

# Status Quo, Existing Problems and Improvement of Tripartite Consultation Mechanism in China

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## Abstract

Tripartite consultation mechanism of labor relations is a universal pattern in market economy countries to resolve the problem of labor relations and is also an important component in the adjustment mechanism of labor relations in China. There still exist some problems in the process of carrying forward the tripartite consultation mechanism. This paper studies and analyzes existing problems and improvement of the tripartite consultation mechanism in China and puts forward suggestions of the author.

**Keywords:** labor relations, tripartite consultation, status quo, improvement

At present, China has entered a critical period of reform and unprecedented social transformation has made profound changes take place in labor relations. At the current stage, a series of new changes have emerged in the labor relations in China and some new issues are generated, presenting some new characteristics. In our country where labor relations have taken fundamental changes, it has become a common view in the eyes of all parties to establish a tripartite consultation mechanism constituted by the government, the trade union and employer organization, to resolve significant problems in labor relations through consultation and dialogue and so as to straighten out the labor-capital relationship and facilitate harmonious social development and progress. Under the powerful propelling of the government, construction of the tripartite consultation mechanism in the country has made large progress. Nevertheless, considering the actual effect, the effect of the tripartite consultation system has still not yet been fully played and a large majority of collective bargaining becomes a mere formality.

## 1. Problems Studied in This Research

On the basis of referring to the theoretical study and institutional practice of tripartite consultation in China, this paper focuses on the following three problems. Firstly, it studies the hierarchical development of the tripartite consultation in China. Secondly, it makes an analysis of the problems existing in the process of promoting the tripartite consultation mechanism. Thirdly, it puts forward improvements measures for the tripartite consultation mechanism in the labor relations in China from three aspects.

## 2. Research Data and Method

### 2.1 Research Data

The research data employed in this paper comes from three sources. The first one is the data released by the internet of All China Federation of Trade Union and local trade unions. The second one is the annual report released by the human resources and social security department in relevant provinces. The third one is academic papers in the IRAS Authorized Access System.

### 2.2 Research Method

There are three research methods employed in this paper. The first method is to master the basic data of the third party through a review of the literature so as to make the study on this project have a higher starting point. The second method is interview survey, which is to master the first-hand data in the process of the tripartite consultation through a deep interview with Shandong Human Resources and Social Security Department. This

helps to have a deep understanding in the obstacles and difficulties encountered in the process of the current tripartite consultation promoted in China. The third method is to make a synthesis of the questionnaire and case study to conduct a systematic research.

### **3. Connotation of the Tripartite Consultation Mechanism of Labor Relations and the Status Quo of the Legislation**

Tripartite consultation mechanism of labor relations, also termed as tripartite coordination mechanism, is a kind of institutional arrangement and working mode by the country (represented by the labor administration department of the government), employee (represented by the trade union organization) and enterprise (represented by enterprise organization) in their communication and consultation to carry out and implement economic and social policies and coordinate and handle labor relations. The tripartite consultation mechanism is a kind of consultation mechanism about labor-capital relationship in enterprises that has been gradually formed and promoted in western developed countries over the past one century. The Chinese government and All China Federation of Trade Union (ACFTU) name it as “tripartite consultation mechanism”. However, in the eyes of foreign scholars, there is still a great gap between this system in China and the tripartite consultation mechanism in countries with industrialization market economy. (Qiao, 2010) In 2007, in “Labor Contract Law”, the tripartite mechanism was renamed as “tripartite mechanism for coordination of labor relations”. “Consultation” was changed to “coordination” indicated that legislators came to realize that the current tripartite mechanism in China still had not the feature and effect of “consultation”.

In 1990, the Chinese government approved “Convention concerning Tripartite Consultations to Promote the Implementation of International Labour Standards” (NO. 144 Convention) proposed by the International Labour Organization. In 2001, it was prescribed in Section 2 Article 34 of the “Trade Union Law”, “Governmental labor administration department at all levels should cooperate with representatives of the trade union and enterprise at the same level to construct tripartite consultation mechanism of labor relations and negotiate together to resolve significant issues in labor relations”. This was the first time that construction of tripartite consultation mechanism of labor relations was explicitly stipulated in law in China. It was prescribed in Article 5 in “Labor Contract Law” in 2008 that, “Governmental labor administration department above the level of county should cooperate with representatives of the trade union and enterprise to construct and improve tripartite mechanism for coordination of labor relations and negotiate together to resolve significant issues in labor relations”. It was prescribed in Article 8 in “Law of the People's Republic of China on Labor Dispute Mediation and Arbitration” in 2008 that, “Governmental labor administration department above the level of county should cooperate with representatives of the trade union and enterprise to construct tripartite mechanism for coordination of labor relations and negotiate together to resolve significant issues in labor dispute”.

### **4. Hierarchy Development of Tripartite Consultation Mechanism of Labor Relations**

In the recent years, construction of tripartite consultation mechanism in China has gained an obvious effect. By May 2011, the whole country had constructed more than 14,000 tripartite organizations for coordination of labor relations at all levels and tripartite mechanism of government, enterprise and trade union had been widely constructed above the levels of municipal city and county. A lot of provinces are exploring to construct “small scale of tripartite mechanism” in town and street committee. Tripartite mechanism at all levels has played a positive role in facilitating harmonious and stable development of labor relations and promoting sustainable development of the economic society.

#### *4.1 National Tripartite Consultation Mechanism of Labor Relations*

In August 2001, the national tripartite conference for coordination of labor relations was officially held, in which the three parties of Ministry of Labour and Social Security, All China Federation of Trade Union and China Association of Enterprises/China Entrepreneur Association constituted the system of national tripartite conference for coordination of labor relations. The work of coordination of labor relations in China, since then, had a relatively stable working mechanism, which is a sign for formal establishment of the tripartite consultation mechanism of labor relations and is the first step for us to realize tripartite consultation and social dialogue.

According to “The Working Rule of the National Tripartite Conference Office for Coordination of Labor Relations”, with approval of the national tripartite conference for coordination of labor relations, the tripartite conference office set up its permanent working body on June 19, 2005. This body was constituted by working staff sent by the three parties of the labor relations and the working office was located in the Ministry of Human Resources and Social Security of the People's Republic of China. After the permanent working body was established, the tripartite consultation mechanism played a positive role in infrastructure, organizational coordination and information exchange, etc. Currently, domestic tripartite mechanism mostly adopts the mode of

tripartite conference system and after the three parties reach a consensus to the consultation, they jointly issue a document.

#### *4.2 Construction of Local Tripartite Mechanism*

There have already been 31 provinces (autonomous regions and municipalities) in China that have established provincial tripartite consultation mechanism of labor relations in which the constituting mode of representatives is almost the same with that in the national tripartite mechanism. In the provincial tripartite mechanism, representativeness of an enterprise organization is further strengthened. In 1999, Fujian established its provincial entrepreneur and enterprise management association. It was then renamed as Fujian provincial enterprise and entrepreneur joint association (abbreviated as provincial enterprise association) after the following eight provincial associations joined in 2003: Fujian general chamber of commerce, foreign-invested enterprise association, private enterprise association, individual laborer association, economic development joint association of the three kinds of investment enterprises, women entrepreneur joint association and shipowners' association. Its members, so far, have spread all over a variety of industries and all kinds of ownership enterprises in the province. Establishment of provincial and municipal tripartite mechanism helps to play the function of an enterprise organization in accordance with the international convention and facilitate development of all kinds of ownership enterprises.

Some provinces have set up experimental units of tripartite consultation mechanism in counties where the corresponding conditions are already mature and progress of establishment of tripartite consultation mechanism is successful in counties of such provinces as Jiangxi, Xinjiang, Yunnan, Hebei, Heilongjiang, Shanxi and Fujian. Compared with the national tripartite consultation system, local tripartite consultation mechanism is more flexible. In addition to labor administration department, association of enterprise/entrepreneur association and the trade union as the subject who participate in the tripartite consultation, State-owned Assets Supervision and Administration Commission (SASAC) and State Economic and Trade Commission in some local areas also take part in the conference as a representative of the capital party. There are often some famous entrepreneurs in the primary district tripartite consultation in Shanghai who attend the conference on behalf of the capital party. In the city of Baoji, the office of tripartite consultation is located in the Regulations Section of the Ministry of Human Resources and Social Security. Local tripartite conference is more effective. For instance, the tripartite conference in Guangzhou has to, first of all, consult on the minimum wage standard and then can submit the consultation result to the government who enacts the standard.

#### *4.3 Industrial Tripartite Consultation Mechanism*

Establishment of the industrial tripartite mechanism in China is still in a fledging period, except that the construction industrial tripartite mechanism was the first to be established in May 2002, which marked that industrial tripartite mechanism was initiated. In some areas where industrial clusters were formed, industrial tripartite mechanism for coordination of labor relations was spontaneously established even from grass-root organizations. By the end of 2009, wage quota consultation had been carried out in 26 industries of electromechanical industry, textile industry, costumes industry, service processing industry and so on in Yixing City which was located in the central area of the Shanghai-Nanjing-Hangzhou Yangtze River Delta Economic Zone. The umbrella industry in Songsha Town in Zhejiang Province and the woolen sweater industry in Wenling City in Zhejiang Province carried out consultation on the industrial wage standard, which gained a perfect effect. Ever since August 2003, Wenling City organized, in succession, fourteen industrial trade unions in woolen sweater industry, shoemaking industry, helmet industry and ship building and repair industry, launched a collective consultation on industrial wage standard in the seven relatively mature industrial trade unions and almost realized "zero" complaint of wage dispute in the woolen sweater industry in which labor-capital dispute was serious. (Wang, 2009)

Generally speaking, we have almost formed a tripartite consultation mechanism at the multiple levels of province, local area (city) and county (city and district) that covers a wide range of area and have begun to extend its coverage to towns and street committees. Industrial tripartite consultation mechanism has just begun to take shape.

### **5. Problems Existing in Tripartite Consultation Mechanism**

It is true that the tripartite consultation mechanism of labor relations in China has gained great development within a short period of time, but there still exist some problems that restrain its further development and function playing. For example, supporting law for the tripartite mechanism is not yet complete; there are still some problems in terms of the subject of the tripartite consultation mechanism; the functions of the tripartite mechanism in its operation have not fully come to play.

### *5.1 Extant Problems in Legislation of Tripartite Consultation Mechanism of Labor Relations in China*

The tripartite consultation mechanism in western countries is an outcome of workers movement under organization of the trade union, a kind of mechanism formed to realize win-win to a certain extent based on power balance of the two parties in the process of gaming between labor and capital. Together with continuously improved legislation, the tripartite mechanism has become an effective prescription that coordinates labor relations and resolves labor and capital contradictions. By contrast, the tripartite mechanism in China was formed under the direction of the government, and relevant and special supporting law is lacking in labor legislation and design of the tripartite consultation mechanism, without special settlement body or procedure.

#### *5.1.1 Insufficient Consideration of Interest of the Three Parties in the Process of Legislation*

Formulation of the law, as a matter of fact, embodies game playing between different social subjects or stakeholders. In the legislation, the aspect of game playing is indispensable. Constant game playing makes the legislation more scientific and impartial, which strengthens the predictability, stability and universality of the law. If the social stakeholders fail to fully participate in game playing or the stakeholders who have participated in game playing have no independence, then the game playing will not be balanced, the legislation will be unlikely to be impartial and such a law will produce the effect of centrifugation in the process of operation. (Zhang, 2012) Since labor relations concern interests of more than one stakeholder, the process of labor legislation ought to be more a kind of interest game playing participated by more than one party. If the interest need of all parties has not got fully expressed or no consensus is reached, the effect of implementation of the law will go against all expectations even though the legislation is successfully passed. The implementation effect of “Labor Contract Law” and the unprecedented dispute triggered thereby are the best proof.

#### *5.1.2 The Level of Legislation of Tripartite Consultation Mechanism Is Low and Incomplete*

Except for “Labor Law”, “Trade Union Law” and “Labor Contract Law”, a large majority of legal documents concerning tripartite consultation mechanism are presented in the form of “method”, “opinion” and “provision”, etc., and the low level of efficacy has a directly negative impact on the implementation effect of this system. In accordance with relevant stipulations in “Labor Law” and “Collective Contract Provisions”, the scope of collective consultation and dialogue is relatively narrow and is merely confined to the level of enterprise and signing of a collective contract. However, the items beyond the scope of collective contract, and especially the issues concerning solution of the problem of labor-capital dispute and employment as well as social security have not been brought into the consultation and dialogue. (Guo, 2011)

### *5.2 Extant Problems in Terms of the Subject of Tripartite Consultation Mechanism of Labor Relations in China*

There also exist problems in the tripartite subjects in the tripartite consultation mechanism of labor relations. For example, the representativeness and independence of employers and the trade union is not strong and the positioning of the role of the government is inaccurate, which leads to the low efficiency of the tripartite consultation and makes the tripartite consultation unable to play its greatest efficacy.

#### *5.2.1 Extant Problems in Terms of Employer Organization*

Representativeness of employer organization is the premise of whether the tripartite consultation mechanism of labor relations can successfully run. There are mainly two problems regarding the employer organization. On one hand, the identity of the employer organization is not yet determined. That is to say, so far, there has not been a definite legal provision about which one, on earth, of the numerous employer organizations is qualified to fit with rules of the employer organization and to exercise corresponding rights and functions on behalf of the employers. On the other hand, industrial employer organization has not been widely established, which makes the tripartite mechanism unable to proceed due to lack of the subject. Considering the employer organization per se, the extant organization only represents part of employer groups and the current employer organization has no extensive representativeness.

It is a fact that the International Organization of Employers accepted China Association of Enterprises as a formal member on June 2, 2003, and China Association of Enterprises, since then, has become the unique legal representative of Chinese employers in the International Organization of Employers. Nevertheless, its domestic status has not obtained any explicit legal stipulation. At present, the progress of establishment of employer organizations in all provinces and cities all over the country is not fast. And although associations of enterprises have been set up in all provinces, municipal cities and autonomous regions (except for Tibet Autonomous Region), as these associations of enterprises have no adequate representativeness, and their service function is single and lacks an independent status, there is a large divergence between the domestic employer organizations and the employer organization as mentioned in the international convention.

### 5.2.2 Extant Problems in Terms of the Trade Union

It was explicitly stipulated in Article 20 in “Trade Union Law” in 2001 that the trade union had the right to have equal consultation and sign a collective contract on behalf of employees, enterprises and the public institutions that carried out enterprise-style management. In China, underdevelopment of the trade union over a long time is an indisputable fact. Although the trade union is the bargaining subject in pursuant to the law, as a result of proverbial reasons, the trade union fundamentally lacks the motive to safeguard the rights for laborers and independence and representativeness of the trade union is the largest hindrance encountered in the tripartite consultation. (Tan, 2012)

Shaping a sharp contrast with the status of All China Federation of Trade Union, the trade union organization at the level of enterprise has manifested an increasingly declining tendency. The grass-root trade unions of some enterprises are cancelled in restructuring of the enterprises and the establishment efficiency of trade unions in non public-owned enterprises is extremely low. In an enterprise that has established the trade union, the trade union is subordinate to the enterprise and usually the cadres in the trade union have an administrative function. This actually existent role confusion and indefinite positioning makes the trade union hard to maintain its due representativeness and independence and also to shoulder its obligation to safeguard the legal rights of the employees. The cadres of the trade union not only have the obligation to protect the interests of the enterprise, but also have the responsibility to represent the interests of the employees, so they are often in a dilemma in reality. Therefore, resolving the issue of representativeness and independence of the trade union not only relates to whether the trade union acts on behalf of the laborers and protects their interests, but is also the key to whether the tripartite consultation system can be carried out.

### 5.2.3 Extant Problems in Terms of Government Positioning

The tripartite consultation mechanism of labor relations is “imported goods” and is established by following and absorbing the idea of the International Labour Organization. In the tripartite subjects, positioning of the role of the government is the key as it determines the position of the trade union and the employer organization and also determines the function of the tripartite consultation. It is under the direction of the government that the tripartite consultation mechanism of labor relations has grown out of nothing. In reality, the government sections have excessively participated in its establishment and resort to the public authority for direct administrative intervention, which restrains the independent consultation of the employer organization and the trade union. In countries which have relatively developed market economy, the role of the government in the tripartite consultation is neutral as they have a relatively complete trade union and employer organization. By contrast, in China, there is a great gap between the status and the power of the two parties of labor and capital. Therefore, after their labor right gets infringed, laborers turn directly to the government for a solution instead of requesting relief from the trade union. In order to maintain stability of the social and economic order, the government has to accept complaints from the laborers and, thus, gets trapped in adjustment of labor relations and handling of the contradictions.

## 5.3 Extant Problems in Operation of the Tripartite Consultation Mechanism of Labor Relations in China

### 5.3.1 Signing of Collective Contract Is Much Formalized

Collective contract is a written agreement signed by the enterprise and the trade union that prescribes the collective labor condition of laborers as the center. As a part of collective consultation result, collective contract is an effective means to protect the rights and laborers. Collective bargaining is the premise and inevitable stage for signing a collective contract and collective contract is merely a final result of bargaining. Collective bargaining needs to go through repeated bargaining and the process of bargaining is, actually, a process in which the two bargaining parties seek common points while reserving differences, gradually reach a consensus and resolve contradictions and divergences. A bargaining process that breaks away from reality will only result in a collective contract which merely cares about the result, but is deficient of pertinence. In terms of content, such a collective contract mechanically copies articles in the law. In reality, the content of a collective contract is mostly stipulations on principles. “In some collective contracts, articles that have been definitely stipulated by the law account for more than half of the total.” Otherwise, they avoid the important and dwell on the trivial and include some content that have nothing important to do with the immediate interests of employees so as to make up the number of amount.

### 5.3.2 The Bargaining and Consultation Mechanism Has Not Yet Fully Come into Role

Although “Trade Union Law” and “Labor Contract Law” have definitely stipulated the tripartite consultation mechanism of labor relations, these laws are relatively principle-based and general, without strong operability. It

is also true that rules and regulations of the tripartite consultation have been promulgated in some laws, but the legal efficacy is inadequate. Therefore, the tripartite consultation mechanism lacks a long-acting and institutionalized consultation mechanism. In addition, due to the implicit positioning of functions of the consultation institution per se and the low normative efficacy of the consultation opinions, the result of tripartite consultation is deficient of authority and effectiveness.

## **6. Improvement of the Tripartite Consultation Mechanism of Labor Relations in China**

### *6.1 Relevant Laws and Regulations to Improve the Tripartite Consultation Mechanism of Labor Relations in China*

The top priority is to improve the collective contract system. By the end of the year 2010, there had been 921,000 collective contracts effective during that period which were examined, verified and put on records by local human resources and social security department, covering 114 million employees. (Statistical Bulletin for Human Resources and Social Security Development in 2011) Thus, it is obvious that there was a large population who signed a collective contract at that time. Collective consultation and collective contract have become a major means to adjust labor relations. Collective contract system is the most fundamental and central part in the tripartite consultation mechanism of labor relations, which constructs and implies the basic connotation and value orientation of tripartite consultation mechanism dialogue and consultation of labor relations. Currently, there has not had any special legislation concerning collective contract, which is out of proportion with the development of collective contract. Therefore, legislation on collective contract is urgently required.

### *6.2 Improvement of the Subject of the Tripartite Consultation Mechanism of Labor Relations in China*

The tripartite consultation mechanism is to take into overall consideration of the interests of the nation, enterprise and employee so as to resolve a labor-capital dispute from the source and guarantee institutional design of the interest balance of the three parties in the system. The tripartite consultation mechanism is manifested as a game playing organization with checks and balances of the interests of the three parties and seeking common interests. Checks and balances is the manifestation form and it is an ultimate goal to achieve balance of interests by checks and balances. In order to form a situation of checks and balances, the subjects of the three parties engaged in consultation need to have corresponding representativeness, an independent identity and a definite positioning.

#### **6.2.1 Reinforcing Representativeness and Independence of the Trade Union**

In order to establish the tripartite consultation mechanism with Chinese characteristics, it is necessary to resolve the problems of insufficient independence of the trade union on behalf of the employees' interest and weakening of its functions in terms of system and to strengthen the functions and role of the trade union. The primary thing in reforming the current system of the trade union is to strengthen independence of the trade union, which requests for independence of personnel and funds. In order to change this kind of situation, it is a must for the employees to pay for the member fee themselves in accordance with the international convention. In this way, the trade union is able to become an independent unit and the employees are likely to have the sense of identity with the trade union. Resolving the issue of representativeness and independence of the trade union not only relates to whether the trade union is able to represent and protect the rights and interests of laborers, but is also the key whether the tripartite consultation mechanism is able to really come into play.

#### **6.2.2 Defining the Legal Position of the Employer Organization**

In China, employer is a newly emerging concept and its connotation has changed a lot compared with that in capitalism countries. With establishment and development of socialism market economic system, diversification emerges in economic sectors, non public-owned enterprises get rapidly developed and a lot of employment relations appear in private enterprises, township enterprises and foreign-invested enterprises. Ever since then, the concepts of employer and employer organization gradually come into being. Currently, the degree of organization of employer is low, with weak independence and deficiency of explicit legal support. At the level of the central government, although the China Entrepreneur Association has obtained international recognition, its domestic status has not yet got definite stipulation in the law. At the level of the local government, there are even some places that have not yet established the employer organization. The above situation seriously affects effective operation of the tripartite consultation mechanism of labor relations. Thus, it is urgently needed to strengthen the representativeness of enterprise organizations, improve all levels of entrepreneur associations and industrial associations and reinforce the subject qualification that the legislation endows with the representatives. First of all, it is necessary to make clear the legal status of employer organization (China Entrepreneur

Association/China Enterprise Confederation) by the means of national laws and regulations. Then, the government and the trade union should attach great importance to the position and function of the employer organization in the tripartite consultation mechanism of labor relations and support the employer organization in launching all kinds of activities in pursuant to the law. Finally, the operation and management personnel of the enterprises should change their concept, recognize the employer organization by seeing it as their own spokesman and strengthen communication and exchange with the organization.

### 6.2.3 Reasonable Positioning of the Role of Government

As the third party in coordinating labor-capital relations, the role of the government should be firstly positioned as a representative and guardian of the national interests. The government is supposed to standardize the behaviors of the two parties of labor and capital, balance their strengths and compel them to enforce the contract. It ought to keep a neutral position in the tripartite consultation mechanism. First of all, it is necessary to ensure the predominant position of the government. The government needs to constantly improve laws and regulations on law, provide legal support for the tripartite consultation, and strengthen supervision and examination on labor capital relations and implementation of the consultation results. Then, it is necessary for the government to keep neutral in the tripartite mechanism so as to ensure justice of the consultation result and avoid being trapped in concrete disputes. Finally, the government should ensure the rights of laborers and supervise the enterprises to perform their obligations through coordination and supervision. In the current situation, propelling and leading of the government is indispensable for effective running of the tripartite consultation mechanism of labor relations, which, of course, is merely a transitional stage. Once the trade union has the motive and energy to safeguard the rights and the employer organization is really established, the government has to “return to its original position”. It doesn’t mean that the government attempts and accomplishes nothing in labor relations if it gradually fades out from labor relations. Instead, it only defines again its new role in labor relations. It only switches from the role as a manager in handling labor relations by means of administrative control to the role as a coordinator in standardizing labor relations by legal and economic means. (Xu, 2007)

## 6.3 *Improvement of Operation of the Tripartite Consultation Mechanism of labor Relations*

### 6.3.1 Enhancing the Authority of Tripartite Consultation

In order to enhance the authority of the tripartite mechanism, the first thing is to enhance the authority of the tripartite consultation institutions. Tripartite consultation institution is not a government agency and has no public authority. Yet, considering its role in coordination of labor relations, it is necessary to strengthen its authority. Firstly, it is necessary to establish the authority of the government in the tripartite mechanism. In the process of consultation, the government plays a leading role and is responsible for proposal of the topic of tripartite consultation and supervision and implementation of the consultation result. Secondly, the results of the tripartite consultation need to be effectively followed by all parties concerned. They might resort to diversified means. For instance, they may constitute a supervision and examination committee, or the labor administration department may enforce the law to impose punishment on those who have failed to carry out the tripartite consultation. Thirdly, prior to formulation of labor laws and regulations, it is necessary to listen to opinions of the three parties and set them as the prepositive procedure of legislation to ensure democracy and scientificity of labor legislation. (Xiao, 2010)

### 6.3.2 Strengthening Institutional Construction of Operation of Tripartite Mechanism

It is necessary to set up the system of tripartite labor supervision and examination of law enforcement. The three parties together constitute the law enforcement team, which mainly enforces the law to see whether the employing unit abides by labor contract system and implement safety and hygiene of labor and labor standard of employee skill training. It is necessary to establish the system of public announcement of the examination result and to supervise the employing unit to consciously follow laws and regulations. The three parties may communicate and exchange working emphasis by means of brief work reports, e-mail and communication, find out solutions and measures and discover in due course unstable factors in labor relations and resolve them.

## 7. **Concluding Remarks**

Tripartite consultation of labor relations is one of the basic systems for market economy countries to deal with labor-capital relations. The tripartite mechanism provides a legal conversational mechanism to resolve contradictions, an important interest appeal and expression channel for the two parties of labor and capital and helps to resolve labor and capital conflicts and establish a harmonious labor relation. The tripartite consultation mechanism in China is still at the primary development stage, but it has stepped towards the first step of social dialogue. It is generally believed that the social need of coordinating the interest conflicts of labor relation

subjects will necessarily propel it towards constant improvement.

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