

wins the world. Best employer should bring employees the identification and belongings of sense and sensibility. In order to be best employer, a company should formulate good human resource management methods, such as salaries and welfares, subsidies of work and living and so on, and provide sufficient vocational development opportunities, respect and approve employees.

[CN] CHUMING WANG

Contact Information:

Address: Department of Finance, Shanghai Lixin University of Commerce, 2800
Wenxiang Avenue, Songjiang District, Shanghai 201620, P.R., China.

Mobile: 13816790726

Email Address: chuming_w@126.com

Professor Chuming Wang, male, was born on 13 March 1963, and now acts as the director of Finance Department and master mentor in Shanghai Lixin University of Commerce. He is accomplishing assiduously the doctor degree in Nankai University, shouldering Syndic of Henan Finance Academy and judging-specialist of the fund of nation basic science and National Natural Science Foundation of China. His research field is west economic idea and capital theory etc.

He has presided 9 studying-items including nation grade and province grade, and published over 40 working-papers on periodicals such as *Journal of Financial Research* , *Shanghai Economic Review* etc. and 6 monographs including *Finance Reform and Development*.

The Contemporary Trend of Labor-Capital Relationship Developing in the World and China

[CN] Chuming Wang

I. The Evolve of World Labor-Capital Relationship

Since the capitalism established, the contradictory between labor and capital has constituted. The struggle from different economical interests has been through the every historical stage in west market economical country; however the Characteristics are various in different stages.

From industrial revolution to second half of 19 century, the capitalism is at the free complete period. The contradictory between labor and capital manifested incisive class confrontation and fierce conflict in this period. The workers were aware of the necessary of the union. Then the worker organization was emerged in some industries. This is the labor union in early stage. Form the second half of 19 century to the first of 20 century, the countries of capitalism transited from free completion to monopolization. The struggle of worker class and movement of union did not stop because the capitals and governments put down. As the development of social economics and political system democratize, the way of struggle between labor and capital was changed. The means that union delegated the worker to negotiate with employer began in few firms. Face to this situation, the European and American government translate the unrestrained labor-capital relationship in the early stage to the constructed interfering policy. Labor-capital relationship is transitional period at the Two World War, Which changed from government interferon to systematic and legalization. Going through the Two World War and the worst economical crisis, face to the huge social pressure, every government in western countries further strengthen the labor administration supervise, perfect labor legislation, amplify related institution, expand the domain and field labor censor, intervene relationship of labor and capital roundly. Promoted by the third science and technology revolution, the relationship of labor and capital during the important transition After the Second World War. The government strengthened intervene the relationship of labor and capital and labor force reproduction roundly, a set of standardization and system jurisprudence and adjust mechanism come into being, the way of settling the contradiction between labor and capital. So the relationship of labor and capital turned from sever antagonize to relaxation.

II. The New Characteristics of World Relationship of Labor and Capital

During the changing of world economics and politics, the relationship of labor and capital appear some new characteristics: (1) the government further intervenes the relationship of labor and capital. Since 1920's, the important characteristics relationship of labor and capital is intervene through country, doing their utmost to balance the both sides power and interests, relaxing complex and furious conflict between labor and capital, and

becoming basic stabilization and comparatively balanced situation. (2) The decentralization of shareholders and current of socialization helps relax the relationship of labor and capital. (3) Strengthening the interest pertinence between wage earner and employer. Starting from firm development and employer's interests, the profit participation system was pushed extensively in American and west European. So the interests of labor and capital are tied tightly.(4)“The related partners economy” has become more and more developed. The corporation target should be responsible for all the related partners in the company which include shareholders, employees, customers, partners, government etc. Corporation should be running according to the benefits of all the related partners instead of the profits. This would maximally consider the labor interests, and help improve the labor-capital relationship. (5) “Signal analysis service” people are rushing. Recently, a new party of “signal analysis service” people are coming up in a lot of western countries. With the emergence of the “signal analysis service” people, labors value has been recognized by the society. The survival and development of the corporation relies on the effective service of all kinds of labor and departments. The interests of capitals are more dependant of the service of the “signal analysis service” people, which has improved a lot of the labor-capital relationship. (6) The challenge of the globalization. The globalization, charactering globally reallocations of the fiancé, capital, technology, goods, information, human resource etc, has put a significant influence on traditional labor-capital relationship. Especially the management of multinational company will make the labor-capital relation ship appear in different countries.

III. The Main Problem and Tendency of Our Labor-Capital Relationship

Enhancing the living condition of the labors is the initial and ultimate goal of the government in China. China is a socialism country dominated by state owned company. This economic & political system has decides the labor-capital relationship in China which is different from the western countries essentially. Specially before the reformation, labors are the owner of our country, they are also the founders of social fortune. The state-own dominated economic system determines that the purpose of social production is to keep improving the living conditions of whole workers. The labors are the owner of the company and country so there are no dispute between labor and capital. While, after reformation, due to various ownership, specially the rapid development of private and foreign companies, the problem between labor and capital has appeared. Moreover, our government was not ready for the new conditions of labor-capital relationship, has not set up the system or labor law. All of these again deteriorated the condition. Main problems are: non-standard of the labor contract, contradiction of labor and capital, faultiness of the social securities insurance, etc. The labor-capital relationship problems in non-state owned companies have become the

main problems for labor-capital relationship, which are reflected on the contradiction between the labors and private employers. Although the labor-capital relationship in non-state owned companies is not a class-opposite relationship, it is still a contradiction between labor and capital. Due to the distinct difference between company target and labor target. (Company target is the maximization of profit, labor target is the maximization of the salary, labor-capital relationship is a still kind of employment),also the incomplete labor law, the dispute between labor and capital in non state owned company has increased .

The new thing in the China labor-capital relationship is actually a new problem during the transfer of our economic development. This problem happens because, firstly, the rapid development of state-owned company transferring to non state-owned company. With the innovation of the state owned company, the government and other investors have become the owner, and the labors are excluded of the so called “owner’ in terms of economics and law. Therefore, the labor lost its rights for decision-making, lost its ownership and became the employees. Secondly, the decrease of labor rights & interests in the company are due to the imbalance of the demand and supply of the labor market. Currently, labor supply is always higher than labor demand which forces labor to sacrifice its rights to get a job. Thirdly, the countrymen workers are discriminated because of the regulations of “residence registration”. Most cities especially big cities still put some regulations to protect the local residence and do not protect the non-local people’s interests. Last, lack of law consciousness and self-protection is also a factor resulting in weakness of labors.

The weakness of Chinese labors is really inappropriate with their great contribution to national economy development. How to secure the labor’s legitimate interest, how to handle the relationship between labor and capital, is the prerequisite matter for the sustainable development of our economy. Now the matter between labor and capital in under our government’s concern, the key problems are being resolved from different angel of registration, administration and social society etc. Now the relationship between labor and capital is under the development.

First is the mercerization of the relationship between labor and capital. The dispute between labor and capital handled by the companies has become a trend. Second is the legislation of the relationship between labor and capital. China has established the legal system under the <<Law of Labor>> and is gradually resolving the dispute between labor and capital by law. During the recent years, China is proposing sustainable society, and weak party has become more and more recognized. Third is the globalization of the relationship between labor and capital. This trend appears with the foreign company coming into to China and is enhanced with China’s entry into WTO. Now, apart from the traditional international convention, such as collective meeting, three-party system, corporation social responsibility, corporation production rules are more and more used to solve the dispute between labor and capital. Overall speaking, international labor rules have put direct influence to Chinese labor legislation and regulations.