

# **MEMORANDUM OF UNDERSTANDING**

For

Cooperation between

the International Labour Office

and

the Ministry of Labour and Social Security

Of the People's Republic of China

# MEMORANDUM OF UNDERSTANDING

## (A) Preamble

1. The purpose of this Memorandum of Understanding (MOU) is to launch a programme of cooperation between the International Labour Office and the Ministry of Labour Social Security of the People's Republic of China and (hereafter referred to as the Two Parties), based on the ILO goal of *Decent Work*, to support national reform in China and social progress worldwide.

2. The MOU sets out agreed policy priorities for future cooperation with each of the four strategic objectives of Decent Work. These objectives will be pursued in an integrated manner to ensure their effective realization in the context of China's needs and conditions.

3. It is recognized that the ILO is one of several development partners of the People's Republic of China, which has the sovereign right and obligation to coordinate its own development activities as a member state of the International Labour Organization. It is also recognized that the ILO is not a funding agency, and that the ILO will work in collaboration with the Ministry of Labour and Social Security to mobilize external

resources for the implementation of the activities foreseen in this MOU.

4. The present MOU relates to collaboration between the ILO and the Ministry of Labour and Social Security. It is recognized that the ILO will continue and develop cooperative programmes with Chinese workers and employers organizations.

**(B) Mutually agreed objectives and priorities.**

**I. International Labour Standards and the ILO Declaration on Fundamental Principles and Rights at Work**

1. Activities to promote and realize the ILO Declaration on Fundamental Principles and Rights at work.
2. To provide technical advice and assistance for the ratification and application of ILO Conventions, including fundamental and priority Conventions.
3. To provide assistance in the implementation of ratified ILO Conventions.
4. To conduct information and educational activities to promote greater awareness of international labour standards.
5. To strengthen institutional capacity in labour inspection to promote the effective application of ILO Conventions, taking into account the relevant Conventions on labour inspection.

## **II. Employment**

1. To assist in integrating the employment dimension into macro-economic and social policies.
2. To develop an effective system to collect, analyse and utilize labour market information.
3. To formulate, implement and assess active labour market policies in both urban and rural settings.
4. To strengthen equal opportunity and treatment for all in employment and occupation.
5. To improve skills development and employment services, in order to match labour supply and demand, and to improve productivity and competitiveness.
6. To assist in designing programmes of retraining and job creation in the context of the restructuring of state-owned enterprises.
7. To promote entrepreneurship training, and the provision of cost-effective business development services and micro-credit, to medium-sized and small enterprises, including micro-enterprises in the informal sector, and community-based undertakings.
8. To assist in policy advice for all types of employment, including the informal sector.
9. To assist in designing and implementing employment-intensive investment policies and programmes, in both rural and urban areas, aimed at employment creation and poverty alleviation.
10. To assist in improving targeted training and employment programmes for the disabled and other disadvantaged groups.

### **III. Social Protection**

1. To advise and assist on social security policy issues, including the revision of legislation, and the implementation of pilot programmes.
2. To promote the expansion of coverage of social security schemes, including improved social protection for vulnerable groups.
3. To improve the governance and administration of social security schemes, with particular reference to compliance; social insurance funds; and the delivery of benefits; and enterprise-based annuity schemes.
4. To rationalise and strengthen the unemployment benefit system, including the integration of the unemployment insurance scheme with active labour market policies.
5. To promote the reform of health insurance systems.
6. To advise and assist in strengthening national policies for occupational safety and health and conditions of work, aiming at prevention, protection and rehabilitation, with special attention to hazardous conditions of work.
7. To strengthen the provisions for employment injury insurance.
8. To support tripartite efforts to review and strengthen national safety and health programmes.

### **IV. Social Dialogue**

1. To assist in the enhancement of tripartite consultation mechanisms at central and provincial levels.
2. To promote and improve the enterprise collective bargaining system.
3. To assist in improving labour contract legislation and collective contract practice.
4. To promote and improve the labour dispute settlement system, and enhance the capacities of labour arbitration personnel.
5. To assist in capacity-building of the social partners.

## **(C) Cooperation in other areas**

### **I. Statistics**

To improve national institutional capacity for labour statistics on the basis of international standards, including occupational safety and health statistics.

### **II. Sectoral activities**

To provide assistance on social policy formulation and implementation in specific sectors of the national economy, as required.

### **III. Cooperation with the International Training Centre of the ILO in Turin**

1. To integrate Turin Centre training activities with the ILO overall technical cooperation programme for China.
2. To improve the needs identification and planning process for courses.
3. To link training to the Ministry longer-term staff development programme.
4. To strengthen the training capacity of the training institutions.

#### **IV. Cooperation with the International Institute of Labour Studies of the ILO**

1. To promote the exchange of information and publications.
2. To cooperate in the development of research methodologies for Decent Work .
3. To provide assistance in international research networking, and in the organization of research activities.
4. To promote greater interaction between the ILO and China academic and research communities.

#### **(D) Modalities of implementation**

1. Following the conclusion of this MOU, the Two Parties undertake to establish a Joint Committee through which they will

i Formulate specific technical cooperation project proposals in the areas outlined above.

( i i ) Mobilize resources for the implementation of projects

( ) Review and assess the implementation of this MOU.

( ) Consider such revisions to this MOU as may be deemed appropriate.

2. The Joint Committee shall meet once a year, alternatively in Beijing and Geneva or at any location which may be mutually agreed. The first meeting will be convened in 2001.

3. Any divergences of interpretation of this Memorandum arising in the course of implementation should be resolved through consultation, or by other mutually agreeable means.

The present Memorandum of Understanding is signed this **Seventeenth** day of **May** of the year two thousand and one in Beijing. This MOU is in two original copies, each of them in English and Chinese, both of them being equally authentic.

Juan Somavia

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