

The Wage Distribution Mechanism based on Harmonious Labor Relations

Qingyang Li

School of Southwest Petroleum University, Chengdu Sichuan, 610000, China

Abstract: A wage distribution mechanism based on harmonious labor relations is a mechanism that promotes fair wage distribution through multi-party coordination and integration, thereby facilitating the creation of a harmonious labor relationship. However, in the current labor market in China, there is a lack of a reasonable wage distribution mechanism, leading to a large gap between the rich and the poor and unequal wage distribution. The current situation of low wages for ordinary laborers, making it difficult for them to survive, is particularly prominent. In response to the call of the state to establish harmonious labor relations, it is urgently needed to establish a fair wage distribution mechanism, thereby providing a guarantee for the state to establish harmonious labor relations.

Keywords: Harmonious Labor Relations; Worker; Social Stability.

1. The Theoretical Basis and Legal Origin of Wage Distribution Mechanism Based on Harmonious Labor Relations

1.1. The Theoretical Basis of the Wage Distribution Mechanism Based on Harmonious Labor Relations

The concept of "harmonious labor relations" has already been reflected in our legislative practice. The Labor Law, promulgated in 1994, begins with this idea, while the Labor Contract Law of 2007 puts "promoting the harmony and stability of labor relations" at the top of the law, highlighting the country's firm determination to pursue social harmony through legislative means. Over the years, from the central to local, from government departments to party organizations, have emphasized and advocated the construction of harmonious labor relations at different levels. In particular, on January 3, 2023, the "Opinions on Promoting the Establishment of Harmonious Labor Relations in the New Era" jointly issued by the Ministry of Human Resources and Social Security, the All-China Federation of Trade Unions, the China Enterprise Federation/China Entrepreneur Association and the All-China Federation of Industry and Commerce provides clear guidelines for the current construction of harmonious labor relations. The guideline stressed that in the process of building harmonious labor relations, enterprises should focus on fully implementing labor contracts and collective contract systems, strengthen democratic management of enterprises, and ensure that employees' basic rights and interests in labor remuneration, rest and vacation, labor safety and health, social insurance, and vocational skills training are effectively protected. At the same time, it emphasizes the importance of establishing the collective bargaining and normal increase mechanism of workers' wages, which not only highlights the core position of the wage distribution mechanism in the construction of harmonious labor relations, but also clarifies the norms and standards for its creation.[1]Constructing harmonious labor relations is not only the starting point of dealing with labor

problems in the new era, but also its ultimate goal. In the global economic pattern, China has risen to the second largest economy in the world, and the rapid development of economic and social development has provided a broad space for the improvement of labor relations, and the interests of workers have been more fully guaranteed. [2]However, as we enter a new stage of development, with multiple factors such as the shift of economic growth, the acceleration of structural adjustment, and the transformation of development momentum, China's labor relations are also facing increasingly complex challenges. Therefore, the task of building harmonious labor relations is still arduous and requires our continuous efforts.

1.2. The Origin of National Policies and Laws on the Wage Distribution Mechanism Based on Harmonious Labor Relations

Among the many factors of building harmonious labor relations, reasonable wage distribution is undoubtedly the most important link. In order to ensure the fairness and effectiveness of wage distribution, the corresponding laws and regulations system has become its authoritative basis. Looking back on history, in August 1950, the "Wage Regulations (Draft)" jointly formulated by the Ministry of Labor and the All-China Federation of Trade Unions marked the start of the first wage system reform in China. The regulation defines three principles for the reform of the wage system, the third of which specifically emphasizes the need to take care of the state's financial resources and the relationship between industry and agriculture to avoid excessive economic burdens on the country. With the gradual development and improvement of socialist public ownership, the principle of distribution according to work has been gradually implemented in the field of distribution. In June 1956, the 32nd plenary meeting of The State Council adopted the Decision on Wage Reform, which laid a solid foundation for the subsequent labor wage system in China, and had a profound impact on the social class structure of New China, making "level" an important criterion for ranking all kinds of social groups in political and economic life except farmers. Since then, the reform of laws and regulations on wage distribution at the national level has been relatively slow, and

instead a series of policy measures have been taken to fine-tune the wage structure. After reform and opening up, China is committed to the establishment of enterprise wage distribution system adapted to the socialist market economy system, which is a key part of the labor system reform. [3]Especially in the 1980s, by breaking the "three iron" (that is, iron rice bowl, iron salary, iron chair), the reform of the three systems of labor, personnel and distribution in state-owned enterprises was further promoted, and the labor contract system was gradually promoted and fully implemented, which greatly promoted the implementation of the principle of distribution according to work. In 1992, the Regulations on the Transformation of Operation Mechanism of Industrial Enterprises owned by the whole People promulgated by The State Council further clarified the autonomy of enterprises in wage distribution. Subsequently, the 14th National Congress of the Party established the reform goal of establishing a socialist market economy system, and clearly put forward the basic ideas of enterprise wage system reform, that is, adhere to the distribution according to work as the main body, a variety of distribution methods coexist, and pay attention to the balance of efficiency and fairness. Under the guidance of this thought, China has gradually formed a modern enterprise wage income distribution system of "market mechanism regulation, enterprise independent distribution, democratic participation of workers, and state supervision and guidance". After decades of reform practice, an enterprise wage income distribution system has been initially established to meet the operation requirements of the socialist market economy system.[4]

1.3. Legal Analysis of Wage Distribution Mechanism Based on Harmonious Labor Relations

At present, our country has entered a new stage of development, implementing new development concepts, constructing a new development pattern, promoting high-quality economic and social development and sustainable development, and putting forward more stringent and urgent requirements for enterprise wage income distribution, in order to achieve the great goal of common prosperity. From the legislative level, the state establishes the minimum wage standard through legislative means, which is a direct intervention way to protect the basic rights and interests of workers. However, due to historical and realistic factors, Chinese enterprises still face a series of deep contradictions and outstanding problems in the field of wage income distribution, and the task of deepening reform is still urgent and arduous. Since the reform and opening up, despite the continuous efforts of all parties to balance the historical accumulation and the inherent distribution contradictions of the market, the complex economic environment and the widening gap between the rich and the poor have become negative factors hindering the healthy development of the economy and the construction of harmonious labor relations. The imbalance of benefit sharing often leads to the intensification of the contradiction between labor and capital, and even leads to conflict. In recent years, labor-capital conflicts have occurred frequently, the most direct and core root of which is the imbalance of interest sharing between labor and capital, which has gradually evolved into a key factor affecting the stable development of China's economy and society. Among them, the lack of wage distribution mechanism based on harmonious labor relations is an

important reason and root cause of this problem. Therefore, it is urgent to establish a reasonable wage distribution mechanism based on harmonious labor relations and corresponding laws and regulations. This will not only help balance the interests of both employers and employees, promote harmonious and stable labor relations, but also an inevitable requirement for promoting high-quality economic and social development.

2. Reflection on Wage Distribution Mechanism Based on Harmonious Labor Relations

2.1. The Current Dilemma of Wage Distribution in China

After in-depth analysis of the survey of trade union organizations at all levels of enterprises and relevant data, it is not difficult to find that the problem of employee wage income distribution is still significant, which is reflected in the following aspects: First, there are obvious deficiencies in the wage distribution and regulation system. At present, the incentive and restraint mechanism of enterprise income distribution is not perfect, and the government's macro-control means of enterprise income are relatively scarce. In wage distribution, the factors reflecting the proportion of enterprise revenue are not sufficient, resulting in a weak correlation between wage growth and enterprise development. There is obvious imbalance in the wage distribution pattern of the second enterprise. Overall, the wage growth of enterprise workers is relatively slow. Although the average level of global society has generally risen since the 21st century, the wage growth of Chinese workers is lagging behind. Especially in the context of the rapid rise in living costs such as prices, education and medical expenses, many workers are facing difficulties in life. In addition, the wage gap between different industries is also relatively significant, such as finance and insurance, electric power coal and other industries, the average wage of employees is much higher than that of construction, forestry and animal husbandry industries. The problem of the third worker's wages not being paid on time still exists. It is common for some enterprises to default on the wages of their employees, especially under the impact of the epidemic, some enterprises have difficulties in operation or even bankruptcy, resulting in workers' wages being unable to be paid in full and on time. [5]In addition, some small and medium-sized enterprises also exist in arrears and deductions of workers' wages without reason, which seriously infringes the legitimate rights and interests of workers. At present, the issue of employee wage income distribution needs to be solved urgently, and it requires the joint efforts of the government, enterprises and trade unions to improve the wage distribution and regulation system, narrow the wage gap between industries, and ensure that employees' wages can be paid on time and in full, so as to protect the legitimate rights and interests of employees and their living standards.

2.2. The Advantage of Wage Distribution Mechanism Based on Harmonious Labor Relations

Constructing a scientific and reasonable wage distribution mechanism is the indispensable cornerstone of constructing harmonious labor relations, which has far-reaching and great

significance. First, the mechanism can provide a solid legal guarantee for the construction of harmonious labor relations in the country. Through the formulation and strict implementation of relevant laws and regulations, we can ensure that all parties have laws and rules to follow in the process of building harmonious labor relations, effectively reducing legal risks and safeguarding social fairness and justice. Reasonable wage distribution mechanism can significantly reduce labor disputes. Secondly, the root cause of many labor disputes lies in the issue of wages. Therefore, the establishment of a wage distribution mechanism based on harmonious labor relations can help balance the interests of all parties, reduce the contradictions between employers and workers, and promote social harmony and stability. Third, this mechanism can fully stimulate the enthusiasm of workers, effectively alleviate the tension between labor and management, and then promote the employment rate. [6] In the current complex employment environment, the establishment of a reasonable wage distribution mechanism can not only help workers realize their self-worth, but also enhance their confidence in employment, and inject vitality into the prosperity and stability of society. Finally, the wage distribution mechanism based on harmonious labor relations can also promote the improvement of labor productivity and create a more positive and upward working atmosphere. By ensuring that workers are compensated for their efforts, we can motivate them to work, increase overall productivity, and lay a solid foundation for long-term business growth.

3. Establish and Improve the Wage Distribution Mechanism Based on Harmonious Labor Relations

3.1. The Reconstruction of the Concept of Wage Distribution Mechanism Based on Harmonious Labor Relations

In the context of the new era, this task is particularly urgent and important, and we need to plan the construction of harmonious labor relations into the overall vision of the development of the Party and the country. As socialism with Chinese characteristics has entered a new era, the changes in historical orientation have put forward new challenges and requirements to all fields of society, and labor relations are no exception. The new era has brought a new topic of labor relations governance, revealed the new contradictions in the development of labor relations, and predicted the new trend of labor relations development. To this end, we must fully implement the important decisions and arrangements of the Party Central Committee and The State Council on building harmonious labor relations, with the goal of harmonious unity of enterprise development and workers' rights and interests, and adhere to the general tone of seeking progress while maintaining stability. To be specific, we should start from the following aspects: First, the wage distribution mechanism based on harmonious labor relations should expand its scope, level and content on the basis of continuous enrichment. Second, the wage distribution mechanism based on harmonious labor relations should be based on the idea of realizing income sharing, benefit co-creation and common destiny between enterprises and employees. Third, the wage distribution mechanism based on harmonious labor relations should be guided by the spirit of shaping enterprises to respect labor, benefit employees, employees to make contributions

and dedicate themselves. Let the harmonious impetus to promote the high-quality development of enterprises burst out, and lay a solid foundation for the construction of harmonious labor relations with Chinese characteristics.

3.2. The Unification of the Development Plan of Wage Distribution Mechanism Based on Harmonious Labor Relations

In the process of promoting common prosperity, we must strive to make development more balanced and adequate, and ensure that economic growth is accompanied by a rational distribution of wealth. Labor is the source of value creation, and enterprises are the main body of market economy. Reasonable and orderly distribution of wages and income in enterprises plays a vital role in stimulating labor value creation, balancing the distribution relationship between capital and labor, and promoting social equity and justice.

Deepening the reform of enterprise wage and income distribution is not only related to efficiency, but also to fairness, and is a key link in promoting high-quality development. This reform will help increase the income of low-income groups, expand the middle-income group, and promote the transformation of the income distribution structure from the current "pyramid" to a healthier and more stable "olive". This is the only way to achieve common prosperity for all people. As early as in the 11th Five-Year Plan, the Chinese government clearly proposed to "rationally adjust income distribution". In order to solve the problem of wage income distribution among employees, promote the harmony and stability of labor relations, and promote the construction of a harmonious socialist society, it is necessary for us to embark on the road of legal construction of wage income distribution and standardize the work of wage income distribution through legal means. First, the wage distribution mechanism based on harmonious labor relations needs to establish clear laws and regulations. In the legislative process, the interests and needs of enterprises and workers should be fully considered to achieve multi-party balance. Second, the wage distribution mechanism based on harmonious labor relations needs to clarify the responsibilities and obligations of all parties, and clarify the relationship between the government, enterprises and workers. Third, give full play to the power of trade unions, strengthen the consultation mechanism, and build a corporate income supervision platform, wage supervision platform, and guide employees to participate in and supervise.

3.3. Adjustment and Setting of Wage Distribution Mechanism Based on Harmonious Labor Relations

The core of the wage distribution mechanism based on harmonious labor relations is to promote the legal construction of wage income distribution and ensure that the wage distribution process is standardized according to law. To this end, we need to start from the following aspects:

First, accelerate the improvement of the legal and regulatory system of employee wage income distribution, so that it can keep pace with The Times and coordinate with the pace of social and economic development. We should base on the reality and focus on the future, build a long-term mechanism in wage income distribution, and upgrade those specialized and transitional policies that have been proven effective in practice to a universal and long-term system. At

the same time, we should also transform those flexible and emergency work measures into stable and long-term work mechanisms, and speed up the institutionalization and legalization of wage and income distribution. [7]In addition, we should also establish diversified distribution methods according to the nature of enterprises, combine the revenue of enterprises and the labor of employees, balance the interests of enterprises and employees, and enhance the personal happiness of employees. Second, strengthen the government's effective supervision of enterprise wage income distribution. The government needs to update the law enforcement concept from the perspective of development and adhere to the principle of "people-oriented, strict law enforcement, scientific development and joint construction and harmony". Through administrative, legal and market means, strengthen the supervision of enterprise wage income distribution, and ensure that the national laws, regulations and policies on wage income distribution are effectively implemented. In particular, we will intensify efforts to address prominent problems such as underpayment of wages by enterprises, arrears in payment of wages to employees, refusal to implement minimum wage standards, excessively long working hours, and failure to pay overtime wages. At the same time, the government also needs to strengthen the construction of law enforcement supervision teams and supervision networks, and form a labor security law enforcement supervision network with the participation of labor security administrative departments, trade unions, industry organizations, media and other social groups to ensure effective supervision of the distribution of wages and income in enterprises. Third, reform the wage dispute settlement system. We can learn from the advanced experience of Germany and other countries, combined with China's national conditions, and set up a special labor dispute court within the people's court to deal with wage disputes and other labor dispute cases. In view of the rapid increase in the number of labor dispute cases and the social problems caused by some cases, we should fully realize the importance of reforming the system of handling wage disputes. By improving the system of handling wage disputes and establishing labor dispute courts, wage disputes can be more effectively resolved, the legitimate rights and interests of workers can be protected, and social harmony and stability can be promoted.

4. Summary

Harmonious labor relations aim to build a "harmonious and

win-win" relationship between workers and labor users to ensure that members of society can share the fruits of social development, that is, to realize the sharing of interests. As members of the economic community, workers and labor users should pursue the maximization of interests based on the principles of equal cooperation, mutual benefit and risk sharing. Constructing harmonious labor relations is a systematic project in which deepening the reform of wage distribution plays an important role. In terms of specific implementation, we need to start from the political and strategic height, carefully design the top-level plan, strengthen the intensity of investigation and research, and regularly conduct follow-up evaluation. Through continuous improvement of the working mechanism and policy system, we will ensure that the reform of wage distribution can truly contribute to the construction of harmonious labor relations and lay a solid foundation for social stability and development.

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