might be some kind of cooperative agreements with networks or institutions that could handle some of the tasks connected to recruiting, preparing and following up the company visits. Without concluding in any concrete direction, these are issues that should be discussed further. For example the Programme might usefully contact the Value Creation 2010 Programme to explore the possibilities for cooperation, either through the secretariat or directly with any of the participating research institutes and their networks of private enterprises.

The reasons to mention this programme specifically, is because Value Creation 2010 is based in cooperation between enterprises, social partners and research institutions on value creation in work life within structures of tripartism and industrial democracy. This makes it particularly relevant to the NHO Programme.

Value Creation 2010 was initiated in 2001 and will go on until 2010. The main objective of the programme is to encourage and contribute to organisational development and innovation, both within individual enterprises and in learning networks between enterprises, based on new forms of co-operation between the industrial (social) partners and other actors of significance in the value creation processes. This is done by active use of researchers as development partners. The programme is supporting the development of regional innovation strategies in regional partnerships. (Source: www.forskningsradet.no)

As this program is based on the same approach to enterprise development within democratic structures and tripartism as the NHO Programme, and work with practical change work in Norwegian enterprises, some kind of cooperation might be possible. The Work Research

Institute is an active partner in Value Creation 2010 and cooperates, among others, with a network of industrial enterprises in the process industry.

Cooperation within and outside the Programme is important also for economic reasons. With an annual budget of about 2 million Norwegian kroner, this Programme is small in relation to much Norwegian development cooperation and aid. The impact of the NHO Programme is dependent on the Chinese engagement in the Programme with competence, time and money. This raises the interesting point that Chinese engagement in the Programme both makes possible the scope of activities within this relatively small budget, as well as ensures stronger commitment than if it had been all financed “from the outside”. In enterprise development, one often sees the truth of the statement: “You value what you pay for”. By requiring economic commitment from the Chinese participants, the Programme underlines that the co-operation between Norway and China is, in fact, mutual.

4

CONCLUSIONS

In this chapter we will first summarize the conclusions from the evaluation, following the logic of the log frame, as presented in chapter 2.2. Based on the conclusions, we set out some suggestions that can give direction to further development of the Programme.

4.1 Summary and conclusions

Goal: To support the further development of democratic institutions within Chinese working life. Measurable indicators are the continued support for the program and that the organisations participate in political processes. Both China and Norway demonstrate their commitment to continued cooperation by supporting the NHO Programme economically.

Both CEC and ACFIC participate in political processes, and through interviews and workshops, they have assured us that the Programme supports them in these roles.

Important outside assumptions that can influence the further success of the Programme are: Continued cooperation between China and Norway, Elections/political climate & Moral and economic support from all involved institutions. These factors are outside the control of the Programme, but we have no indicators that Norwegian cooperation with China will become any *less* important in the years to come.

Purpose: Support development of organisations and businesses within a developing tripartite system. Measurable indicators: Participants have more specific knowledge of tripartism & Participants have experience with business functioning in tripartite system.

Through existing documentation, survey to participants of the MTP and interviews we have found that knowledge is good. Tripartism has been widely covered in the Programme, and most of the respondents in the survey had heard of tripartism (88 %), two out of three (67 %) had heard about the important elements of tripartism (as its institutions, rules and regulations, how it operates, etc.) and over half had seen how the company they visited in Norway was functioning within a tripartite system (60 %). This is necessary and important to support development of organisations and businesses within a developing tripartite system, and the Programme has made a valuable contribution.

Tripartism cannot be created or implemented by political decree, but must be slowly built through experiences with working together in the new roles. Tripartism is about the three partners working together, and to do this the social partners must be strengthened in their roles, and they must experience the benefits of working together according to recognized rules. The NHO Programme is aimed at employers and their organisations, and through them

the basis for more harmonious labour relations can be laid, even if the other two social partners (labour and government) also need to be part of the processes.

An important outside assumption that can influence success of the Programme concerns cultural sensitivity. Can tripartism be transferred from one cultural context to another? Do Norwegian tripartism “translate” into Chinese? Any institutional system needs to be recreated anew in new settings, not just adopted blindly. The NHO Programme’s strategy of sharing practical knowledge and experiences of how tripartism functions in Norway, seems to be the logical and respectful way to let the Chinese decide what the elements and practices of tripartism might mean in China and how they might bring them about.

Outputs: Strengthen democratic dialogue within and between participating institutions. This is achieved through the following activities: Management Training Programs (MTP), thematic seminars & reporting/publishing.

Today the Programme is organised in two parallel processes in China, one NHO-CEC and one NHO-ACFIC. Capacity in the Programme is limited by number of participants and number of activities (seminars and MTPs), and therefore there seems to be no discernible gain to be had by connecting these processes further. As the political climate stands, there also seems to be no interest in merging the two processes from the Chinese perspective. As today’s organisation of the Programme seems to work very well and meet Chinese needs, we see no reason to suggest changes made in this area.

Management Training Programs (MTP):

For the MTP measurable indicators are profile of participants, content of the programs and experienced outcome. Compared to before 2003, the MTPs are now shorter, and targeted at cooperation. In the period 2003-2005, there were 3 MTP for each of the two employers associations (3 for CEC and 3 for ACFIC), covering a total of approximately 90 participants.

In our survey 42 MTP participants for the period 2002-2004 responded. They represent companies from below 50 employees to companies with more than 100.000 employees, and come from 11 different provinces (about half from Beijing, and the rest from Tianjin, Henan, Shandong, Anhui, Hubei, Guangdong, Sichuan, Guizhou, Yunnan and Hainan). As the managers participating in MTPs live and work locally, through them the Programme can have an impact at the shop-floor level all over China.

According to the survey the main positive effects seem to be concentrated in four areas: Human resource management (in the broad sense, encompassing HRM-systems, Workers education/competence, Employee performance assessment systems/employee evaluation systems and Relationship between managers and workers); Management strategy and planning; Participation and organisation of work (Team development and Workers participation);

and Corporate Social Responsibility. Participating in the MTPs also build relationships between the participants and between participants and their organisation.

The participants seem to be overwhelmingly positive to the MTPs and their experiences there, whether they are asked directly, through the survey or on the evaluation forms that are filled in at the end of each MTP.

Thematic seminars:

Measurable indicators for the thematic seminars are participation and content.

Geographical coverage in China is an important aspect of the NHO Programme. In order to influence Chinese working life, enterprises and workers, the Programme needs to cover both the densely populated areas and also the more remote regions. To support the further development of democratic institutions within Chinese working life, central areas where the employer's associations are situated are central, but so are their local organisations in the many provinces of China. Organising seminars outside Beijing is a way to activate the local organisations of both CEC and ACFIC, and such contributes to developing structures necessary for tripartite cooperation.

Seminars have been held in the following provinces in 2003-2005: Beijing, Changsa, Chengdu, Dalian, Fujian, Fuzhou, Gansu, Guangdong, Guanxji, Guizhou, Guyiang, Hunan, Lanzhou, Liaoning, Nanning, Shenzhen, Sichuan. In the period 2003-2005 the seminars have covered approximately 700 participants in 17 provinces.

The themes covered in the Programme, both in the seminars and the Management Training Programs (MTP), are in line with the actual situation in China. The themes are decided upon in cooperation, and reflect a growing concern with environmental issues, sustainable development and Corporate Social Responsibility (CSR), not only in the global community but also within China. Based on material from interviews, workshops and the survey, we can conclude that the themes covered in the Programme are seen as relevant and the Programme, as such, is seen as responsive to Chinese needs. At the point of evaluation, no new themes were emerging as “the coming challenge”, but several participants and stakeholders stressed that CSR and OSH still pose great challenges to Chinese enterprises.

Reporting/publishing:

For reporting/publishing, content and types of publications give measurable indicators.

According to the Chinese organisations, there has been extensive coverage of the thematic seminars in trade journals, newspapers and media. Experiences and knowledge from the Programme had been published as books/reports by the Chinese organisations, although we have not been able to verify this in the evaluation.

Within the Programme, there is extensive documentation of activities, evaluation reports from seminars and MTP, as well as annual reports. As far as we can ascertain, the Programme has no central information plan, but opportunities for communication are used when available.

Information about the Programme in Norway seems to be an area that could successfully expand. There is information on the NHO web pages (www.nho.no), but there seems to be possibilities for much further activities in this area. More information, targeted at potential Norwegian enterprises, might also support recruitment of enterprises to share experiences and knowledge through the Programme.

Critical factors:

Important outside assumptions that can influence success of the Programme are: Force majeure (e.g. SARS) and visa-regulations (hindering Norwegians visiting China or Chinese visiting Norway), which is totally outside the Programme's control. Economic climate might facilitate or hinder activities in the Programme, but is also outside control, though economic prognoses for both countries seem to be good. Recruitment of managers in China seems to have a far greater potential than the Programme can realize today.

Recruitment of enterprises in Norway might become more critical if activities expand. Systematic cooperation with networks of enterprises or other organisations in Norway may alleviate the pressure on the administrative resources in the Programme and facilitate expansions.

4.2 Suggestions for further development

4.2.1 From bipartism to tripartism

Supporting tripartism and democratic institutions within Chinese work life need activity on three levels. The NHO Programme is aimed at employers and supports them in their development. The ongoing Human Rights Dialogue between Norway and China involves the political level and is an important complementary process that also includes focus on labour relations and CSR. A labour union-to-labour union program, parallel to the NHO Programme, might sustain the process of change in a desirable way. There seems to be no reason to suggest that such process be connected more than the already are, but mutual support might achieve even better results.

4.2.2 Information

The NHO Programme might benefit from a more forceful information strategy, particularly aimed at Norwegian work life and enterprises. Potential enterprises might be informed about the Programme through some kind of introductory pamphlet that told them what they would expect to invest of time and efforts and how they could benefit from participating.

4.2.3 Expansions to other types of Norwegian enterprises

The Programme seems to be concentrated on large industrial companies and SOEs in Norway. Whether expansion to other types of industry or types of enterprises should be discussed in the Programme. There seems to be opportunities for expansion in this field, and such expansion might offer access to new forms of experiences and learning.

4.2.4 Expansion to other provinces/regions in China

The regional differences are huge in China, and even if the Programme has impressive geographical spread as it is, the poorer Western provinces are under-represented. With a focus on regions that might be in particular need of support in their development, the Programme could at times target specific regions for concentrated efforts.

4.2.5 Concentration of participants from the same enterprise

For the Programme to have bigger impact in very large enterprises, it might be necessary to accept several participants from the same enterprise to the MTPs. Particularly the large state owned enterprises (SOEs) might need bigger delegations to support implementation of new knowledge and experiences in the enterprise. Even if the Chinese employers' associations might prefer to distribute the offer equally to all their members, some concentration might be more effective.

4.2.6 Cultural sensitivity

Cultural sensitivity is not made into a theme in the Programme, and during the evaluation it was hardly referred to by any of the participants and stakeholders we met. They stressed that the pedagogical approach of demonstration and sharing experiences was more respectful than "teaching how you should do it"- methods would have been. This would also be the case in a purely Norwegian or purely Chinese program, so this comment is more about modes of learning, not cultural sensitivity.

Whether cultural sensitivity is a subject that could be handled differently in the Programme, or should be handled differently in the future, is difficult to say. It does seem strange that the question hardly was raised during the evaluation, but this might be a result of the length and continuation of the cooperation between NHO and CEC/ACFIC. Cooperation on shared task over time can create a relationship of mutual trust and respect, and this might be what was demonstrated in all our discussions with Chinese and Norwegian shareholders and participants.



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Brief overview of relations between China and Norway

The NHO Programme is not a singular case of cooperation between organisations in the two countries, it is one of several different programs and activities, intended to reinforce each other.

In terms of culture and education there has been cooperation between the countries for many years. An agreement of cultural cooperation between the countries was signed in 1963. It was renewed in 1999, and is related to culture, research and education. There is also an on-going Human Rights Dialogue. A Memorandum of Understanding for Scientific and Technological Cooperation between The State Science and Technology Commission of the People's Republic of China (SSTC) (Now China's Ministry of Science and technology, MOST) and The Research Council of Norway was signed in 1996. Focus of the science cooperation is polar, maritime and biotechnical research. There is also a range of bilateral agreements and cooperation activities between research and educations in the two countries. A human rights dialogue has been carried out since 1997 (source: odin.dep.no/ud/norsk/dok/andre_dok/-rapporter/032001-220056/hov003-bn.html)

The diplomatic relationship between the countries has been of a long duration. The Norwegian-Swedish Consulate General in Guangzhou was established in 1851, and Consular presence in Shanghai since 1853, Royal Norwegian Consulate General in 1906, one of Norway's first foreign service missions, one year after independence from Sweden. The Norwegian embassy in Beijing dates back to 1919 (NHO. 2004: Norway and China. 50 years of diplomatic relations). The establishment of the People's Republic in 1949, led to a pause in the diplomatic relations, which were re-established in 1954 between Norway and China. Another pause came in 1989, and lasted for about three years.

The development cooperation between China and Norway started in 1996, and was part of the Norwegian Asia-plan. The main aim of the Norwegian foreign aid to China is to reduce poverty, especially in the poorer Western provinces, protection of the environment, and industrial development. In 2002, Norway gave 71 million NOK in aid to China, focused on a number of different projects. (Source: www.odin.no/ud/norsk/tema/p30000969/p30001052/-032131-990046/dok-bn.html)

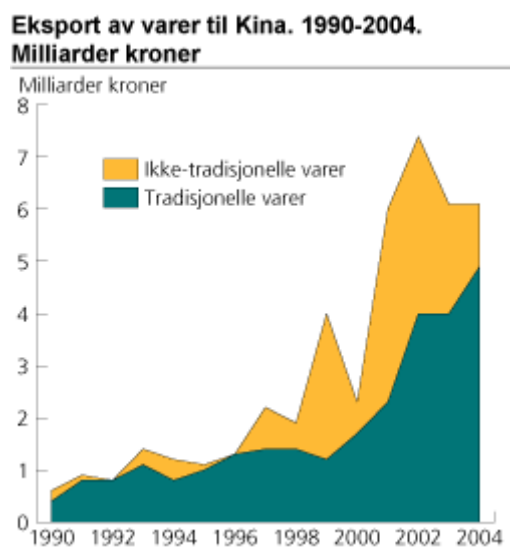
There is no statistics to show the number of Norwegian companies registered or operating in China, except that it is "commonly known" that the number is increasing. As regards sectors, Norwegian companies can be found in maritime services, environment technology (miljø-teknologi), energy, building and construction material, chemical industry, pharmaceutical industry, fisheries, trade and finance. Many of the companies in the service sector serve other Norwegian companies.

From the early 2000s, China has gradually become of increased economic importance for Norway as reflected in for example trade figures.

Trade between China and Norway

The trade between Norway and China has increased rapidly the last 3 years, as illustrated by the figures below. In 2004, China was the fifth largest supplier of traditional goods (like machinery, clothes and fish). In terms of monetary value, only Sweden, Germany, Denmark and Great Britain supplied more.

Fig. 1. Export of goods to China 1990-2004. Billion NOK. Green colour is for traditional goods, yellow for non-traditional (crude oil, ships)



(Anne Berit Dale. Kinahandelen øker. SSBMagasinet. April 2005. www.ssb.no/magasinet/norge_verden/art-2005-04-14-01.html)

Fig. 2. Import of goods to China 1990-2004. Billion NOK.



(Anne Berit Dale. Kinahandelen øker. SSBMagasinet. April 2005. www.ssb.no/magasinet/norge_verden/art-2005-04-14-01.html)

QUESTIONNAIRE TO PARTICIPANTS IN THE MANAGEMENT TRAINING PROGRAMS (SURVEY TO BE SENT OUT TO PARTICIPANTS)

As part of the evaluation of the NHO-programme, a questionnaire is sent to all participants in the Management Training Programs in the period 2002-2004. The purpose of the survey is to gather information about how the programme has been experienced from the Chinese perspective and on what kind of changes can be attributed to the programme.

The purpose of the evaluation is to gather knowledge that can give directions to further development of the programme.

Evaluator is the Work Research Institute in Oslo, Norway, represented by researcher Anne Inga Hilsen and senior researcher Benedicte Brøgger.

We are grateful for your help and cooperation in this evaluation.

1. What kind of ownership has your company?

Private 12 (29%)

State 30 (71%)

2. Which industrial sector does your company belong to?

(United Nations' International Standard - Industrial Classification of All Economic Activities ISIC Rev. 3)

Industrial sector		
	Frequency	Percent
Manufacturing	8	19,0
Electricity, gas & water supply	2	4,8
Construction	5	11,9
Wholesale & retail trade	1	2,4
Hotels & restaurants	5	11,9
Financial intermediation	5	11,9
Real etstate, renting & business act.	2	4,8
Pub.admin. & defence, comp.soc.sec.	6	14,3
Education	2	4,8
Health & social work	1	2,4
Other com., social & pers. services	3	7,1
Extra-terretorial org.	2	4,8
Total	42	100,0

3. What is the number of employees in your company?

	N	%
Below 50	5	12%
50 – 250	1 5	36%

250 – 1.000	1 2	29%
1.000 – 10.000	6	14%
10.000 – 100.000	2	5%
more than 100.000	2	5%

4. In which province is the place of your work? (Please tick all appropriate boxes)

Province		Frequency	Percent	Valid Percent
Valid	Beijing	24	57,1	58,5
	Tianjin	1	2,4	2,4
	Henan	3	7,1	7,3
	Shandong	4	9,5	9,8
	Anhui	1	2,4	2,4
	Hubei	1	2,4	2,4
	Guangdong	1	2,4	2,4
	Sichuan	1	2,4	2,4
	Guizhou	2	4,8	4,9
	Yunnan	1	2,4	2,4
	Hainan	2	4,8	4,9
	Total	41	97,6	100,0
Missing	System	1	2,4	
Total		42	100,0	

5. What is your gender?

Male 33 (79%)

Female 9 (21%)

6. When were you in Norway as part of the NHO Management Training Program?

2002 --

2003 20 (49%)

2004 19 (46%)

2002 & 2003 1 (2%)

2003 & 2004 1 (2%)

7. What is the long-term usefulness of participation in the program? (Please tick all appropriate boxes)

		N	%
7.1	I have learned about subjects that are relevant for my job	38	91%
7.2	My effectiveness as a manager has improved	9	21%
7.3	I have tried out things I learned in the program in my own company	12	29%
7.4	I have built relationships that are useful in my job	16	(38%)
7.5	The program has had no long-term usefulness for me	2	(5%)
7.6	Others	2	(5%)

8. In which of the following areas have the program contributed to positive changes in your company? (Please answer each question)

	Yes	Too early to say	No	Not possible to answer
8.1 Occupational safety and health standards	18 (53%)	7 (21%)	2 (6%)	7 (21%)
8.2 Environment/pollution	12 (32%)	15 (41%)	4 (11%)	6 (16%)
8.3 Human resource management	34 (87%)	1 (3%)	1 (3%)	2 (5%)
8.4 Employee performance assessment systems/employee evaluation systems	32 (87%)	3 (8%)	--	2 (5%)
8.5 Management strategy and planning	26 (70%)	8 (22%)	1 (3%)	2 (5%)
8.6 Management training	19 (56%)	9 (27%)	3 (9%)	3 (9%)
8.7 Marketing	11 (31%)	4 (11%)	16 (46%)	4 (11%)
8.8 Corporate social responsibility	22 (60%)	11 (30%)	1 (3%)	3 (8%)
8.9 Social security	13 (37%)	14 (40%)	--	8 (23%)
8.10 Relationship between managers and workers	28 (76%)	6 (16%)	--	3 (8%)
8.11 Collective bargaining	14 (40%)	7 (20%)	11 (31%)	3 (9%)
8.12 Workers participation	24 (69%)	9 (26%)	--	2 (6%)
8.13 Workers education/competence	23 (64%)	11 (31%)	--	2 (6%)
8.14 Systems for salaries and wages	12	18	2	2

	(35%)	(53%)	(6%)	(6%)
8.15 New patterns of work organisation	7 (21%)	11 (33%)	12 (36%)	3 (9%)
8.16 Management systems (eg. ISO)	9 (27%)	11 (32%)	9 (27%)	5 (15%)
8.17 International quality standards (eg. ISO 9001, ISO 14001, SA8000)	12 (38%)	11 (34%)	4 (13%)	5 (16%)
8.18 Team development	26 (70%)	8 (22%)	3 (8%)	--
8.19 Technology	2 (6%)	7 (20%)	19 (54%)	7 (20%)
8.20 Productivity	7 (20%)	9 (26%)	14 (40%)	5 (14%)

9. Has participation in the program had any network effects? (Please tick all appropriate boxes)

		N	%
9.1	I have established closer relationship with other participants	36	(86%)
9.2	I have established closer relationship with my organisation	9	(21%)
9.3	I have established closer relationships with Norwegian companies	2	(5%)
9.4	Others	4	(10%)

10. Has participation in the program resulted in better knowledge of tripartism? (Please tick all appropriate boxes)

		N	%
10.1	I have heard of tripartism	37	(88%)
10.2	I have heard of how tripartism evolved in Norway	33	(79%)
10.3	I have heard about the important elements of tripartism (as its institutions, rules and regulations, how it operates, etc.)	28	(67%)
10.4	I have seen how the company I visited in Norway was functioning within a tripartite system	25	(60%)
10.5	I have learned how to implement elements of tripartism in my company	6	(14%)
10.6	I have implemented elements of tripartism in my company	2	(5%)

THANK YOU VERY MUCH FOR YOUR ASSISTANCE!

Map of China

