

Unprotected yet Unyielding: The Decade-Long Protest of China's Healthcare Workers (2013-2023)



China Labour Bulletin

(<https://clb.org.hk/en>)

September 2024

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Introduction

Healthcare workers in China faced unprecedented challenges to their working conditions and labour rights due to the COVID-19 outbreak in Wuhan, the spread of the epidemic, and the effects of the global pandemic. The death of whistleblower Dr. Li Wenliang on 7 February 2020 in Wuhan exemplifies the types of sacrifices made by healthcare workers, who had continuously faced life-threatening risks over the next few years as China's pandemic-prevention measures were implemented and then dropped across the country. Not only were healthcare workers required to support government quarantine and sampling facilities, but they also struggled to maintain regular services and prevent infections within hospitals. Medical facilities were severely understaffed as some workers were quarantined at their homes, while equipment like protective gear was in short supply. At the end of 2022, China's sudden withdrawal of its pandemic-prevention measures further added to the demands of healthcare workers nationwide. As the virus openly swept through the public, healthcare workers now had to work while infected with COVID-19, and with supplies of protective gear reduced now that the pandemic was deemed "over." In turn, medical schools demanded their residents (规培生) return to work and threatened them with bans from taking their final exams, leading to a wave of protests. Even while healthcare workers were facing excessive workloads and occupational risks, they also faced reduced salaries and even non-payment of wages and social insurance benefits, owing mainly to a drop in regular clinical consultations and the increase in pandemic prevention expenditures.

The legacy of the pandemic continues to affect China's healthcare workers even today. For example, on 3 November 2023, a group of medical staff from the Ruzhou Maternity and Child Health Hospital in Henan (河南汝州妇幼保健院) [held a protest](#) in front of the hospital, saying that their wages have been owed for more than a year. Their social insurance benefits and housing provident funds were also unpaid. A local newspaper, *New Yellow River* (新黄河), [reported](#) the response from local authorities: "Since last year, with a decline in births, the impact of the pandemic and other factors, the centre's business has declined drastically, leading to a sharp drop in income and a delay in wage payment."

In mid-December 2023, a post on the *People's Daily* "Message Board for Leaders" (领导留言板) raised concerns about [15 months of unpaid performance-related pay](#) (hereafter "performance pay") at the Jingchuan County Hospital of Traditional Chinese Medicine (泾川县中医院) in Gansu province. According to the message, temporary staff were paid only around 1,000 yuan per month (U.S. \$143).

Their social insurance was also unpaid. Temporary staff made up around half of the 386 workers at the hospital. An investigation by the Jingchuan County Commission (泾川县委) confirmed these claims. The impact of the pandemic, declining hospital income, lack of financial support, and new infrastructure projects - including quarantine facilities for pandemic prevention - were cited as reasons for the hospital's increasing debt and subsequent delay in wage and performance pay, as well as non-payment of social insurance.

However, it would be inaccurate to attribute labour rights issues in China's healthcare sector primarily to the pandemic. Instead, the public health emergency merely triggered long-standing problems. China Labour Bulletin has been documenting labour rights challenges in China since 2011 in a public database (the [Strike Map](#)). The number of cases we collected for hospitals stabilised from 2013 onwards, with a total of 135 cases recorded from 2013 to 2023. These cases involve various issues such as unpaid wages and social insurance, demands for "equal pay for equal work" by informal workers, performance pay and subsidy problems, work safety concerns, and hospital restructuring issues. These cases and data from our Strike Map serve as the foundation of this report. In addition, we also refer to media reports, scholarly articles, and surveys conducted by social organisations to explain the systemic problems in the healthcare sector that contribute to labour rights challenges.

China Labour Bulletin's database contains collective action cases since 2011 in our Strike Map and individual cases of worker grievances in our [Workers' Calls-for-Help Map](#) since 2020. Our data related to healthcare workers' collective actions and requests for help are mainly from doctors and nurses in hospitals - rather than primary healthcare institutions, clinics, cosmetic centres or other healthcare institutions - possibly due to biased sampling of online information or the fact that hospital staff account for [more than 60 per cent](#) of all healthcare professionals in the country. Due to these limitations in data collection, **this healthcare report will concentrate on the working conditions of doctors and nurses in China's hospitals.**

By compiling cases of healthcare workers' collective actions and their online pleas for help, China Labour Bulletin aims to shed light on the labour rights situation of healthcare workers to the general public, policymakers, and trade union organisers. We argue that the frequent occurrence of labour rights issues in the healthcare sector is related to systemic problems and changes in China's healthcare system. **The lack of a genuine representative for the healthcare workers during these changes has led them to resort to protests or seeking help online. China's healthcare unions in hospitals and the**

sectoral unions at ACFTU need to establish an effective and constant mechanism between labour and management in hospitals, which will allow the participation of multiple stakeholders and help resolve labour disputes.

Note: The Chinese version of this report was published in February 2024. Readers can access the Chinese version [here](#). Some hyperlinks in this report are in Chinese, and all hyperlinks are saved in [archive.today](#)

Abbreviations/ Points to note

- CLB: China Labour Bulletin
- performance pay: performance-related pay
- HPF: Housing Provident Fund (住房公积金)
 - HPF functions similarly to social insurance, with benefits for employees' housing needs funded through contributions paid by employers and their employees. Please see Chapter 2 for more information.
- The exchange rate of USD to RMB (yuan) was based on “1 USD = 7 RMB”

A Brief Note on China's Healthcare System and Hospitals

To assist in understanding the report, this section will introduce the different components of China's healthcare system, including the types of hospitals, their grading system and the number of health professionals.

Public and private hospitals

There are three main types of healthcare institutions in China: hospitals, primary healthcare institutions, and specialised public health institutions (e.g., centres for disease prevention and control). China's hospitals are divided into public and private. Public hospitals are typically larger general hospitals, whereas private hospitals tend to be smaller and more specialised. According to the [Statistical Bulletin on Health Development in China 2022](#) (2022 年我国卫生健康事业发展统计公报), out of 36,976 hospitals in China, 11,746 are public and 25,230 are private. Although private hospitals account for more than 60 per cent of the total, they only account for 20 per cent of the patient visits. Public hospitals received about 3.2 billion patient visits in 2022 (around 84% of total hospital visits), while private hospitals only received about 600 million visits (around 16% of total hospital visits). The share of private hospital visits from 2010-2019 (before the pandemic) was even lower. According to the *China Health Statistical Yearbook* (中国卫生健康统计年鉴), the share of private hospital visits increased from 8% in 2010 to 15% in 2019, but the percentage is still much lower than that of public hospital visits.

Hospital services

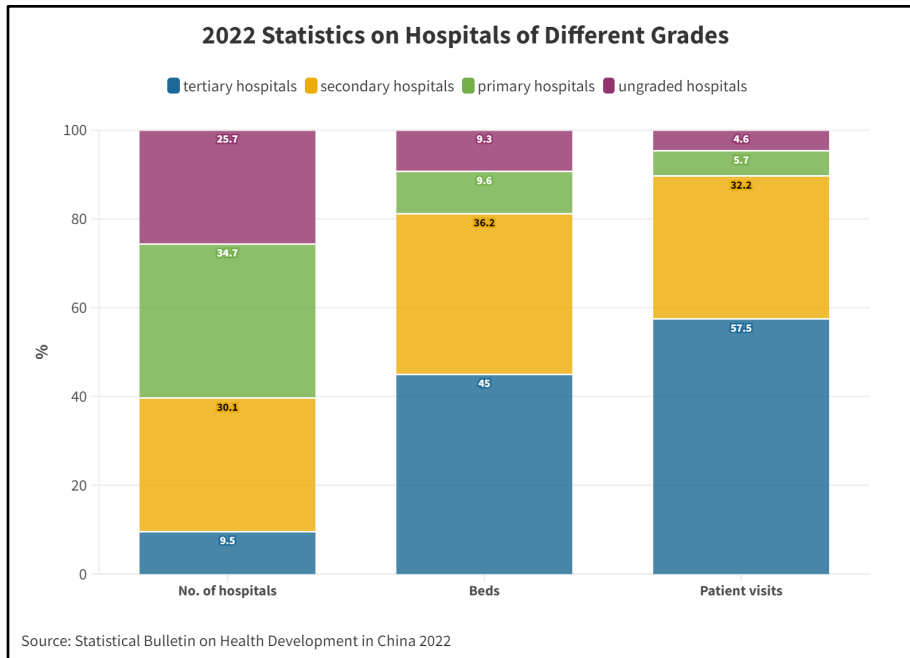
Hospitals in China provide both inpatient and outpatient services. According to the World Health Organization's (WHO) report, [People's Republic of China health system review](#), China's healthcare system does not yet have a well-established triage system. The country lacks a "gatekeeper system," in which community-based general practitioners serve as the first point of care, as well as the "two-way referral system" (双向转诊制度), where primary healthcare centres handle minor illnesses and hospitals handle major ones. As a result, hospitals in China still provide basic medical services. Hospitals can be categorised into general hospitals and specialised hospitals, and into Chinese and Western medicine hospitals. Most hospitals in China provide Western medicine, but almost every county and city has a hospital specialising in traditional Chinese medicine. Additionally, some ethnic minority areas have hospitals dedicated to other traditional medicines, such as Tibetan and Mongolian practices.

Grading system of hospitals

The WHO [report](#) also introduced the hospital grading system implemented in China in 1989. The system has three levels, each corresponding to the size and function of the hospital (see table below).

Hospital Grade	Description	Number of Beds
Primary	Primary hospitals and health centres that provide preventive, medical, health care, and rehabilitation services directly to the community	20-99
Secondary	Regional hospitals that provide general medical and healthcare services to several communities and undertake certain teaching and research tasks	100-499
Tertiary	Hospitals that provide high-level specialised medical and healthcare services to several regions, and carry out higher education and scientific research tasks	500+

As shown by the [2022 statistics](#), while the number of tertiary hospitals is the smallest, they share the highest number of beds and the highest number of patient visits, followed by secondary hospitals (see chart below).



Health professionals

According to the [Statistical Bulletin on Health Development in China 2022](#), at the end of 2022, the total number of health professionals in China was 11.658 million, of which 4.435 million were practising physicians (assistant physicians included) (执业医师/执业助理医师) and 5.224 million were registered nurses (注册护士). As for the distribution of health professionals, hospitals accounted for 7.353 million (63 per cent), primary healthcare institutions for 3.45 million (30 per cent), and specialised public health institutions for 780,000 (7 per cent). This report focuses on the workplace grievances of physicians and nurses in hospitals, which account for a significant portion of the healthcare workers in China.

Part I. Background and Summary

Ch. 1: Healthcare Workers' Collective Actions and Requests for Help over the Past Decade

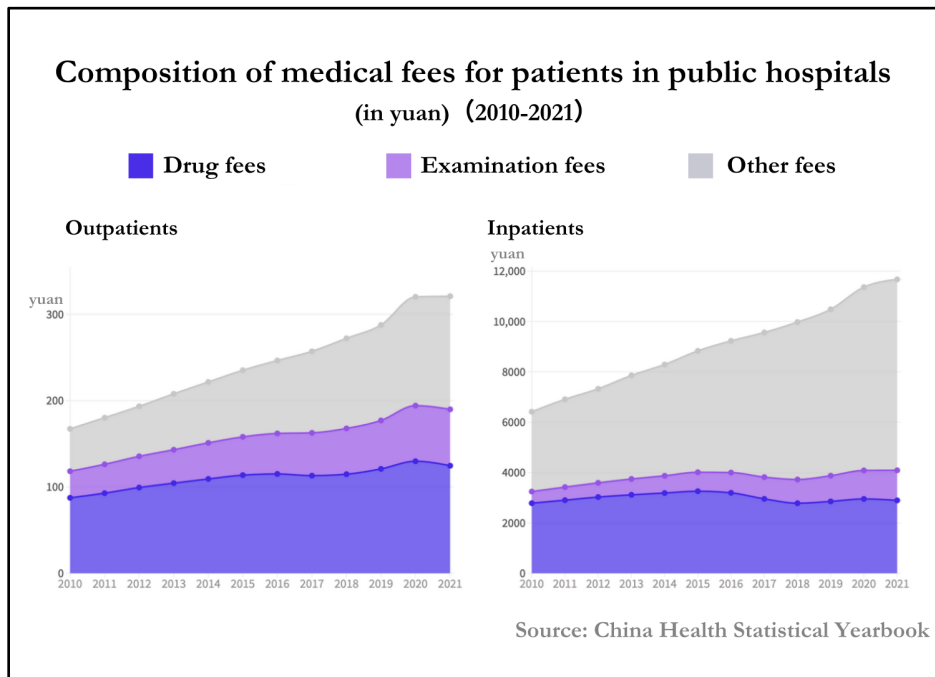
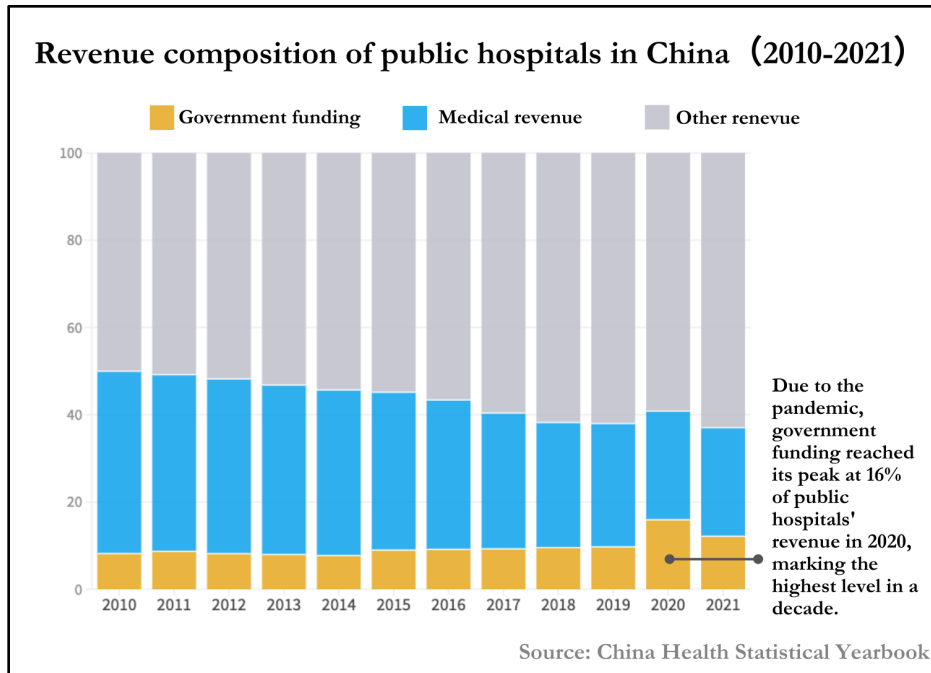
Collective actions by healthcare workers in China in the past decade are closely related to the country's two rounds of healthcare reforms. The [first round](#) of healthcare reform came after China's Reform and Opening Up period, and it introduced the concepts of self-financing and drug markups to public hospitals. This means that medical services were increasingly linked to profitability, the income and expenditure structure of public hospitals were altered, and “inaccessible and expensive healthcare” (看病难、看病贵) emerged as a new social problem. The second round of reform in 2009 aimed to rectify problems from the past reform, but many issues remain.

Effects of changing hospital funding structure

China's healthcare system is financed by the government budget (both central and local government), social insurance, commercial insurance, and out-of-pocket payments. Public hospitals in China operate under a partial government funding model ([差额拨款事业单位](#)), meaning **only part of their income comes from government funds—which do not provide full financial support**. According to the *2022 China Health Statistical Yearbook* (中国卫生健康统计年鉴), only 8-10 per cent of public hospitals' annual revenue from 2010 to 2019 came from government financial allocations (and only 16 per cent in 2020, even during the pandemic), with the majority being covered by medical revenue (paid by patient health insurance and out-of-pocket payments). This reliance on income generated from diagnoses and treatments **leaves public hospitals in a state of financial instability and under constant pressure to compete for patients**.

The pressure to generate revenue, combined with the low medical service price regulated by the government, has led to **hospitals relying heavily on drug and consumable markups**. As a result, drug and examination fees make up the majority of consultation and treatment revenue. A survey [cited](#) by *Caixin* (财新) stated that among the items charged for medical services in Beijing's medical institutions in 2015, revenues generated from inspections, laboratory tests, and sanitary materials accounted for 66%,

while revenues from consultations, surgeries, treatments, and nursing care accounted for only 34%. Data from the *China Health Statistical Yearbook* also showed that per capita drug and examination fees for public hospital's outpatients accounted for more than 60 per cent of medical fees in the past 10 years, while those for inpatients accounted for about 35-50 per cent.



Changes in the public hospitals' funding structure also affect the salary structure and form of employment of healthcare staff. The most prominent feature has been reliance on performance pay (绩效工资), which is tied to revenue generation. Another *Caixin* article, "[Analysis of a Doctor's Income Problem](#)," pointed out that the ratio of base salary to performance pay is typically 30:70 or 40:60. As a result, during periods of reduced patient visits and hospital revenue, significant wage reductions and non-payment of wages and social security can easily occur.

This is also why hospitals are reluctant to hire nurses (who have no prescriptive authority). Even when hospitals do hire nurses, the nurses are often only hired as temporary staff. Temporary staff usually have lower wages and fewer social security benefits than formal staff. This has led to the issue of unequal pay for equal work in China's hospitals. Such differential treatment has been an important source of protests among healthcare workers.

The rapid expansion of public hospitals, driven by competition for patients and extra revenue, also poses a long-term risk to staff. Overestimating revenue growth can result in hospitals accumulating debt and facing capital chain ruptures. In such situations, workers' wages and social insurance contributions are often the first to be affected. Meanwhile, doctors over-medicating patients by giving unnecessary prescriptions and tests can lead to patient-physician conflicts, endangering the safety of both.

Hospitals and workers outside the public system have also been deeply affected by healthcare reform. Private hospitals, which have been on the rise since the 1990s, are wholly self-financed and covered less by health insurance funding. They are more prone to business difficulties, unpaid wages, social security arrears and over-medication than public hospitals. As a result, when public and state-owned enterprise hospitals were privatised, employees went on protests as they believed the restructuring not only threatened their job security and benefits but also compromised the public interest in healthcare services.

The protests against unpaid wages, the demands for equal treatment, and the opposition to restructuring presented in this report can all be traced to the abovementioned background. In 2009, the central government announced another round of reform of the healthcare system, the "New Healthcare Reform" (新医改), in an effort to rectify problems from the past reform. The new reform emphasises the welfare nature of healthcare, with policies like lowering markups on medicines and consumables and raising healthcare service prices. It aims to better reflect the value of medical staff's work while reducing the overall healthcare expenditures of society at the same time.

However, protests by healthcare workers over the past decade have highlighted that the labour issues stemming from the first round of healthcare reform remain unresolved. While the efforts and attempts made by the “New Healthcare Reform” should not be easily dismissed, **it is important to consider whether healthcare workers' views are effectively reflected by the union and the reform in general.**

Overall statistics on healthcare workers’ collective actions and requests for help

CLB’s labour rights database contains hundreds of incidents in the healthcare sector. The [Strike Map](#) collected a total of 135 hospital cases between 2013 and 2023, an average of about 12 cases per year. The [Calls-for-Help Map](#) has collected 84 cases between 2021 and 2023, an average of 28 cases per year.

Table 1: Number of healthcare workers’ cases on the Strike Map (2013-2023)

	Number of Cases	%
Wage/social insurance insurance/housing fund in arrears	62	45.9%
Demand for equal treatment/equal pay for equal work	28	20.7%
Salary raise/Performance Pay/Subsidy	14	10.4%
Hospital ownership restructuring	25	18.5%
Work safety issues	17	12.6%
Other	9	6.7%

"Other" reasons include protests against layoffs, protests against hospital evictions, etc.

Since some cases have more than one cause, the number of cases in this table adds up to more than 135, and the percentages add up to more than 100%.

Table 2: Number of healthcare workers’ cases on Call-for-Help Map (2021-2023)

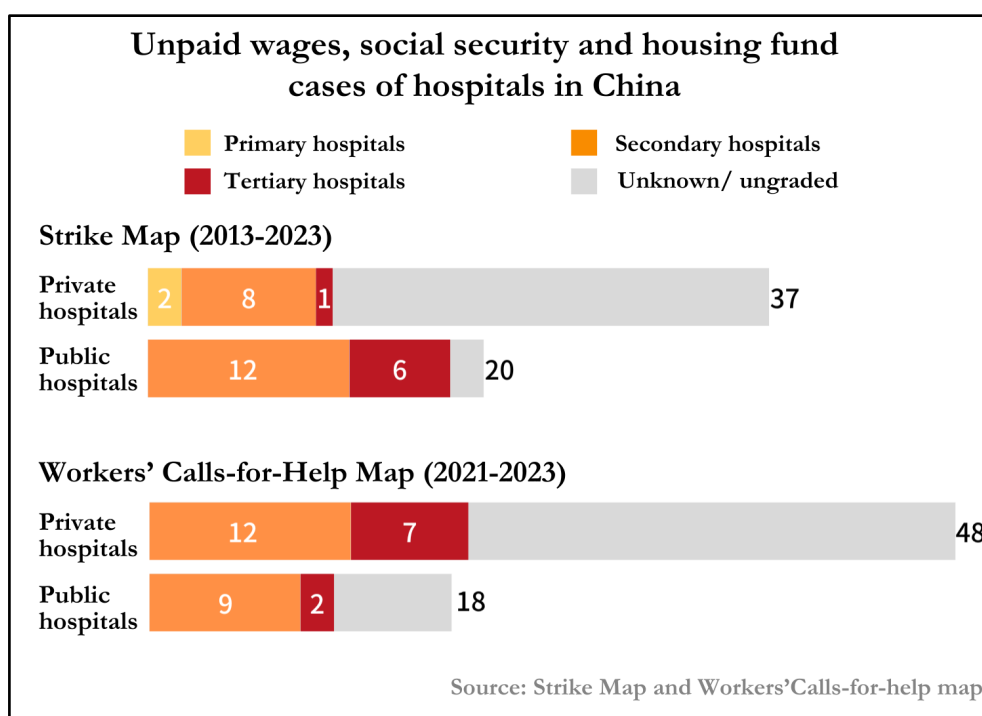
	Number of Cases	%
Wage/social insurance/housing fund in arrears	71	84.5%
Demand for equal treatment/equal pay for equal work	3	3.6%
Salary raise/Performance Pay/Subsidy	5	6.0%
Work safety issues	5	6.0%
Other	1	1.2%

Since some cases have more than one cause, the number of cases in this table adds up to more than 84, and the percentages add up to more than 100%.

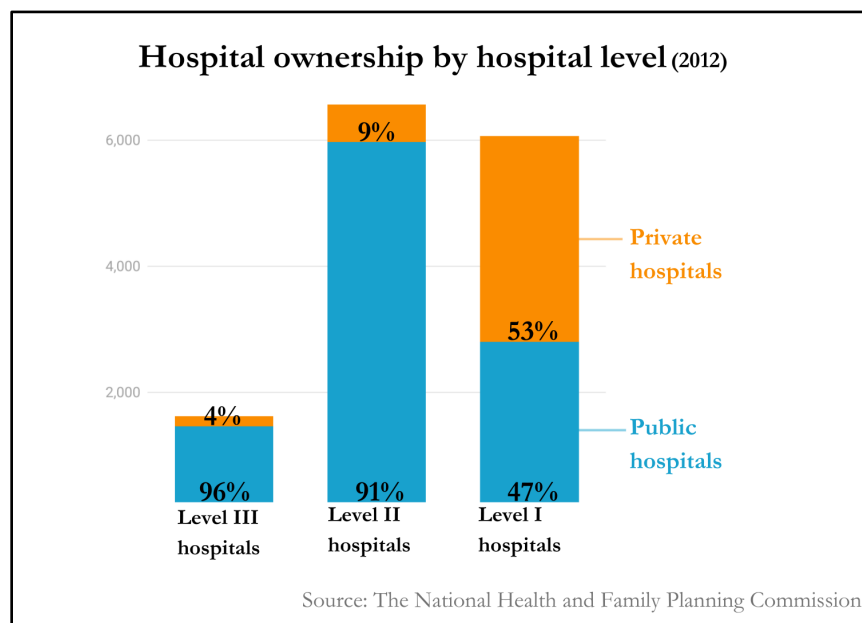
Unpaid wages and benefits

Among the various types of grievances, non-payment of wages, social insurance, or HPF are the primary reasons for collective actions, with 62 incidents (45.9 per cent of the total) recorded. Most protests happened in private hospitals (nearly 60 per cent in private and about 30 per cent in public ones). Among private hospital cases, most protests happened in ungraded hospitals or hospitals without known grades (about 70 per cent). Public hospital incidents, on the other hand, were more concentrated in secondary hospitals (60 per cent).

Meanwhile, the Calls-for-Help Map recorded 71 cases of non-payment of wages, social insurance, and HPF. The hospital ownership and grade distribution were similar to those recorded in the Strike Map.



It is likely that hospitals with unknown grades in our database have primary grades or are simply ungraded. Higher-grade hospitals usually state their grades on their official websites to attract more patients, and such information is usually logged into general online platforms providing basic descriptions of hospitals. Cases involving hospitals with unknown grades are concentrated in the private sector, which makes up a small percentage of secondary and tertiary hospitals (see the graph below).



Equal treatment/Equal pay for equal work

Demand for equal treatment and equal pay for equal work was the second most common reason for healthcare workers' protests in the Strike Map, with 28 incidents (20 per cent of the total) logged. Unlike the incidents of unpaid wages, protests for equal treatment all took place in public hospitals and were concentrated in tertiary (16 incidents) and secondary (9 incidents) hospitals. The form of employment in public hospitals was a primary cause of dissatisfaction. There were ten incidents of joint actions by doctors and nurses and nine by nurses only—primarily by informally contracted or temporary nurses. Nine cases by medical postgraduates and residents at the end of 2022 were also recorded, as management forced them to work in understaffed hospitals during lockdown.

Income-related protests: Salary/Performance pay/Subsidy

The Strike Map collected 14 cases of income-related incidents, almost all of which occurred in public hospitals. Income-related protests were primarily about low wages or pay deductions, but they were also connected to unfair wage distribution, like wage disparity among workers of different departments and between nurses and doctors. Some of these protests reflected problems similar to those against unequal treatment.

The Calls-for-Help Map also has five related incidents. Two were due to hospitals delaying payment of pandemic subsidies. Hospitals faced public outrage when they received funds from the government but failed to distribute them fairly to the staff.

Restructuring

Issues related to hospital restructuring (改制) were the third most common cause of healthcare workers' collective actions, with 25 cases recorded—mostly between 2013 and 2019. Many protests against privatisation occurred in former state-owned enterprise (SOE) towns, such as Anshan, Liaoning province; Tangshan, Hebei province; and Wuhan, Hubei province. Workers opposed privatisation and demanded that hospitals remain public or be transferred to local government (so that workers could stay in the public sector with more stable income and some support from government funding).

Although hospital restructuring plans have concluded, related problems remain. Ownership restructuring not only temporarily changes shareholder rights and labour remuneration but also changes capital investment, business model, and workers' labour conditions in the long term. Cases of wage arrears protests in poorly run privatised hospitals were still recorded in 2023.

Work Safety Issues

The Strike Map recorded 17 healthcare workers' protests related to work safety issues. Seven were related to protests against patient violence, logged between 2013 and 2017, and ten involved pandemic control arrangements for medical residents in 2022.

In the protests against patient violence, workers often gathered outside the hospitals to mourn the dead and protest against the dangerous behaviours of dissatisfied patients and their relatives. In some cases, hospital management, local government and police tried to stop the protests, further angering the workers. Although these incidents rarely occurred, they were large-scale when they did. For example, over a thousand healthcare workers went on strike in 2013 at the Wenling No. 1 People's Hospital (温岭市第一人民医院) in Taizhou, Zhejiang province, demanding the government curb patients' violence against healthcare workers. A year later, hundreds of healthcare workers at the Luanchuan County People's Hospital (栾川县人民医院) held a demonstration protesting the deaths of their colleagues due to medical disputes.

The Strike Map did not record new protests against patient violence in recent years, but this does not mean the problem has disappeared. Doctor-patient disputes are still prevalent, with online [incomplete statistics](#) recording more than 10 cases of assaults on doctors in recent years.

Part II: Specific Grievances of Healthcare Workers

Ch. 2: Non-payment of Wages, Social Security or Housing Funds

Hospitals' non-payment of wages, social insurance or Housing Provident Funds (HPF) was the most frequent reason for collective actions, with 62 incidents (45.9 per cent of the total) recorded. **Nearly 60 per cent of the incidents occurred in private hospitals and about 30 per cent in public hospitals.**

Not paying social insurance or HPF violates China's domestic laws. Under Article 10 of the *Social Insurance Law* (社会保险法), the employer and the employee are required to jointly pay the basic old-age insurance premiums established by the state. Those not formally employed (such as part-time workers or gig economy workers) may still participate in basic pension insurance, with the individual paying the basic pension insurance premiums. Similarly, Article 23 of the law also requires basic medical insurance for employees. Other social insurance required for formally employed workers include unemployment, work injury, and maternity insurance. HPF functions similarly to social insurance, with benefits for employees' housing needs funded through contributions paid by employers and their employees. The *Regulation on the Administration of Housing Provident Fund* (住房公积金管理条例) requires all employers to set up HPF and make contributions on time¹.

In May 2022, Yu Xiaobao, vice president of the private hospital management branch of the China Hospital Association (中国医院协会), [revealed](#) that more than 2,000 private hospitals have gone bankrupt and closed since the pandemic, due to reduced patient visits and the increasing pandemic prevention and control workload. Yet, statistics on healthcare workers' wage arrears protests in CLB's Strike Map show that unpaid wages and social security are not a recent phenomenon; business pressure

¹ For more information on China's legally required social security contributions, readers can refer to China Labour Bulletin's [introduction to the issue](#).

resulting from the pandemic only worsened existing problems. Wage arrears in private hospitals are usually related to poor management, lack of state-managed health insurance coverage², financing difficulty, and bankruptcy. In some cases, management openly admitted that workers were owed wages and hospitals were lacking funds, and they suggested that workers seek legal channels to resolve conflicts.

As for public hospitals, debt accumulation and financial problems in secondary hospitals have also led to collective actions for unpaid wages and benefits. According to the [2021 China Health Statistical Yearbook](#), the public hospital sector of twenty provinces across the country was in the red in 2020, accounting for 62.5 per cent of all provinces, an increase of 56.25 per cent from 2019. Forty per cent of secondary and tertiary hospitals are in the red. About 50 per cent of secondary hospitals have a gearing ratio of more than 50 per cent, while the ratio of tertiary hospitals was 44 per cent, about the same as in 2019. The National Health Commission (国家卫生健康委员会) suggested that the decrease in surplus was due to hospitals' increased investment in pandemic control measures and higher operating costs, as well as a drop in revenue.

As private hospitals are worse off than public hospitals, with 70 per cent of recorded wage arrears cases coming from them, this chapter will first look at protests in private hospitals and then discuss those in public hospitals in the second half.

Protests amid mass closures of private hospitals as the pandemic brought market shocks

Protests in Shaanxi Tianyou Group

From the data collected by the Calls-for-Help Map in 2021-2023, Shaanxi has the most cases involving unpaid wages and social security (11 cases). Of these, five cases involved the company [Shaanxi Tianyou Medical Management \(Group\) Co., Ltd](#) (陕西天佑医疗管理集团有限公司) (hereafter

² In China, state-managed health insurance schemes play an important role. Urban workers and employers are required to contribute a Urban Employee Basic Medical Insurance Scheme, while urban and rural residents and migrant workers (people not covered by the former scheme) could be covered by other state-coordinated insurance schemes. These schemes are partly sponsored by the state and can pay for general outpatient expenses, treatment of serious illness and hospitalisation in *designated medical institutions—usually public ones*. According to [2014 statistics](#) of Beijing, 95% of public hospitals are covered by these government schemes while only 40% of private hospitals are covered.

“Tianyou Group”). The group is one of the largest private healthcare groups in northwestern China, with seven secondary specialised hospitals, including a children’s hospital, a women’s hospital, a beauty hospital, and four children’s outpatient facilities. The Tianyou Group’s cases will be used as the main case study in this section to explore the private hospitals’ business models and labour issues.

In [March 2021](#), the workers of Xi’an Yanta Tianyou Maternity Hospital (西安雁塔天佑妇产医院) asked for help on Weibo, saying that the hospital owed them wages, did not sign labour contracts, deliberately avoided paying social insurance and HPF, and maliciously transferred workers to force them to resign. However, the hospital not only refused to respond to the workers but also persuaded them not to resort to labour arbitration.

[Six months later](#), workers at Tianyou Children’s Hospital (天佑儿童医院), another facility in Xi’an, also complained that the hospital began to default on wages in January 2021. They said that only three and a half months of wages were paid for the previous nine months. Employees expressed concern on Weibo: “You know how the hospital treats the patients and their families if this is how they treat their own employees. In hospitals without funds, patients face a lack of medication and less responsible doctors and employees.”

Almost a year later, on [9 July 2022](#), the Calls-for-Help Map collected another case at Tianyou Group hospitals. Current and former employees at the above two hospitals complained again that the persistent issue of unpaid wages had still not been properly dealt with. Workers wrote online: “Some people complained that more than 30,000 yuan [U.S. \$4286] are owed, while some people said that more than 140,000 yuan [U.S. \$20,000] are owed.” The district labour arbitration committee (劳动人事争议仲裁委) accepted 28 cases of wage arrears at Tianyou Children’s Hospital. Of these cases, 12 have been closed and 16 are being processed. The district labour supervision brigade (劳动保障监察大队) said that it will adhere to the administrative procedures and investigate the issue of non-payment of wages in all companies under Tianyou Group.

On [20 July 2022](#), an online video showed an interview with nurses from another Tianyou Group children’s hospital—Pucheng Tianyou Children’s Hospital (蒲城天佑儿童医院), stating that the hospital had announced a complete suspension of its services on 28 February 2021 but still owed more than 339,000 yuan (U.S. \$48,429) in wages to 43 workers. Tianyou Group had reportedly promised that the

outstanding wages would be paid in three instalments. However, as similar promises were not honoured in the past, employees hoped to get their wages as soon as possible.

The most recent incident of Tianyou Group's unpaid wages recorded on the map occurred in [February 2023](#). Chen, a former employee of Xi'an Tianyou Maternity Hospital, told reporters that he was still owed seven months' salary after resigning half a year ago. He tried going through legal channels, but it did not result in him getting paid in full: "In March 2022, I sued the hospital for payment of my 2021 salary. After the court's coordination, I was given three months' salary. In December 2022, I sued the hospital again for payment of my 2022 salary, but the court has not yet processed the case."

Wage arrears in the Tianyou Group have lasted for more than three years. The self-financing business model of private hospitals made them vulnerable to huge market shocks during the pandemic. A hospital spokesperson [admitted](#) to *Chinese Business Views* (华商报) that workers' complaints were true and the company was under operating difficulties: "For the past three years, the impact of the pandemic left a number of our hospitals with difficulty remaining operational, but as a healthcare organization, we cannot simply close down." The person said the hospital could only wait for investors' new funds or resort to bankruptcy, selling assets to repay wages: "As an individual, I really cannot promise to solve the wage problem."

The pressure in Tianyou Group's hospitals has also led to serious problems of doctors marking up prices and increasing patients' expenses by exaggerating their conditions. In July 2022, a report by the [Times Figure Magazine](#) (时代人物杂志社) revealed that doctors at the Tianyou Maternity Hospitals had coaxed patients to undergo additional surgeries, resulting in an increase in medical expenses of more than eight or nine times. One patient was originally diagnosed with intrauterine adhesion and required surgery. During the process, the doctors kept diagnosing new "conditions", including cervical erosion, small cysts, and other problems, using terrifying photos to lure the patient into choosing more expensive treatments. What is more shocking is that even though the patient paid for the "conditions" to be resolved, the doctors did not treat the original problem, and the additional treatments could cause secondary damage to the patient. The article compiled complaints against the hospital from other patients who had similar experiences, showing that the problem was not an isolated case.

Government departments failed to monitor labour rights violations and solve the issue of wage arrears before they evolved into serious problems of staff financial distress and medical conflicts. In the

case of unpaid wages at the Pucheng Tianyou Children’s Hospital, the county labour supervision brigade and the police made an investigation into the Tianyou Group. Reminders were posted on the hospital’s door by the Ministry of Human Resources and Social Security (人力资源和社会保障局). The Group also issued a written commitment on wage payment in early July, which did not quell the workers’ dissatisfaction and concerns. Even if the employees turned to legal means to solve the problems, the resolution was still delayed.

This case demonstrates that, in the absence of monitoring and preventive mechanisms by the workers, the effectiveness of government departments’ interventions is limited in private hospitals’ wage arrears. Workers also have few options to deal with unpaid wages. Although the group has established enterprise unions in its branch hospitals (such as a union in the [Shanghai Tianyou Hospital](#) and a union committee in [Liquan, Shaanxi](#)), these unions did not intervene promptly before conflicts broke out. In the end, workers had to rely on government departments to remedy the situation after it had worsened.

Another case of wage arrears at a private hospital not affiliated with Tianyou Group illustrates mismanagement affecting workers’ rights even before the pandemic. In this case, the closure of hospital floors during the pandemic further reduced hospital revenue and intensified the financial pressure, leading to understaffing and unpaid wages and benefits.

A protest in Muchuan, Sichuan

In [September 2020](#), the staff of Muchuan Hospital of Traditional Chinese Medicine (沐川中医医院) (hereafter “the Muchuan Hospital”) in Sichuan accused the company of defaulting on wage payments. The private general hospital was built according to the standard of a secondary hospital and began operating in October 2018. According to [the Cover](#) (封面新闻), only the surgery and operating room were barely holding on by September 2020, while all other departments were essentially closed, and only 89 of the original 184 staff remained. The hospital had not paid all staff on time since November 2018. By September 2020, about 2.3 million yuan (U.S. \$328,571) in wages were in arrears. The hospital had also defaulted on social insurance payments since June 2019, with more than 790,000 yuan (U.S. \$112,857) in arrears.

The hospital's legal representative, surnamed Huang, said that one month's wages were owed due to the hospital's unsuccessful financing in 2019, while the rest of the wages were owed mainly due to the impact of the pandemic in 2020. The effect of the pandemic caused the second and third floors of the inpatient department to close, and the passageways were being renovated, causing a great impact on the regular diagnosis and treatment of patients. To make matters worse, the closure of most departments not only led to a decline in revenue but also gave rise to cases of admission rejection and frequent verbal conflicts between healthcare workers and patients. In effect, fewer patients showed up, which led to a vicious cycle of reduced revenue and inability to pay wages.

Like in the cases at Tianyou Group, the Muchuan Hospital failed to prioritize the settlement of wage arrears and allowed the problem to accumulate. Eventually, the wages in arrears at the Muchuan Hospital exceeded 2 million yuan (U.S. \$285,714).

The wage arrears were eventually dealt with through government intervention. The county government helped the hospital borrow 2 million yuan from a corporation in early 2020 to settle the wages owed in 2019, but this was only a transfer of debt. By 2020, the hospital again defaulted on workers' wages, and the county gave a monthly subsidy of 150,000 to 300,000 yuan (U.S. \$21,429 - 42,857). However, the hospital still went into bankruptcy and reorganization in September, which was a lose-lose ending for the hospital, the workers, and the government alike.

In all of these situations, if hospitals had trade unions that represented workers' rights and interests, negotiated with management, and looked into their financial situation, a plan could have been drawn up to protect workers' rights. For example, workers could negotiate a deadline for the hospital to pay their wages. The hospital would be deemed inoperable and have to compensate the laid-off workers systematically after the deadline. Such an arrangement could avoid the accumulation of wage arrears, which benefits both the hospital and the workers.

Larger public hospitals pushed into debt, workers protest against overdue payments

Although public hospitals do not operate to maximise profits, under China's healthcare reforms, they are under pressure to compete for patients. This is because over time, they receive less financial support from the government or state-owned enterprise funding. Government funding

as a percentage of revenue has decreased over the past three decades. In 1980, it accounted for 60 per cent of public hospital revenue; by 2008, [it dropped to less than 25 per cent](#). According to the 2022 *China Health Statistical Yearbook*, only 7-10 per cent of public hospitals' annual revenue came from government financial allocations from 2009 to 2019, and the proportion only reached 16 per cent in 2020 due to increased spending due to the pandemic. Consequently, public hospitals have to rely on patient health insurance and out-of-pocket payments as a source of revenue. **Expansion has become a significant strategy for hospitals to increase revenue.**

The director of the Institute of Asclepius Hospital Management (GAHA), a third-party hospital evaluation agency, noted:

“First, get larger in scale, then stronger competitively, and finally be powerful. This is the basic expansion logic of many local hospitals that do not have a competitive edge since 2010. Some have also referred to these expansions as blind expansion.”

From hospital management's perspective, expanding in scale can attract more patients, in turn increasing the hospitals' revenue. So many public hospitals were willing to raise debt for expansion, especially in cases where the local government's financial support was insufficient.

However, multiple hospitals in a locality expanding simultaneously translates into more intense competition and brings risks for debt repayment. Coupled with the decline in the number of patients' visits and income during the pandemic, the debt crisis of some secondary and tertiary public hospitals emerged, causing capital ruptures. Construction and equipment payments could not be made to contractors, while workers were owed wages and social insurance.

A protest in Sui, Henan

The incident of wage arrears protests at the Sui County Hospital of Traditional Chinese Medicine (河南睢县中医院) (hereafter “the Sui Hospital”) in Henan Province in 2021 serves as a good example. [On 16 January 2021](#), thousands of medical staff at the hospital petitioned the county government to solve the problem of “long-term unpaid wages”. The secondary public hospital had not paid workers' performance pay or bonuses since May 2019, nor had it contributed to some employees' social insurance and HPF for up to eight years. Workers' health and maternity insurance accounts had also been blocked. In February 2020, the hospital even mobilized its workers to take out loans

“voluntarily” and collected their personal information such as identification numbers to borrow money on their behalf from the bank and use it to “pay” workers’ wages.

Just one month later, [on 17 March](#), the layoff announcement affecting over 600 workers at the Sui Hospital caused another fierce reaction from workers and even the public. Workers said that most laid-off staff had been working for many years but were “abandoned” by the hospital. Most laid-off workers had worked in the hospital for four or five years, but they were the most vulnerable as the hospital did not sign a formal contract with them. Workers also said: “Even if a contract was signed, the contract we signed had no content or time specification.” As a result, these workers became the main targets of unpaid wages, performance pay, social insurance, and HPF. The workers’ petition was unanswered, and workers ended up being dismissed.

[On 20 March](#), a government statement alleged a “misunderstanding” that personnel without formal employee status were dismissed. The statement said that this personnel would be channelled to work in different locations: employed through qualification examinations, written tests or interviews; assigned to the county and township medical institutions; transferred to the hospitals’ administrative positions; trained by the county human resources and social services department; or recommended new jobs. The problem is that the document did not clarify the proportion or number of workers allocated to various channels. Rather, it confirmed that these workers were dismissed, transferred or reassigned.

Behind the incident is the Sui Hospital’s massive expansion and debt accumulation. A [report](#) pointed out that the county’s hospital capacity is more appropriate at around 1,600 beds based on the local population. However, the number of beds in the Sui Hospital had increased from 400 to 1,500, while its competitor, the County People’s Hospital (睢县人民医院), had 1,000 beds after the completion of its new building. The sum of the two exceeds the standard by 56 per cent.

The *Health Times* (健康时报) [cited](#) the latest version of the National Health Commission’s *Basic Standards for Medical Institutions* (医疗机构基本标准), which states that the total number of inpatient beds in a second-grade traditional Chinese medicine hospital is standardized at 80-299; while those in a third-grade hospital is 300 or more. Yet, as a second-grade hospital, the Sui Hospital has 1,500 beds in its new hospital area, far exceeding the national standard.

In addition to the Sui Hospital's incentive to expand, the government's [tiered diagnosis and treatment policy](#) (分级诊疗政策) has also fuelled the expansion drive. This policy is that patients are supposed to receive primary care, then be channelled to county hospitals, followed by secondary and tertiary hospitals. This plan is to avoid overcrowding in tertiary hospitals. The previously cited [article](#) in the *Health Times* said the policy pushed county hospitals to expand and increase the number of beds, as the goal is for “counties to handle major illnesses”(大病不出县).

During the Sui Hospital's expansion, it planned to build a new hospital in 2012, with a total investment as high as 965 million yuan (U.S. \$138 million). At that time, the county government's financial revenue was only 280 million yuan (U.S. \$40 million). This means that even after the government provided land at no cost and funded about 40 million yuan (U.S. \$5.7 million), the remaining 923 million yuan (U.S. \$132 million) had to come from private or corporate capital. From 2011 to 2017, hospital revenue increased year after year, and in 2017, the [revenue](#) was as high as 350 million yuan (U.S. \$50 million). In 2017, the hospital paid back more than 50 million yuan (U.S. \$7.1 million). But starting in 2018, it could not pay back money on time, and by the end of 2019, it still owed 703 million yuan (U.S. \$100 million), which laid the root of future wage arrears. In retrospect, the expansion in 2012 overburdened the hospital with massive debts. The number of hospital beds far exceeded the needs of the Sui county and the hospital became unsustainable. While revenues in the short term increased, they were not high enough to repay the private capital in a limited time.

Zhu Zhenhua, secretary of the Party Committee and president of Anhui Province Taihe County People's Hospital (安徽省太和县人民医院), pointed out in an interview with *Health Times* in 2021: **“There is a big risk for public hospitals introducing private capital for expansion because most of the capital has to be repaid soon in high amounts.”** He said he believes that using private capital would lead to the needless expansion of public hospitals, and the debt will “snowball” until the hospital is insolvent.

Summary

The growth of private hospitals in the past decade, coupled with the rapid expansion of secondary and tertiary public hospitals, laid the groundwork for widespread wage and social insurance arrears during the pandemic. Of course, the shrinking revenues in many lower-tier cities during the pandemic also exacerbated the [crisis](#) in public hospitals.

[For example](#), on 21 July 2022, posts online reported that a hospital in Dandong, Liaoning province, did not pay wages for several months. On 15 August that year, a public hospital in Leshan, Sichuan province, announced closure. Employees of a public hospital in Suzhou City (hereafter “the Suzhou Hospital”) also complained about non-payment of HPF. The Suzhou Hospital later claimed that it had to vacate the hospital five times to treat patients with COVID-19, resulting in a significant drop in income and that it did not have the financial resources to purchase HPF for its employees.

These incidents also show that the intervention of government departments has minimal effects when healthcare workers are owed wages. This is because the problems are usually severe when workers hold collective actions. In the case of Tianyou Medical Group, the government intervened and the workers went through legal procedures, but incidents of unpaid wages continued. In the Sui Hospital, employees ended up being reassigned and dismissed. **The results of these incidents point to the need for employees to have an effective and constant organization in dealing with working conditions and negotiating with management.**

Ch. 3: Equal Pay for Equal Work

The demand for equal treatment and equal pay by healthcare workers was the second most frequent reason for collective actions, with 28 incidents recorded (20 per cent of the total). All of these cases took place in public hospitals, most being tertiary hospitals (16 cases), followed by secondary hospitals (nine cases). Differential employment statuses and compensation packages in public hospitals were the leading causes of dissatisfaction.

Differences between formal and informal workers

The Strike Map has recorded incidents demanding equal treatment since 2014. Ten of the 28 incidents were joint actions by doctors and nurses, and nine were by nurses only (mostly informally employed nurses demanding equal pay for equal work).

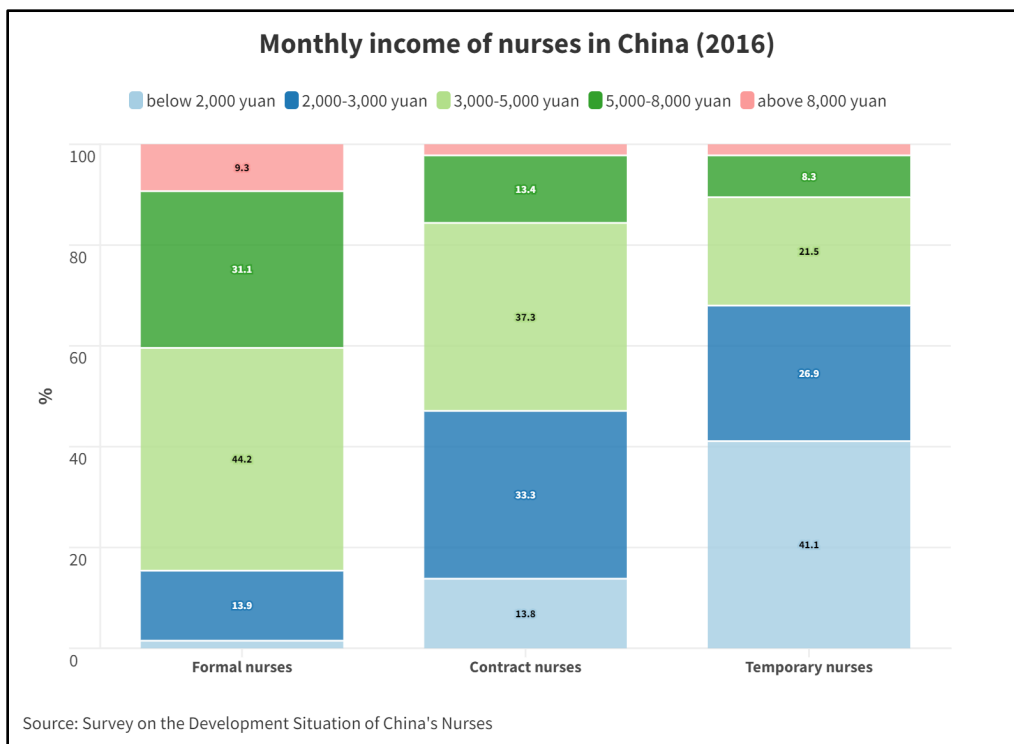
Workers in public hospitals in China are employed in three main ways: formal employees of public institutions (事业编制), contract workers (合同制), and temporary workers (临时聘用). Formal employees enjoy a stable job with higher pay and better benefits than contract and temporary workers. Contract workers have more security than temporary workers. In this chapter, “informal” workers refer to both contract and temporary workers.

Caixin Weekly pointed out in an [article](#) that the pricing of public hospitals’ services is generally low, so hospitals rely on revenues generated from medicines, consumables, and medical tests. To limit the expenditure paid to workers, hospitals are reluctant to increase staff, or they prefer to hire new staff on an informal basis. The situation of nurses is particularly telling. An article in the *People’s Daily* (人民日报) pointed out that in 2016, **the nursing service in public hospitals only charged about 10 per cent of the cost, resulting in a situation in which doctors generate revenues directly, while nurses only increase the costs of hospitals.** Not only do hospitals refrain from raising nurses’ income, but they also tend to employ fewer nurses to reduce costs. **This has led to a large number of nurses having informal employment and protests demanding “equal pay for equal work” by the nurses.**

According to the 2010 [Report on the Working Conditions of Nurses in China](#) (中国护士从业状况调查报告) (hereafter “the 2010 survey report”) produced by a team of medical scholars led by Zhang Xinqing, informal nurses accounted for more than 30 per cent of all nurses in general and also of

nurses in public tertiary top-scored hospitals (三甲医院). These informal nurses were young and received a high-level education. Their work involved all aspects of the hospital, the same as that of formal nurses, and their work could be even more intensive. While they work similar hours in day shifts as formal nurses, their average number of night shifts per month is significantly higher. According to the 2010 survey report, over one-third of formal nurses said they did not have to work night shifts, but only about 20 per cent of informal nurses said they did not.

The phenomenon of unequal pay for equal work between formal and informal nurses was prominent, and the salary of informal nurses was only one-third to one-half of that of the formal nurses. In some hospitals, the performance pay for informal nurses was only half of that for formal nurses of the same age, and some hospitals did not pay their share of the social security premium for these informal nurses. Hospitals have also delayed signing long-term contracts with informal nurses or extended their internship periods. It was difficult for informal nurses to obtain formal employment, especially when a clear limit was set on the number of available places. The 2010 survey report found that 57.5 per cent of informal nurses believed that their pay failed to reflect their contributions, which is five per cent higher than that of formal nurses. In a similar survey done in [2016](#), the difference in treatment was also observed (see figure below).



Also, the 2010 survey report notes that informal nurses had fewer opportunities for promotion. For nurses with seniority between 5-10 years, the proportion of formal nurses with middle ranks (中级职称) was nine per cent, compared to 0.6 per cent of informal nurses. As for seniority of 11-15 years, the proportion of formal nurses with middle ranks was 35.7 per cent, while it was only 11 per cent for informal nurses. In addition, more informal nurses were subjected to patients' verbal abuse (72.3 per cent, 4 per cent higher than formal nurses) and physical aggression (16.3 per cent, 7 per cent higher than formal nurses). Informal nurses were often the punching bag for nurse managers and doctors. An informal nurse complained by saying:

“We are the ones who are often criticized, even when we are right. When a formal nurse makes a mistake, the head nurse turns a blind eye.”

As a result, informal nurses fight for equal treatment. The actions collected in the Strike Map were mostly concentrated in tertiary hospitals, probably because informal workers felt that these hospitals were better equipped to achieve equal pay for equal work.

A protest in Jianli, Hubei

In [2018](#), informal workers at the Jianli County People's Hospital (监利县人民医院) in Jingzhou, Hubei province, went on strike, holding slogans such as “Temporary workers are human beings not dogs” and “Equal pay for equal work”. Protesting workers complained that informal workers were treated less favourably but had a heavier workload. One worker said:

When things go wrong, contract workers are forced to go forward with overtime every day, disregarding our families or children. When it comes to wages, the gap between formal and informal workers is like between heaven and hell.

Formal workers' monthly base salary is 4,000-5,000 yuan (U.S. \$571-714), while that for informal workers is only 1,000 yuan (U.S. \$143). Including performance pay, the highest monthly income for informal workers is less than 4,000 yuan, and the lowest is less than 2,000 yuan (U.S. \$286). Employees accused the hospital of falsifying documents to experts (advising on hospitals' finances) at its development, claiming high performance pay packages for informal workers. The hospital could then cut informal workers' monthly performance pay by 30 per cent based on experts' advise.

The protesting employees also said that they had been without social insurance for a long time. One worker said:

“Can anyone imagine any public institutions that don't have pensions? I remember when I first came to the hospital, the hospital said, ‘You are all still young. You don’t need to buy a pension now,’ but we have worked for so many years, and some colleagues have worked for more than 10 years. Are we still young? Do we not need a pension?”



*Photo: Temporary/contract labour strike at the People's Hospital in Jianli County
Photo credit: Web posting, Chinese Labour Bulletin archive*

On 24 October 2018, the hospital’s enterprise union and personnel and labour section issued an announcement, saying the hospital will develop a new plan for salary and performance pay allocation and implement it after consulting the informal staff. The hospital also said it would purchase pensions for all employees.

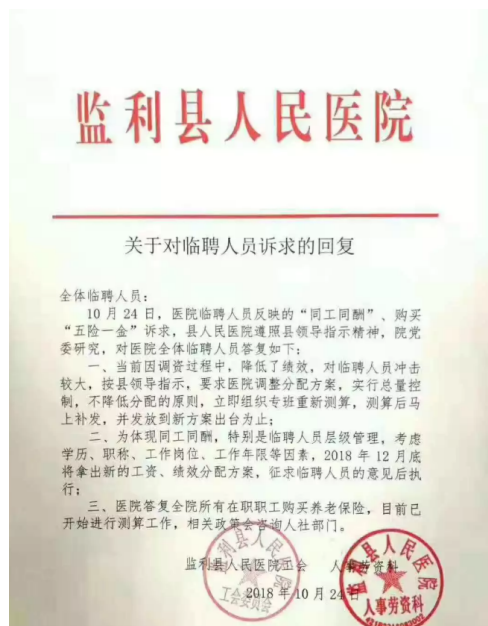


Photo credit: Web posting, Chinese Labour Bulletin archive

After years of violating the law by not making social insurance available for its informal staff, the Jianli County People's Hospital agreed to pay pensions only after workers protested. However, the hospital did not promise to pay for other types of social insurance or address making past payments on social insurance, meaning that workers lost out on this legally entitled benefit.

Protests by informal workers were not limited to Hunan but sprang up nationwide. For example, on [19 July 2017](#), nurses at the Yan'an People's Hospital (延安市人民医院) in Shaanxi province protested for equal pay for informal nurses. They pointed out that informal nurses made up 80-90 per cent of the nurses in the hospital. In addition to pay disparity and the lack of social insurance, informal nurses were not allowed marriage and funeral holidays, received no reimbursement for family visits or maternity leave, and the hospital implied that they could not take paid annual leave after having taken maternity leave. Workers cited laws that prohibit the hospital from treating informal workers in this manner. They demanded that the hospital fulfill its legal obligations, including signing labour contracts, paying for social insurance, and making proper vacation arrangements. They also demanded equal pay for equal work and that the hospital recruit nurses to share excessive workloads. The unions' websites show that the [Yan'an City Federation of Trade Unions](#) (延安市总工会) and the [Shaanxi Provincial Federation of Trade Unions](#) (陕西省总工会) did not work on these issues between 2017 and 2018.

The 2010 survey report points out the reasons that informal nurses suffered from discriminatory treatment. In addition to the fact that the quota for formal employees in public hospitals has not been

adjusted for a long time and regulations such as the *Nursing Regulations* (护士条例) do not require informal nurses and formal nurses to receive equal pay for the same work, **the lack of a collective bargaining mechanism prevented nurses from raising their grievances. The enterprise unions in hospitals also tend to yield to the views of the leaders of medical institutions and dare not involve themselves with the issue of informal nurses' labour rights.**

Medical students in residency training

At the end of 2022, nine protests were initiated one after another by medical student residents (规培生). After pandemic prevention measures were dropped, hospitals asked resident students to help in hospitals due to staff shortages because of the massive increase in infections in the population. This situation led to students protesting against unequal pay for equal work. Students also requested schools or hospitals to provide protective materials and ensure work safety. Another demand was “voluntary return” (自愿返乡). It was the end of the semester at the time, and most university students could take leave and return to their hometowns. Medical students thought they should have the right to return to their hometowns too.

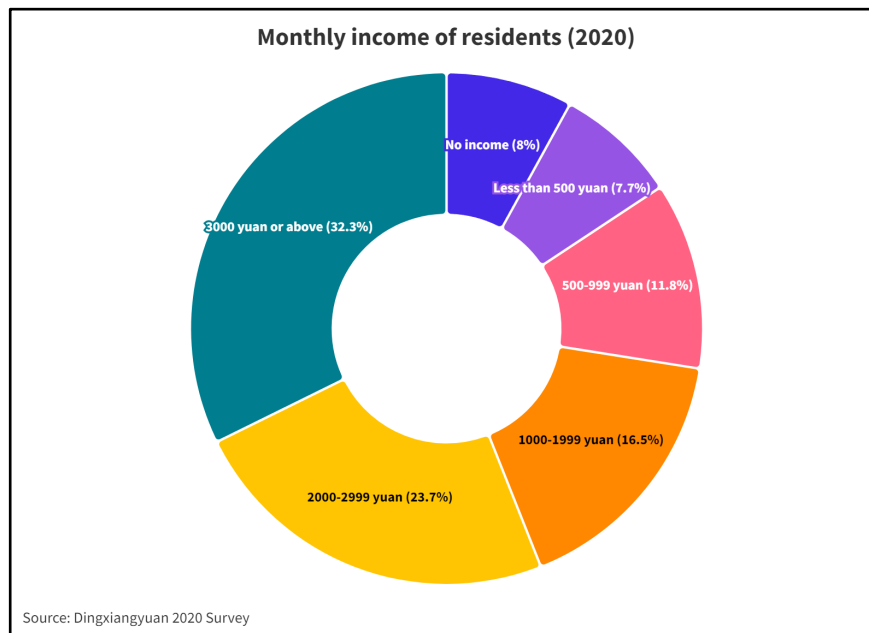
In addition to these strikes, the CLB Calls-for-Help Map also collected four cases. One of them was the sudden death of Chen Jiahui, a resident at West China Hospital of Sichuan University (四川大学华西医院). According to a report by [Caixin](#), the day before his death, he was working in a busy paediatric surgery department. Later, he fainted in his dormitory, was rushed to the hospital, and tested positive for COVID-19 at the time of his death.



Picture: Resident students from West China Clinical Medical College of Sichuan University protested, and school board members were there to respond

Photo credit: [李老师不是你老师](#)

The residency program in China, known as “standardized residency training” (住院医师规范化培训), requires medical school graduate students to spend three years in a hospital to receive systematic clinical training before practising as doctors. **The students are not regular hospital employees and do not receive a normal salary during this mandatory training period.** In 2020, a [survey](#) of 3,020 residents found that nearly 30 per cent said they earned less than 1,000 yuan (U.S. \$143) per month, with eight per cent saying they had “no income” during their training period. Only about 30 per cent reported earning more than 3,000 yuan (U.S. \$429) per month.



The wages of medical residents are usually not enough to support a living. According to a report by [Badian Health News](#) (八点健闻), a young resident in training in the capital of an eastern province said that his income was about 1,300 yuan (U.S. \$186) a month. The average wage in his city exceeded 5,000 yuan (U.S. \$714) , and the minimum wage stipulated by the government has also exceeded 2,200 yuan (U.S. \$314) .

In 2014, China officially launched the resident training system, and the state subsidised the medical residents at 20,000 yuan (U.S. \$2,857) per person per year. At that time, this amount was similar to the national average disposable income of urban residents in 2014, *Badian Health News* noted. However, this one-size-fits-all policy fails to consider China's vast regional differences. By 2021, the gap between the subsidy for medical residents and the disposable income of urban residents was clear. In

2021, the subsidy for residents will be 24,000 yuan (U.S. \$3,429) per person per year, compared to the national average disposable income of 47,412 yuan (U.S. \$6,773) per urban resident. Although provincial governments and hospitals also provide certain subsidies, there are huge differences between regions and hospitals.

In late 2022, the sudden relaxation of pandemic prevention measures led to a surge of positive cases. A large number of medical staff were infected with COVID, resulting in a severe shortage of personnel, with some healthcare workers even required to work while ill. A [report](#) by *Dingxiangyuan* (丁香园) said that more than half of the staff in the fever clinic of a tertiary hospital in Beijing were medical students. A doctor at the hospital said:

“The care workers have run away, and the students have to manage patients’ hygiene as well as feeding them. But there’s no way around it. Staffing is just too tight.”

During this phase of the pandemic in late 2022, a number of medical colleges have demanded that residents return to their jobs by threatening them with not being able to sit for their final exams, causing a wave of protests. A report from [Labour Info China](#) (工劳小报) said that most protesters were postgrads studying for specialist master’s degrees (SMD, 专业型硕士研究生) and undergoing training. This group of residents was particularly underpaid even when compared to other residents³. Citing their status as students, hospitals do not pay them a salary and only give them a monthly stipend ranging from 200-1,000 yuan (U.S. \$29-143) while assigning them the same jobs as other residents and even doctors. Some protesters [questioned](#):

“What is our status? If we are still students, we have to be responsible for our own health and demand to return to our hometowns; if not, we should be given the appropriate status and treatment.”

Due to intense competition among medical students to enter China’s top-scored tertiary hospitals (三甲医院), students usually have to obtain postgraduate degrees (even postdoc degrees) to stand a chance. The SMD programme is a popular choice among medical students, as it allows students to obtain a master’s degree and complete residency simultaneously within three years. Another similar programme is clinical postdocs (临床医学博士后), through which doctoral graduates can obtain a postdoc degree

³Other residents include medical graduates and doctors sent by hospitals to undergo training.

and complete residency in three years. While SMD students suffer from low salaries, clinical postdocs receive generous state subsidies for the first two years. However, from the third year onwards, clinical postdocs could face problems similar to those of SMD students (especially with the pandemic).

In 2022, conversations in the “Clinical Postdoc Group” of the First Affiliated Hospital, Sun Yat-sen University (中山大学附属第一医院) were [circulated](#), in which a surgeon criticized the low pay (5,000 to 8,000 yuan/ U.S. \$714-1143 per month), lack of formal employment quotas, and even wage arrears. A report by [Badian Health News](#) points out that postdocs can receive a state subsidy of 284,000 yuan (U.S. \$40,571) per year before tax for the first two years, but after that, the subsidy is cut and they only receive the wage level of residents. An interviewed M.D. said: “The top hospitals used to operate reasonably well, but with reduced revenue from the pandemic and other events that exacerbated the problem, postdocs are likely the first to see their salaries squeezed. Starting a postdoctoral program in clinical medicine is not something any hospital can do.”

Other than unfair pay, residents and postgraduate medical students have also suffered from a lack of labour rights as a whole. In 2020-2021, a healthcare worker Liao [sued a hospital](#) for violating labour laws during her residency in 2014-2018. In 2014, the hospital had promised in a written agreement to sign a labour contract with Liao, a medical college student then. In 2015, Liao reported to the hospital after graduation but signed the “standardized training agreement for residents” rather than a labour contract. During the period of residency, Liao became pregnant. At the end of residency in 2018, the hospital did not retain Liao or renew her contract. In 2020, Liao sued the hospital, demanding it to pay double wages for not signing a written labour contract, unpaid leave wages, unemployment insurance, and compensation for illegal termination of labour relations. Liao’s demands were based on China Labour Law (劳动法) and China Labour Contract Law (劳动合同法). Still, the court rejected her because the two parties only had a residency agreement but did not establish a labour relationship. It can be seen that resident students undergoing training are excluded from the labour status and the relevant protections.

If residents and medical students were represented by their own labour unions and could communicate with the hospital management and relevant government departments such as the National Health Commission to fight for their official labour status and corresponding treatment, their labour conditions would improve. They would not have been so resistant to the hospital’s announcement to return to work in late 2022 and felt that they could only get a response if they voiced their demands through collective action.

Unfortunately, although trade unions have occasionally acknowledged the concerns of medical residents, they have not made much effort to improve their treatment. Liao's case was actually published in the *China Worker Website* (中工网) (the news website of the ACFTU) in an article entitled "Can medical graduates who participate in residency have their labour relationship confirmed?" The website only reported on this case but did not question the court's statement or discuss whether the treatment of students undergoing training is reasonable.

Ch. 4: Income-related Issues: Low Wages, Performance Pay, Subsidies

The Strike Map includes 14 income-related incidents, 13 of which occurred in public hospitals and the remaining one related to arrangements after a public hospital's restructuring. Healthcare workers protested low wages, deductions of performance pay, or unfair distribution of subsidies.

The remuneration of medical staff in public hospitals consists of [three parts](#): basic wage (基本工资), performance pay (绩效工资), and allowances and subsidies (津贴补贴). **The ratio of basic wage to performance pay varies from 30:70 to 40:60 (performance pay is often more than the basic wage).** Basic wage refers to a fixed monthly base salary, depending on the employee's length of service, title and position. Performance pay is allocated to departments based on the hospital's income and balance from medical treatment, which is then allocated to medical staff based on workload and seniority. **Generally speaking, the more treatment fees patients pay, the higher the performance pay of medical staff in that department.**

A *Caixin Weekly* [article](#) describes how doctors in public hospitals are generally dissatisfied with their salaries. As described in Chapter 1 of this report, government funding for public hospitals is low, leading hospitals to rely on patient fees (including out-of-pocket payments and insurance payments). Also, public hospitals rely on drug markups as the price of medical services is set low. As a result, **doctors are incentivised to order more prescriptions and tests for patients to increase hospital revenues and their own performance pay.**

According to [Caixin](#) and [the Beijing News](#) (新京报), since 2009, the main direction of the healthcare reform policy has been to reduce the markup on medicines and consumables and raise the price of medical services so that the value of healthcare staff's labour can be reflected, while reducing the overall healthcare expenditures of society. However, [Caixin](#) quoted a source close to a provincial health insurance bureau as saying:

“It is difficult to have a standard set of measurement and recognition of the value of healthcare labour, coupled with the fact that medicines, consumables, and inspections were the major part of the hospital's income in the past, so reforms in the past have been put on hold.”

Performance pay has also led to an income disparity among staff in different departments.

[Caixin](#) notes that paediatrics departments have very low prices for medical items due to the lack of major surgeries and tests and less difficulty in treating diseases, leading to low income for paediatrics staff. However, paediatricians' jobs include serving children and comforting the parents. For the same examination and treatment items, they need more manpower and resources, and their emotional labour is greater. Therefore, paediatricians feel their labour is not paid off.

Pay reductions and unfair subsidy distributions during the pandemic

During the pandemic, some departments' revenue decreased, leaving staff with even lower pay and more dissatisfaction. On [17 September 2020](#), ten healthcare workers from the paediatrics department of the People's Hospital of Susong (宿松县人民医院) in Anhui province jointly wrote a letter to the leadership requesting transfer to another post. As recorded in the CLB Strike Map, the staff were dissatisfied with the low performance pay, pointing out that in July 2020 the performance pay for paediatrics was 498 yuan (U.S. \$71), while administrative staff received 2,600 yuan (U.S. \$371). The workers' letter said,

As a working person, the economy is the backbone and the foundation. Paediatric staff's performance pay this month was even lower than that of formal employees who do not come to the hospital. How can we support our families?

On 24 September, the hospital responded by stating that in July, there were fewer paediatric visits, which was the reason for the lower performance pay. The hospital said it valued the staff's demands and, taking into account factors such as the impact of the pandemic and the seasonality of children's illnesses, decided that the July performance pay for paediatrics would be readjusted to the hospital's average performance pay.

The CLB Calls-for-Help Map recorded five income-related incidents involving default on pandemic-related subsidies and performance pay. Four cases involved public hospitals, and one involved a private hospital. Hospitals quickly caused public outrage when they received subsidies from the central government but failed to pay them to their frontline workers as required. For example, in [March 2020](#), several hospitals were exposed for unfair distribution of pandemic prevention and control subsidies. Administrative staff at Wuhan No. 5 Hospital (武汉市第五医院) received higher subsidies than rank-

and-file healthcare workers, and board members of Ankang Central Hospital (安康市中心医院) in Shaanxi province received twice as much in subsidies as the hospital's staff who went to support healthcare in Hubei province. The management team counted themselves in the list of frontline workers and favoured themselves in counting the number of days of attendance and the time spent on duty. Medical staff worked in shifts and worked longer hours than usual during the pandemic, but their attendance days were calculated based on a 24-hour day. As a result, they received less subsidies than the management.

After the public outcry, the State Council narrowed the definition of who could receive subsidies so that only workers who had “direct contact with confirmed or suspected cases” could be considered “frontline workers” eligible for subsidies. But this also backfired, as many pandemic prevention workers were excluded from the subsidised group. Online, many citizens engaged in medical and nursing work lamented:

More than a month of pandemic prevention, day and night, and all was in vain, not even a penny.

Some healthcare workers even mocked themselves on Weibo, saying they were “lucky” to be recognized as “frontline workers” because some patients they took care of tested positive. Other workers said that after the new policy was introduced, hospitals asked them to return the subsidies they had previously received.

In the dispute over the unfair distribution of pandemic subsidies, if local labour unions could compile the labour conditions and subsidy distributions of various hospitals and propose a more reasonable distribution plan to hospitals and local governments through collective bargaining, they would be able to meet the demands of workers rather than relying on the government to adjust its policies based solely on online public opinion and fragmented information. The latter approach may not be able to consider the specific situation of each locality and hospital.

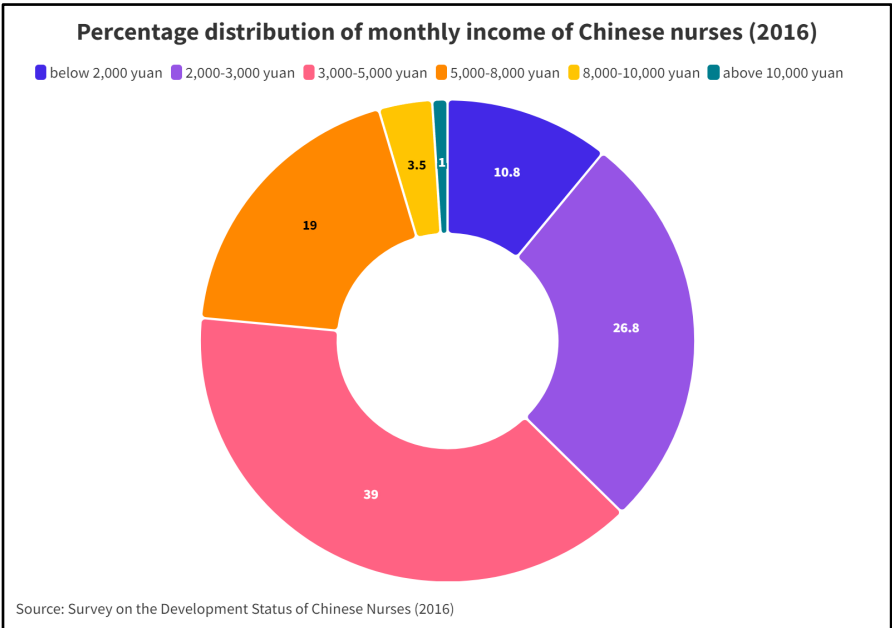
China Labour Bulletin interviewed local trade unions about the unfair distribution of subsidies at the Ankang Central Hospital in Shaanxi, and **trade union staff said they had visited the hospital to show concerns to the staff but could not put too much pressure on the hospital's administration.** The district union also said it could not negotiate with the hospital and the health system on behalf of frontline workers without a request from higher levels, believing that it would appear to have “no cause”.

While the union’s actions to sympathise with workers deserve recognition, if it can be more proactive, understand the needs and grievances of workers, establish a collective bargaining mechanism with hospitals, and discuss with the health department how policies can take into account the needs of workers, then the rights and interests of doctors and nurses can be more adequately safeguarded.

Nurses’ protest against performance pay system tilted in favour of doctors

The problem of lower service fees and pay is more serious for nurses than for doctors. The *People’s Daily* [reported](#) in 2016 that because public hospital service fees had not been adjusted for a long time, nursing service fees were low, with only about 10 per cent of the cost of nursing care being charged. Therefore, doctors were seen as able to directly create economic benefits for the hospital, while nurses would only add to the operating costs. Not only will many hospitals not increase nurses' income, but they are also reluctant to hire more nurses.

According to [the Survey on the Development Situation of China's Nurses](#) (中国护士群体发展现状调查), 83.7 per cent of nurses consider salary as the most important factor in their work. Most nurses earn a monthly salary of 2,000-5,000 yuan (U.S. \$286-714, see chart below). According to [the National Bureau of Statistics](#) (国家统计局), the median disposable income of urban residents in 2016 was about 2,600 yuan (U.S. \$371) per month.



The salaries of nurses are close to or even slightly higher than the median salaries of urban residents, but it should be noted that nurses, like other medical personnel, are paid a base salary and variable performance pay. When performance pay is drastically reduced, it tends to cause strong discontent among nurses.

The collective action cases aggregated by CLB show that some public hospitals have reduced nurses' performance pay to boost doctors' incomes in the process of healthcare reform, triggering nurses' protests. Of the 14 income-related collective actions, 10 were solely actions by nurses.

A protest in Nanyang, Henan

For example, on [6 June 2018](#), nurses at Nanyang City Centre Hospital (南阳市中心医院) in Henan province went on strike to protest the hospital's performance pay reform plan. The incident occurred because, in May 2018, the hospital hired a third-party company to carry out reforms, which resulted in an upward adjustment in doctors' performance pay but a two-thirds reduction for nurses'.



*Photo: Nurses on strike at Nanyang City Centre Hospital in Henan Province
Photo credit: Online publication, China Labour Bulletin [archive](#)*

The hospital's [statement](#) said that the reform was carried out in accordance with the instructions of the State Council and the National Health Commission on healthcare reform and hospital performance reform. However, the main direction of the healthcare reform policy is to reduce the drug and consumable markup and increase the price of medical services so that the value of medical personnel's labour is reflected. [Using](#) a third-party company to do the accounting work, Nanyang City Centre

Hospital initially promised a wage increase of ten per cent. This led nurses to question why their wages fell.

An [analysis](#) by the publication *Medical Profession* (医学界) said the problem could be due to new ways of determining performance pay with the healthcare reform. The piece said,

As the health care reform and the performance pay distribution system reform develops, the measurement of nursing work is more reflected in the intensity of work, time, and other quantitative elements. In the evaluation of factors such as technical difficulty, complexity, and risk, nursing positions are inevitably lower than clinical medical positions. Such a way of consideration will inevitably lead to a widening of the income gap between physicians and nurses.

An [article](#) in *People of Traditional Chinese Medicine* (中医人) pointed out that after the abolition or discouragement of drug markups, public hospitals lacked income and could only reduce expenditures. At the same time, nurses were numerous and of low status, so hospitals started by reducing their salaries.

There are many cases where the distribution of performance pay is skewed in favor of doctors, leading to protests by nurses, and in some cases, even doctors disagree with the hospitals' practices. For example, [in March 2015](#), nurses at the Children's Hospital of Zhejiang University School of Medicine (浙江大学医学院附属儿童医院) went on strike because, while doctors and nurses of the same rank⁴ originally received the same performance pay, the new program caused nurses' performance pay to drop by 30 per cent, and nurses' performance pay in some departments was nearly 2,000 yuan less (U.S. \$286) than that of doctors of the same rank.

According to [Dingxiangyuan](#), a doctor in the hospital said:

“The hospital intends to improve the treatment of doctors, but correspondingly reducing the performance pay of nurses is inappropriate and will inevitably incur the dissatisfaction of nurses.”

⁴ Doctors and nurses are both divided into [five ranks](#) respectively.

Another doctor said:

“Nurses in our hospitals are exhausted. I have seen nurses in the neonatal unit busy taking care of babies and mothers. They are very dedicated, and hospitals should give them equal treatment.”

After the nurses went on strike, surgical procedures were halted, no one was putting people on IV drips, and no one was dispensing medication. Eventually, the hospital board canceled the new program, and the nurses ended their strike.

Ch. 5: Against Hospital Privatisations

According to the CLB Strike Map, the third leading cause of healthcare workers' actions is hospital restructuring (mainly about privatisations), with 25 incidents primarily collected between 2013 and 2019. Over the past decade, China has experienced a new wave of hospital restructuring, affecting public hospitals in pilot provinces and cities (e.g., Luoyang, Henan province; and Kunming, Yunnan province) and hospitals affiliated with state-owned enterprises (SOEs). The idea behind the restructuring is that introducing private capital can reduce the costs borne by SOEs and local governments and make more efficient use of healthcare resources. However, the withdrawal of government subsidies has led many hospitals to experience financial problems. Disputes in the restructuring process, such as changing hospitals' asset ownership from public to private and offering no compensation to workers whose employment status changed, have slowed down hospital restructuring and even reversed it in some provinces and cities. In this chapter, we address **both protests at public hospitals and those at SOE hospitals**. Readers can see that healthcare workers championed the public character of healthcare in both protests.

Moderate success in protests against public hospital restructuring

The restructuring of public hospitals dates back to 2009 when the “New Healthcare Reform” was [launched](#). In February 2010, five ministries and commissions, including the National Development and Reform Commission and the Ministry of Health, jointly issued *Guiding Opinions on Pilot Reform of Public Hospitals* (关于公立医院改革试点的指导意见), which listed 16 cities, including Luoyang and Kunming, as priorities for the pilot reform.

Protests in Luoyang, Henan

Places that were active in hospital restructuring did so because of financial difficulties and the push from the local top officials. [Caixin](#) cites the example of Luoyang, Henan province, which launched its public hospital restructuring in 2010 precisely because of financial pressures. In 2010, the healthcare expenditure in Luoyang accounted for about 12 per cent of total government spending, significantly higher than other cities' average of about 6 per cent. This is because in 1986, the former Luoyang District

was abolished, with Luoning and other six counties coming under the jurisdiction of the city of Luoyang, which led to the addition of several smaller public hospitals to the city. In addition, Luoyang is an old industrial centre with quite a few state-owned enterprises established before the Reform and Opening Up period. With 11 state-owned hospitals gradually being handed over to the city government, these public hospitals created intense competition. To illustrate, most of the hospitals were less than half-full and they relied heavily on the city government for financial support.

On 13 December 2010, the city government of Luoyang announced its plan to “accelerate the reform of public hospitals restructuring work implementation”, declaring that all city public hospitals must implement ownership reform and gradually move away from government support - except maternal and children’s hospitals, traditional Chinese medicine hospitals and psychiatric hospitals. Public hospitals were to first transform into joint-stock non-profit hospitals owned by all employees, and then either corporate capital would be brought in, or some hospitals would be integrated with other national or provincial medical institutions. However, this plan did not go smoothly.

The CLB Strike Map first documented protests over the restructuring in Luoyang in [June 2011](#). On 11 June, workers at the Luoyang Central Hospital (洛阳市中心医院) protested and petitioned the local government over compensation issues during the restructuring. The tertiary general hospital was a well-run hospital and was an early pilot in the reform. The workers believed that there was a loss of state-owned assets in the process, as some workers pointed to a disparity between the hospital’s annual revenue of over 300 million yuan (U.S. \$43 million) and the listing price of only 143 million yuan (U.S. \$20 million). In addition, the workers were dissatisfied with the compensation they received for changing status (身份置换金) when they were converted from employees of a public institution to contract workers of a private hospital.

Not only current workers were affected, but also retired workers. On 28 September 2011, nearly 100 retired workers of the hospital blocked the main gate and unfurled up a banner with the words: “Resolutely oppose the betrayal of the Central Hospital by the Secretary of the City Party Committee”, arguing that the privatisation of the hospital would affect their retirement benefits. A report from [Radio Free Asia](#) indicates that the public also opposed the privatisation, as the hospital is one of the major hospitals located in the city's centre. **Some residents were concerned about the rise in medical fees after privatisation and the quality of medical care in private hospitals.** One resident is quoted as saying:

“It is very inappropriate to turn it into a private hospital.”

Another incident took place in May 2015. On 5 May, workers of the Eighth People’s Hospital in Luoyang (洛阳市第八人民医院) [gathered](#) in front of the hospital and demanded that the hospital director, Li Yong, step down. A report by the [Dahe Newspaper \(大河报\)](#) showed that the workers gathered to sing the national anthem, the *Internationale* and *Unity is Strength*, to protest the director’s embezzlement of the hospital’s assets. The workers pointed out that the hospital completed its shareholder reform in June 2011, but it had not distributed the related compensation, and the distribution of shares was grossly unequal. There were 190 employees of the hospital and a total share capital of about 20 million yuan (U.S. \$2.9 million). Out of the remaining 13 million (U.S. \$1.9 million) of the total share capital after deducting the compensation payments, Director Li Yong alone accounted for 85 per cent, and several board members accounted for 500 thousand yuan (U.S. \$71,429). Meanwhile, less than 90 employees accounted for just over 1 million yuan (U.S. \$142,857). With such an unequal distribution of shares, workers’ power were minimised.

In addition, over the past ten years the hospital’s revenue had increased from 8 million to 38 million yuan (U.S. \$1.1-5.4 million), but Director Li Yong cited consecutive years of losses as the reason for not raising wages. An intensive care unit department director said his average monthly salary was less than 3,000 yuan (U.S. \$428) after working in the hospital for 29 years, and it was difficult for him to support his family. A nurse said her payroll was only 1,800 yuan (U.S. \$257) after working in the hospital for 11 years. A support staff only received an average monthly salary of 1,093 yuan (U.S. \$156) after 32 years of work. Workers were dissatisfied that the management had disproportionately benefitted from the restructuring and marginalised workers in the process.

[The Paper](#) reported that, on 7 May, two days after workers demanded Director Li Yong step down, the hospital held a board meeting and decided that Li Yong would be placed on leave. On 10 May, Li Yong resigned as director of the hospital and chairman of the board of directors, and he was criminally detained on 16 June 2016.



Photo: Protest by workers at the Eighth People's Hospital in Luoyang. The banner reads, "Give us back the hospital; Li Yong step down."

Photo credit: Twitter @顶丝的顶 2956646537, wickedonnaa [archive](#)

In July 2017, the Luoyang government announced a [shift](#) in the healthcare reform plan. One of the most important points was that it would reverse some privatised hospitals back to public ownership, particularly the Central Hospital and the City Women's and Children's Healthcare Centre which might also have been privatised during the reform.

In addition to the diversion/loss of public assets during the restructuring process, hospitals' financial stability after the restructuring was also an issue since governments' funds were reduced. An article from [Dingxiangyuan](#) cited the Luoyang Central Hospital as an example, pointing out that the pressure to increase revenue had surged after the restructuring. The hospital's obstetrics and gynaecology department was awarded initially 10 million yuan (U.S. \$1.4 million) by the government, but the Ministry of Health later rescinded the award after the restructuring on the grounds that the fund was mainly for public hospitals.

Initially, the Luoyang city government stipulated that after the restructuring, the government's funding to each hospital would be reduced over time. The funding would remain the same in the first three years, but it would be reduced to 50 per cent in the fourth year, 30 per cent in the fifth year, and completely eliminated by the sixth year. The cut of government funding resulted in a sharp drop in hospital revenues. Coupled with the labour disputes during the reform process, the decision to restructure public hospitals was finally withdrawn. By 2019, the province of Henan [called off](#) the restructuring altogether. The government stated that it would take back hospitals that have been privatised, and those that cannot be taken back will be rebuilt by the government. Still, many privatised hospitals have been

awaiting to be turned public again. Some privatised hospitals in Henan went into [huge debts](#) and could not pay wages, especially during the pandemic.

A protest in Anshan, Liaoning province

The strike at Tanggangzi Hospital (汤岗子医院), a hospital with great historical significance in Anshan, Liaoning province, is another example of workers resisting privatisation. On 19 November 2013, 600 healthcare workers [went on strike](#), blocking traffic. Tanggangzi Hospital is the third largest rehabilitation centre in China, and the striking workers said that the city government intended to downgrade the hospital to the district level so that it could be legally resold to a private company. Dozens of patients showed up to cheer on the strikers. This is the first strike recorded by the Strike Map after Liaoning province announced in [2012](#) that it would guide private capital to participate in restructuring public hospitals.



*Photo: Hospital patients showed up to cheer for the strikers on the day of the protest
Photo credit: Twitter, Wickedonnaa [archives](#)*

The workers [said](#) the hospital is a nationally-renowned rehabilitation and physiotherapy base. Built in 1950, the hospital has geothermal mineral springs with great historical value, as the last emperor Puyi and warlord Zhang Zuolin built the “Dragon Palace Hot Spring” and the “Dragon Spring Villa” there, respectively. Tanggangzi Hospital has served tens of thousands of ordinary people and party and state leaders for over 60 years. Today, the hospital employs more than 600 people, has more than 1,500 beds with an occupancy rate of nearly 90%, and accepts domestic and international patients.

Workers indicated that the downgrading in exchange for investment harmed public interest. One worker said:

“[The project] sacrifices the health of the majority of the people for the benefits of a few at the cost of the interests of the employees and the national resources, which is a shameful act of killing the goose that lays the golden egg.”

If the hospital were downgraded, it would have to be self-financing, and staff benefits would be reduced. Workers said their base salary would be reduced from 2,500 yuan to a little over 1,000 yuan per month (from U.S. \$357 to \$142). In addition, workers said that the pension would be reduced, citing an example that an employee with more than 30 years of experience would only get back one-third of the original pension. The staff’s city-level health care insurance would also be changed into the district-level plan, and some workers might be laid off if the plan went through.

At the [protest scene](#), the hospital management tried to persuade the workers to leave, but this tactic failed when they could not resolve workers’ concerns. Subsequently, more than 300 police officers arrived to disperse the workers, and in the ensuing situation, several workers were beaten. After the clash, some workers ended their strike, while others continued to protest at the city government building. The management [said](#) that the government made the downgrade decision. Even with the workers protest, the government did not relent. The government made it clear that the hospital would not escape downgrading and that workers would be laid off if they did not accept it.

It is unknown if the workers’ strikes and protests succeeded in the end, but judging from the [website](#) of the Tanggangzi Hospital in Anshan, the downgrade decision seemed to have come to a pause, and privatisation did not seem to occur. The website shows that the hospital is positioned as a tertiary public rehabilitation hospital and touts the high performance and quality of care.

A protest in Putian, Fujian province

Healthcare workers standing up to the harms of restructuring plans has **continued into the present**. On [28 June 2023](#), hundreds of healthcare workers at Putian Hanjiang Hospital (莆田市涵江医院) in Fujian province protested at the hospital’s outpatient building. According to [Straits News](#) (海峡都市报), employees said that the hospital had not issued performance pay⁵ for three months, paying only base salary. A nurse who has been working for 25 years received a salary of less than 3,000 yuan (U.S.

⁵ Please refer to Chapter 1 or Chapter 4 of this report for the significance of performance pay in workers’ salaries

\$428), only half of the usual amount she received. The hospital had more than 800 workers, and the performance pay owed to each worker was between 2000 and 5000 yuan (U.S. \$285-714).

In 2015, the Hanjiang district government in Putian introduced Sinopharm Group (国药控股) to restructure the Hanjiang Hospital without the consent of most employees. A doctor [mentioned](#) in an interview that only 15 per cent of the staff agreed to the restructuring. He said:

“When the staff congress (职工代表大会) was held, most of the staff did not agree with the introduction of private capital.”

However, the article stated that management used underhand tactics: “The hospital leaders apply pressure by threatening staff with unfavourable evaluation and revocation of positions.”

After the restructuring, the hospital gradually changed from a public institution to a private hospital. After privatization, the hospital constructed new buildings, and in mid-2023, it had to repay the bank about 50 million yuan (U.S. \$7.1 million). This resulted in the hospital’s inability to pay base salary and performance pay, amounting to about 3.2 million yuan (U.S. \$457,143) per month.

An [announcement](#) from the hospital admitted that it has been in a financial deficit. However, workers disputed the effect of the market situation on the so-called deficit. A doctor [revealed](#) that after the ownership reform in 2015, Sinopharm Holdings acquired the right to manage the hospital due to its slightly more than 50 per cent capital contribution. **The hospital set up key performance indicators for each department, and performance pay was deducted from staff in departments that failed to achieve the goals.**

In the meantime, the hospital raised its service prices, **encouraged patients to undergo unnecessary treatments, and, as a result, received more complaints from patients.** In 2023, the government withdrew 1 million yuan (U.S. \$142,857) in health insurance funds in response to several violations at the hospital, including duplicate charges and fictitious medical services. In 2022, the then-president resigned after only four months on the job after repeatedly raising the issue of high hospital management and procurement fees. Therefore, management decisions are one of the reasons for the deficit.

Problems arising after hospital restructuring are particularly serious in Putian, which has a relatively early history of healthcare marketization and privatization in the 1980s. Protests against restructuring are likely to continue in the future.

Protests against corporatisations by SOE hospital workers

In addition to restructuring public hospitals, the past few years have also been a peak period for restructuring state-owned enterprise (SOE) hospitals. SOE hospitals are not directly owned by the government but rather are owned and managed by corporations whose assets are owned by the state. Therefore, restructuring these SOE hospitals involves divesting from the SOE. In August 2017, six ministries and commissions, including the State-owned Assets Supervision and Administration Commission (SASAC), issued a [guideline](#) which stipulates that the restructuring or transfer of SOE healthcare institutions should be completed by the end of 2018. However, due to the slower-than-expected process of divesting SOE hospitals, the SASAC delayed the target by three years, to the end of 2021.

There are four ways to handle or divest SOE hospitals: closure, transfer to local governments, integration into other state-owned corporations (usually those with medical businesses), and restructuring with private capital. **For healthcare workers, the most preferable way out is for the hospital to be handed over to local governments (or public universities). This way, workers can preserve their status and benefits as formal employees of government institutions. However, many local governments are reluctant to take over SOE hospitals due to tight funding and limits on the number of formal workers they can employ.** Instead, they choose to transfer the hospitals to other state-owned enterprises or private capital. Therefore, the restructuring process has not been smooth, triggering protests from workers over employment and labour rights issues.

Protests against acquisitions by China Resources

Attracted by the potential of the healthcare industry, SOEs such as China Resources (华润集团) and Sinopharm (国药集团) actively acquired a number of hospitals in the early stages of hospital restructuring. According to [Jiemian News](#) (界面新闻), China Resources acquired the hospitals through communications with hospital management (the “high-level route”). After the acquisition, China Resources controlled the hospitals’ human resources and property rights and had the authority to strengthen the management of hospitals.

However, precisely because this strategy bypasses the rank-and-file workers, China Resources has encountered resistance from healthcare staff. In December 2016, in Changchun, Jilin province, the staff of Jilin University No. 4 Hospital (吉林大学第四医院) put up a [banner](#) that reads, “We reject China Resources; Our hearts are with Jilin U.”

The hospital was initially affiliated with the FAW Group (China First Automotive Work Group Corporation Limited, 中国第一汽车集团). It was initially intended to merge into Jilin University (its name was also changed to reflect this), but the property rights were never transferred. The acquisition process between FAW and Jilin University ended suddenly, and it was then that China Resources intervened to acquire the hospital, triggering dissatisfaction among the employees.

The demands from the hospital staff included that leaders at all levels make clear the specifics of the FAW negotiations with Jilin University and why they failed and that workers have the right to vote on the direction of the hospital reform. Employees believed that becoming part of Jilin University would improve the hospital’s long-term development and rejected the acquisition by corporations:

“China Resources and Sinopharm are listed corporations that seek profit by nature... The hospital is a public welfare institution... We refuse the cooperation talks between our hospital and China Resources.”



*Photo: protest by healthcare workers at Jilin University's No. 4 Hospital
Photo credit: Weibo @火星-小浣熊, China Labour Bulletin [Archive](#)*

China Resources also faced at least three protests against their other acquisitions from 2017 to 2018, including [Guizhou Aerospace Hospital](#) (贵州航天医院), Chengdu Aerospace Hospital (成都航天

医院), and [Zhanjiang Second Hospital of Traditional Chinese Medicine](#) (湛江市第二中医院). A management representative of China Resources admitted that the Group disregarded the opinions of workers and lacked concern for their well-being in a [Caixin](#) interview:

“We have seriously reflected on this internally. We all thought of ourselves as high-flying professional managers. Who has the passion and patience to attend staff meetings, talk one-on-one to the doctors and supporting staff, and pass the buck over mere hundreds of yuan of retirement pensions?”

Another reason for the workers’ opposition is concerns about **losing local government funding and insufficient follow-up capital investment**. On 22 October 2018, workers at [Guizhou Aerospace Hospital](#) protested the transfer to China Resources and demanded that it be transferred to the local government. The petition letter stated:

“If the hospital does not go under the local government, it will lose contact with the locality and get isolated. In the context of a tiered healthcare system⁶, without the support of the local government, the hospital will go to a dead end. Experienced staff will leave the hospital. Even if we become a corporation, it will still be an empty shell.”

A protest in Wuhan, Hunan

Workers also protest at SOE hospitals which were acquired by private capital and transformed into for-profit hospitals. On [5 November 2019](#), employees of Wuhan Commercial Vocational Hospital (武汉商职医院) defended their rights by hanging banners saying “Return the hospital to us,” “Protect our rice bowl [which means job],” and “Seek resettlement [to a proper health institution]”.

The hospital was founded in 1952. It was originally intended to serve the city’s Bureau of Commerce staff and was one of the earliest hospitals to turn to marketization. In 1984, it became self-financing. In 2000, the entire hospital staff became shareholders. After that, the hospital was characterised as a “non-profit hospital” that could not pay dividends, and the chairman and board members did not receive annual salaries. The money earned was used for the hospital’s development and to improve workers’ welfare.

⁶ The staff were probably worried that with more patients directed to primary healthcare institutions, the hospital could face financial strains if it lost the support of government.

However, in 2015, the hospital turned to a for-profit hospital after being acquired by Sino Great Wall Co., Ltd. (神州长城). However, the acquisition did not bring positive changes. Four years later, the company's poor business condition led to its delisting from the Shenzhen Stock Exchange, which in turn led to the failed auction of the hospital.



*Photo: Banners outside the Wuhan Commercial and Vocational Hospital
Photo credit: Weibo @ Dr. Zuo's Da Guaiifa; China Labour Bulletin [Archive](#)*

From an institutional perspective, it is not easy for either SOE or private capital to operate hospitals that are initially public in nature in a profit-seeking manner, and they often end up withdrawing from the business due to limited profit margins. Zhuang Yiqiang, director of the Institute of Asclepius Hospital Management (GAHA), [stated it this way](#):

“At one time, listed pharmaceutical companies, medical device companies, real estate developers, and even automobile manufacturers were all investing in hospitals. Some acquirers wanted to expand new businesses but lacked the ability to operate the hospitals. They just wanted to tell stories in the capital market.”

Local governments generally prioritize health insurance funding for public hospitals. Private capital is [torn](#) between changing hospitals to for-profit models or not because they are likely to lose funding provided by national health insurance. Changing the status to for-profit hospitals will make getting insurance support more difficult.

From the workers' perspective, hospital privatisation is also problematic not only because of harm to employment status and benefits, but also because of harms to public interest. Workers

foresee that private hospitals tend to turn patients into consumers by overcharging them with high-priced and unnecessary treatments, which pushes away patients who are most in need of healthcare in favour of those who can pay. Their collective actions usually gather more support from the community as the issues they go against also concern the general public. Consequently, healthcare workers' defensive struggles against privatisation receive more concrete responses from the government.

Ch. 6: Safety at Work

The Strike Map includes 17 cases involving safety at work, seven of which were protests against patient violence and happened between 2013 and 2017. The other 10 cases happened in 2022 and are related to pandemic control arrangements and the safety of resident students. The Calls-for-Help Map also collected five work safety cases in 2022 with similar worker concerns.

Causes of patient violence

Medical disputes and patient violence are not only triggered by patients' irrationality but also caused by patient triage arrangements of the hospital system, funding and management problems.

All seven protests against patient violence occurred in **secondary or tertiary public hospitals**. Patients generally prefer public hospitals (especially tertiary and secondary ones), which have a better reputation and receive comparatively more resources. This is shown in higher patient visits per doctor in these hospitals (see tables below). The staff in these hospitals will likely experience longer hours, fatigue and more tense relationships with patients.

Hospital Type	Patient visits per doctor per day
Public	6.6
Private	4.8

Source: [Statistical Bulletin on Health Development in China 2022](#)

Hospital Type	Patient visits per doctor per day
Tertiary	6.7
Secondary	6.1
Primary	4.9

Source: [Statistical Bulletin on Health Development in China 2022](#)

The *Survey Report on the Working Conditions of Medical Staff in China* (中国医务人员从业状况调查报告) (hereafter “the 2013 survey”) points out that due to China’s failure to implement “gatekeeper system” and “two-way referral system”⁷, overcrowding is common in secondary and tertiary public hospitals. Healthcare staff there have long working hours and heavy workloads. Out of the doctors surveyed, 76.1 per cent worked more than eight hours a day, 36.8 per cent worked 9-10 hours, and 30.3 per cent worked more than 10 hours. Those who worked more than 8 hours a day were more likely to suffer from physical discomfort, anxiety, depression, and other adverse health symptoms.

These long hours also worsen the doctor-patient relationship. According to the survey, about 75 per cent of staff felt that the doctor-patient relationship was tense. The three leading causes of doctor-patient disputes were “inadequate communication with patients”, “shortage of staff and heavy workload”, and “poor service attitude.” These are interrelated. Particularly in overcrowded tertiary hospitals, the fact that patients queue up at five in the morning to see a doctor for only three to five minutes, while the doctor has no time to consult the patient, creates dissatisfaction and the feeling that the doctor is perfunctory.

A doctor in a tertiary general hospital in Xinjiang said:

“We wish to see only ten patients every morning, calmly and properly communicating with them, but if we do that, we cannot meet the outpatient volume target, and the

⁷ Please refer to “A Brief Note on China’s Healthcare System and Hospitals” in this report

hospital and the department's income generating goal cannot be accomplished. What can be done?"

A doctor at a tertiary hospital in Shanghai said: "Many problems cannot be solved by doctors, but the conflicts and pressures are shifted to them."

Also, as mentioned in Chapter 1, the need to generate revenue in public hospitals creates pressure to give patients additional and unnecessary prescriptions and tests. This results in excessive medical care, which is prone to conflicts between doctors and patients and hence threatens the safety of healthcare workers.

In addition, healthcare workers usually get dissatisfied with hospitals and government departments' negligence on cases of patient violence and the lack of support and safety protection. Workers' mourning sessions and protests are also repressed.

Protests against patient violence

A protest in Jinan, Shandong

On [4 and 5 October 2016](#), the paediatrics department at Laigang Hospital (莱钢医院) in Jinan, Shandong province, went on strike to mourn the death of a colleague, Dr. Li Baohua, who had died from knife wounds inflicted by a patient's relatives. The hospital director [asked](#) the head of the paediatrics department to bring the staff back to work, but workers refused. The department head, who was the deceased doctor's mentor, had already tendered his verbal resignation at the time and refused to schedule shifts for the department staff on 5 October. The hospital tried repeatedly to deter the staff who had organised the memorial service, including a nurse who was seven months pregnant but still insisted on attending the memorial service.



Photo: Mourning session on 4 October

Photo credit: Weibo post by “A reporter with a slight ideal”, China Labour Bulletin [archive](#)

In the morning of 6 October, Li Baohua’s colleagues defied the hospital and set up a simple mourning hall at the nurses’ station. That afternoon, the union at Laigang Hospital issued an article organizing a fund-raising campaign and said that all the heads of the hospital expressed their “deepest remembrances” of Li Baohua and “deepest condolences” to his family.

On 7 October, after the requests from multiple sides, the hospital set up a mourning hall in its funeral parlour, allowing medical staff and students to pay tribute to Li Baohua, but refused the entry of non-hospital employees and forbade employees to take pictures, hold banners, shout slogans, or release information to the public. The employees’ WeChat records show messages saying that inside the hall, “whoever wears plain clothes is a cop”, and “We were sad and were crying, then the hospital board decided that we had problems in controlling our emotions and drove us all away.”

In some cases, in addition to the dissatisfaction at the hospital board, the medical staff also suspected the local government’s intention to play down an incident.

A protest in Wenling, Zhejiang

On 25 October 2013, three doctors at the First People’s Hospital in Wenling, Zhejiang province (温岭市第一人民医院), were attacked, with one dead and two injured. A funeral was scheduled for 27 October, but news broke that the family had not agreed to transport the remains. The special force police car was present, and staff believed that the hospital and local officials feared the incident would affect an upcoming political event, so they sent special police to the hospital, forcing the family to cremate the body early. The following day, more than 1,000 of the hospital’s staff went on [strike](#), and staff from a number of nearby hospitals showed up in solidarity. Signs read, “Give me back my life,” “Give me back

my dignity,” and “Protect the safety of healthcare staff.” [Radio Free Asia \(RFA\)](#) interviewed a doctor at the time, who said:

“Because an innocent doctor was hacked to death, colleagues are worried that similar cases will recur. Those injured or killed are our colleagues. It is too cruel. We want the community to be concerned. Our actions are all rational and peaceful.”



*Photo: Healthcare workers protest at the First People's Hospital of Wenling City
Photo credit: [Radio Free Asia](#) (courtesy of people at the scene)*

The local government sent in special police to disperse the protesting workers. A doctor who participated in the protest [told RFA](#):

“We tried to rush to the street to protest, but we were surrounded by the special police. We were forced to retreat to the hospital gate, and then dispersed. ”

Several doctors and nurses were reported to have been arrested.

According to [China News](#) (中国新闻网), the secretary of the Wenling City Party Committee, the deputy mayor, and other officials went to the hospital afterwards to listen to the demands of the workers. The officials said they made compensation arrangements for the deceased doctor’s family. They expressed understanding of the demands of the staff, and said they would make every effort to safeguard the rights and interests of the staff and severely punish the culprits.

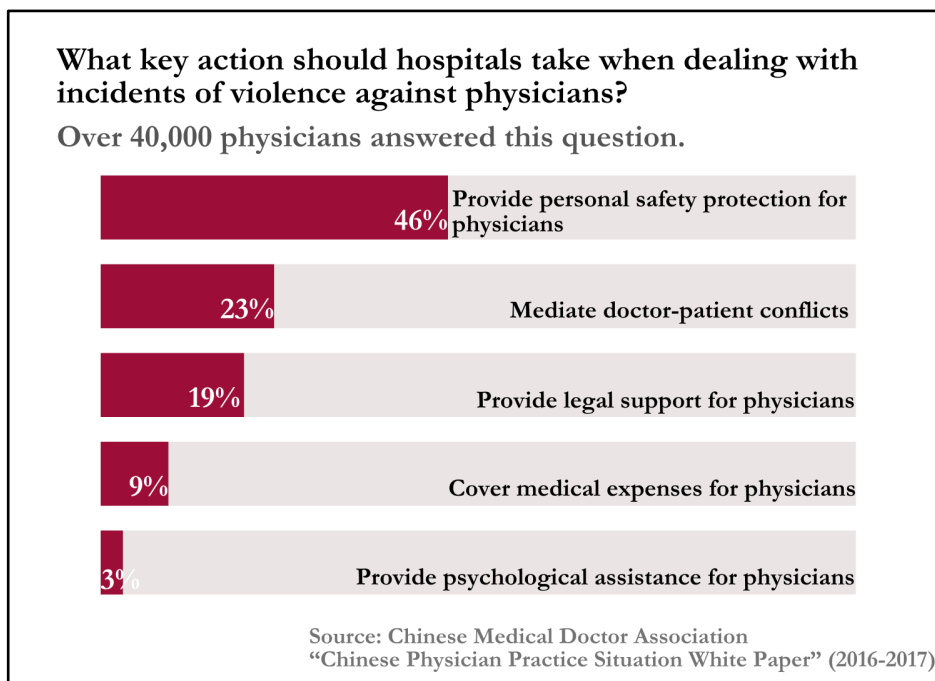
The hospital denied that there had been a body-snatching situation and said that there were negotiations with the family. The event was simply due to the family’s emotional breakdown. The

hospital also denied that the upcoming polical event affected their decisions and said that the police just happened to be present at the funeral.

The cause of the incident may have been a misunderstanding, but CLB has documented other cases of police officers allegedly snatching bodies of the deceased, such as at the funeral of a murdered doctor at Shaodong County People’s Hospital (邵东县人民医院) in Hunan province in [2016](#). These cases show the distrust of healthcare staff toward the hospital and local government, which are perceived to be downplaying the incidents rather than seriously dealing with the issues staff are raising.

Suggested solutions

In these protests, the trade union did not reflect to the hospital management and government departments the staff’s concerns and the purpose of the protest, fight for space for the staff to take action, or propose concrete measures to combat patient violence and alleviate the conflict between doctors and patients. According to a [White Paper](#) published by the Chinese Physicians Association (中国医师协会), physicians believe that healthcare institutions should provide assistance to staff when dealing with incidents of attacks. The most critical tasks doctors believe medical institutions should do include providing personal safety protection, mediating doctor-patient conflicts, and providing relevant legal support to doctors (see chart below). These are all measures that trade unions can take up.



Conflicts between doctors and patients, and violence experienced by healthcare staff, are long-term, ongoing problems. The CLB Strike Map does not record protests against patient violence from 2018 to 2022, but it does not mean that the problems have disappeared. According to incomplete statistics from [Health Sector News](#) (健康界), more than 10 serious injuries to doctors occurred from 2020 to early 2023, while the media reported 295 injuries to doctors and 362 injuries to healthcare workers from 2013 to early 2023. Violent incidents in tertiary hospitals were the most common, accounting for 67.6 per cent of the cases, followed by secondary hospitals at 23.8 per cent and primary hospitals at 4.1 per cent.

In addition to encouraging authorities to take legal action against patient violence, trade unions need to pay attention to the policy of patient triage, of ensuring that hospitals are adequately staffed, and of reducing the pressure on hospitals to generate income, as these are important issues relating to the relationship between doctors and patients.

Protests against the lack of pandemic control in hospitals

In 2022, the CLB Strike Map included 10 cases of protests against the lack of pandemic control arrangements. Two were protests against the hospital's pandemic control policies, and eight were protests by resident students against return-to-work demands.

In [April 2022](#), employees of Shanghai Putuo District Central Hospital (上海市普陀区中心医院) sought help online during the major COVID-19 outbreak in the city that led to a months-long lockdown. The hospital's staff worked without protective gowns, and on 3 April, some workers tested positive for COVID-19, but the hospital still sent them out for daily nucleic acid testing in the community. There were no decontamination or pandemic control measures in the hospital. On 6 April, almost all of the healthcare workers in one ward were positive, and the remaining uninfected nurses in that ward had to go on strike to succeed in demanding quarantine and control measures. Another ward had essentially the same issue. For this ward, only testing was done, and it took two days to get a batch of protective gowns, which was insufficient for all the staff, while they were required to take nucleic acid tests for potential patients. Employees noted that if this ward were not sealed off, then positive patients should be moved and properly housed, and healthcare workers in close contact should be quarantined. The incident showed that hospital management was neglecting the welfare of healthcare staff, and it contributed to the spreading of viruses during the pandemic.

In late 2022, as there was a sudden relaxation of pandemic lockdown measures and a surge in positive cases in many areas, a large number of healthcare workers were infected with COVID-19, resulting in a staff shortage. Medical colleges demanded that student residents (规培生) return to their posts and threatened them with a ban on sitting for the final exam, causing a wave of protests. They demanded equal treatment/pay as doctors and the provision of protective equipment and guarantees of work safety. Some students demanded “voluntary return to their hometowns” (自愿返乡), pointing out that university students were allowed to go home, whereas medical students and postgraduates were prevented from doing so (see Chapter 3 for more details).

Part III. Conclusion

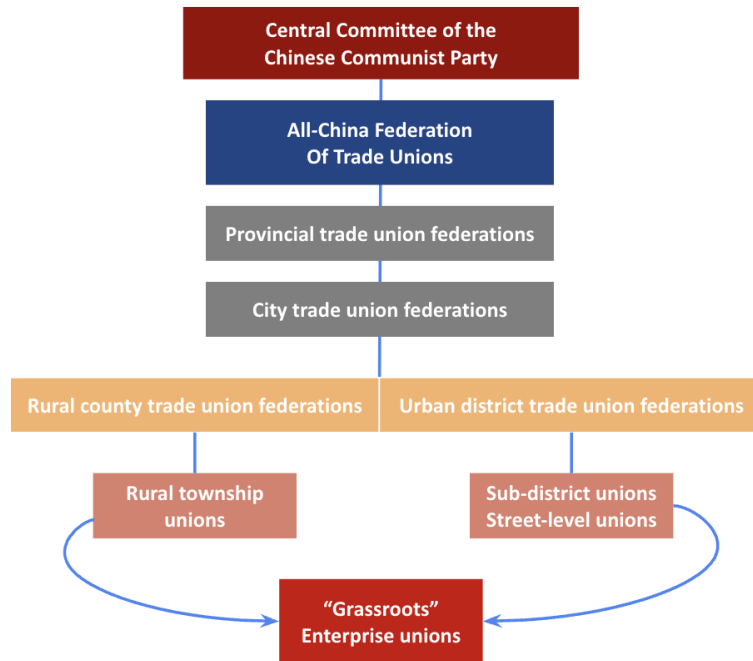
Ch. 7: Interests of Healthcare Workers can only be Represented by the Union

In the various healthcare workers' protests, there is one common problem: **healthcare workers lack effective representation for their interests, so much so that they have no choice but to assert their demands publicly and seek assistance or pressure from public support.** As China's official trade union—the All-China Federation of Trade Unions (ACFTU)—is the only legal union in China and has not effectively represented healthcare workers, workers are left to fend for themselves against systemic issues giving rise to protests across the country.

China's healthcare workers theoretically belong to the largest sectoral union of the ACFTU: the Labour Union of Education, Science, Culture, Health and Sports (ESCHS) (教科文卫体工会). In other words, healthcare workers are supposed to have their own division of the trade union designated to represent their interests. It should, however, be noted that the organization of the ACFTU is mainly similar to a government body, which is structured from provinces, cities, and counties to districts (see figure below). Enterprise unions are affiliated with the regional unions but are established and mostly controlled by enterprise management. Sectoral unions are also nested under the government system – within the Ministry of Education for teachers, within the Ministry of Housing and Urban-Rural Development for construction workers, or the Ministry of Transport for transport workers. China's official sectoral unions are more disconnected from regional unions or enterprise unions, and they usually have even less influence⁸.

⁸ For a detailed introduction to the structure of China's official unions, readers can refer to CLB's report [Reimagining Workers' Rights in China](#) (Part Three)

Organizational Structure of Trade Unions in China



Following the implementation of the 2009 national healthcare reform policy, the ESCHS issued a [document](#) in 2010 on unions' role in public hospital reform (中国教科文卫体工会关于在公立医院改革中充分发挥工会组织作用的意见) (hereafter "the 2010 document"). **This national-level document called on lower-level trade unions to represent workers' interests during the reform process.** For example, Article 3 of the document urges local unions to "listen extensively" to the opinions of healthcare workers on the reform implementation and unions in areas designated for pilot programs to participate in that process, identify problems in a timely way, study solutions to these problems, and "actively reflect" them to the local party and government and higher-level trade unions. The goal of these activities is so that workers "can feel the benefits" of the reform. This article clearly describes how unions should participate in policymaking from a worker's perspective and ensure workers' rights are not violated during the reform process.

However, CLB's data collected since the start of healthcare reform clearly show that the lower union levels have not effectively taken up this mandate, and the national level of the ESCHS has not effectively implemented this policy document. To find out where the union's energy has instead been concentrated, CLB has studied the work of the ESCHS and unions whose jurisdictions saw some of the major worker actions described in this report.

Searching for healthcare-related activities on the ESCHS' [official website](#), the sectoral union focuses on giving out material benefits and hosting award ceremonies.

On International Nurses' Day on 12 May and China's Doctor's Day on 19 August every year, the union holds competitions, selecting the "[Best Nurses](#)" and "[Best Doctors](#)" for awards. On the 1 May International Labour Day each year, workers are awarded labour medals and the union holds [skills competitions](#). These activities are more about the union's visibility and creating a patriotic atmosphere rather than being in service of workers and promoting and protecting their labour rights.

At the beginning of the COVID pandemic, the local healthcare unions carried out corresponding support activities to healthcare workers in Wuhan, such as [distributing welfare products and allowances](#), offering free [housekeeping services](#) for rank-and-file workers, and providing individualised [academic guidance and psychological counselling](#) for workers' children. When the healthcare workers finished their work in Wuhan, the union provided [staff recuperation and rest activities](#). Although these activities and services are in some ways targeted toward the needs of healthcare workers in Wuhan during a crisis, they still do not relate to fundamental labour rights concerns that workers were raising at that time.

At the enterprise level, hospital unions' common activities include [lounges](#) for doctors and nurses, organising daily stress relief activities, and [visiting](#). These activities should be of some help to the health of healthcare staff, but they do not touch on the core issues such as salary, benefits, and work safety, which are of greater concern to staff. The reason workers need such rest is because of the systemic issues they face daily, and the union should be doing more to address those root causes instead of performing merely cosmetic activities.

The Shanghai Municipal Healthcare Union (上海市医务工会) has a long history and conducts frequent activities. It was established in 1949, with a number of primary hospital unions under its [umbrella](#). According to its latest [bulletin](#) (see below), its various activities over the past six years have all been about selecting model workers and providing leisure or other services. None of them have been related to supporting or defending workers' rights.

公告栏		当前位置：首页 > 新闻中心 > 公告栏
· 关于2023年上海市卫生健康系统最美家庭（提名）候选家庭、2023年“海上最美家庭”推荐名单公示	[2023-07-20]	
· 关于发放2023年上海医务工匠的公示	[2023-07-13]	
· 关于发放2022年上海医务工匠的公示	[2022-10-11]	
· 关于发放2021年上海医务工匠的公示	[2021-06-21]	
· 2019—2020年度上海市卫生健康系统三八红旗手、集体名单公示	[2021-01-11]	
· 关于转发《中华全国总工会关于印发<事业单位工会工作条例>的通知》的通知	[2020-09-02]	
· 事业单位工会工作条例	[2020-09-02]	
· 2020年度上海医务工匠公示	[2020-06-11]	
· 沪医工[2020]18号：合格职工之家评审	[2020-05-29]	
· 沪医工[2020]17号：2018-2019先进职工之家评选通知	[2020-05-29]	
· 两委候选人建议名单及简介：公示	[2020-01-03]	
· 上海市2018—2019年度“安康杯”竞赛活动优胜单位、优秀班组候选单位公示	[2019-10-10]	
· 上海市医务工会第九届委员会经费审查委员会委员候选人建议人选公示	[2019-06-27]	
· 2019年上海医务工匠候选人公示	[2019-06-19]	
· 关于在本市基层医疗卫生单位开展职工健康食堂和职工健身角建设有关工作的通知	[2019-05-16]	
· 关于评选2017-2018年度市卫生健康系统党务公开民主管理工作先进的通知	[2019-05-15]	
· 沪医工（2019）27号：关于召开市医务工会第九次代表大会的通知	[2019-05-09]	
· 关于举办上海市医务职工第九届文化艺术节的通知	[2019-05-07]	
· 2017-2018年度上海市卫生健康系统三八红旗手（集体）候选人公示	[2019-02-22]	
· 2018年工会会员卡注册新办实施方案的通知	[2018-01-15]	
· 关于开展2017年度基层工会妇女工作考核的通知（基层）	[2018-01-15]	
· 关于举办年度卫生计生单位安全生产、节能减排、职工劳动保护监督培训的通知	[2018-01-15]	
· 关于继续开展2018年元旦春节送温暖活动的通知	[2017-12-26]	
· 上海市总工会转发《关于进一步加强中央单位财政票据核销管理的通知》的通知	[2017-09-19]	
· 关于开展上海市卫生计生系统第十一届职工运动会“双十佳”和“体育道德风尚奖”申报评选的通知	[2017-08-21]	
· 关于征集上海市卫生计生系统第十一届职工运动会闭幕式展演节目的通知	[2017-08-08]	
· 关于开展2017年度退管工作理论研究的通知	[2017-07-04]	
· 关于评选2014?2016年度上海市卫生和计划生育系统退管工作先进集体和先进工作者等先进个人的通知	[2017-07-04]	
· 上海市卫生计生系统退休职工基本信息统计表	[2017-06-19]	
· 第五届“医工杯”上海市卫生计生系统羽毛球团体抽签结果及积分表	[2017-06-05]	

Photo: Bulletin Board of Shanghai Medical Labour Union
Image Source: Shanghai Medical Labour Union [Website](#)

In the [sharing board](#) of its website, a trade union chairperson in a public hospital made no secret of the fact that he became the chairperson because of the party committee work assignment:

The chair of the trade union of Shanghai First People's Hospital (上海市第一人民医院) [recalled](#) that he “came to the city hospital as deputy secretary of the party committee. Based on the party committee's work distribution, he naturally became the trade union chairman and stayed for 10 years.”

The union president who had worked for many years in the Shanghai Shuguang Hospital (上海市曙光医院), on the other hand, [said](#):

“The labour union chair is the spokesman for the staff, and there are certain requirements for his speech and behaviour. He cannot act haughty or bureaucratic, and should be close to the staff; but he cannot follow the masses blindly. Labour union chairs should play the role of a bridge, a link, so that the staff and hospital board could come together, united in heart and strength.”

However, the Shanghai healthcare union is absent when workers’ rights are compromised. As shown in Chapter 6 of this report, [in April 2022](#), employees of Shanghai Putuo District Central Hospital went on strike on issues of work safety and lack of pandemic control. If the union had intervened in time to secure pandemic supplies and quarantine arrangements for staff, workers would not have needed to go on strike.

The [Report on the Nurses’ Working Conditions in China](#) also touches on the problems of the healthcare unions: **the enterprise unions of medical institutions are subordinate to the leaders of the institutions**. As a result, although these unions may hold staff meetings and discuss hospital policies occasionally, it is difficult for the unions to wholeheartedly represent the interests of workers, let alone negotiate with management for the interests of workers and demand certain benefits.

Regional trade unions that CLB [interviewed](#) in 2020 also revealed that they do not dare to negotiate with hospital management. Staff from the Hanbin District Federation of Trade Unions (汉滨区总工会) in Ankang, Shaanxi province, said that even the regional trade unions could not put too much pressure on the hospital’s management:

“Because they [the hospital’s administration] are on the front line, as the [regional] labour union, we can only show our encouragement. We can’t put too much pressure on the [hospital] administration.”

While the support activities of the healthcare unions and the regional unions are better than nothing, the reality is that the union basically ignored the immense pressures on frontline workers, and even abdicated its mandate by sympathizing with the hospital administration. Over the years, hospital enterprise unions have failed to stand up and speak out wherever workers’ lawful rights and interests are being violated, despite that many were urged to do just this at least since the 2009 hospital reform.

Where are the union representatives when healthcare workers go on strike?

As China's sole official trade union with a duty to workers and political loyalty, the ACFTU also has a duty to the public to resolve workers' disputes. When healthcare workers go on strike, healthcare services are interrupted, meaning there are public health consequences to labour rights issues in China's healthcare facilities. For example, when public hospitals reduced performance pay for nurses to boost doctors' incomes during healthcare reform (see Chapter 4), nurses did not have representation and went on strike. If enterprise and local unions had been active in raising the nurses' demands earlier and dared to negotiate with management, then the situation would not have developed to the point of a labour strike. People's lives will be at stake when nurses have no options but to go on strike, which is going to put doctors' operations to a halt and interrupt the routine of nursing care.

Similarly, when informal nurses were protesting unequal treatment (see Chapter 3), unions did not side with the workers. As mentioned above, on [24 October 2018](#), temporary and contract workers at the People's Hospital of Jianli County in Jingzhou, Hubei province, went on strike over the fact that their wages were decreased, that their income had long been substantially lower than that of regular workers and that they did not have insurance policies or pension. The hospital labour union tried to resolve the problem only after the strike, with an announcement (jointly issued by the union and the hospital's human resources department) stating that the hospital would devise a new plan to solve the problem at the end of December.

Article 9 of the *Social Insurance Law* states that "trade unions shall safeguard the lawful rights and interests of employees in accordance with the law". Work records and online information of the [Jingzhou City Union](#) (荆州市工会) from April 2018 to April 2019, the period around this incident, show that the union focused on [forming enterprise unions in private hospitals](#), [providing medical assistance to workers](#), and carrying out [patriotic](#) education and [mental health activities](#) in public hospitals. All of these efforts had their significance; however, little work was done to improve the working conditions of hospital workers.

If the enterprise union had acted as a collective representative of workers before management, the hospital would have been able to address worker grievances, such as those regarding social insurance, at an earlier stage. The union can also bridge hospital management and workers, consulting workers before the hospital releases a policy. If the hospital faces difficulties or the county government

has new financial obligations, the union can also help develop a response that considers workers' needs. After all, letting the informal staff, who were already receiving disproportionate treatment, bear the brunt of salary adjustments is not justifiable. This incident demonstrates that employees have long lacked an effective mechanism to voice their demands and that without viable alternatives, they can only express them through protests.

In the process of restructuring, the labour union plays a limited role, especially since the staff congress (in which the union participates) is unable to check the power of the management. In the case of Tanggangzi Hospital (see Chapter 5), the [union](#) held a staff congress in 2013, a year before the restructuring, and declared that “the hospital has practised complete openness of hospital affairs (...) The majority of the workers have experienced real ownership”. However, grievances turned into protests and strikes during hospital restructuring.

In the Putian Hanjiang Hospital case, the hospital held a staff congress, with most of the staff disagreeing with the decision. Still, the decision was carried through. The hospital turned private in 2022, with performance pay in arrears due to operational difficulties and continuous deficit.

Some doctors clearly mentioned that only [15 per cent of the staff](#) agreed to the restructuring in the staff congress. However, the staff congress system did not stop the restructuring process, and Hanjiang Hospital was recognised as private in 2022, while it continued to default on staff performance pay. On [28 June 2023](#), hundreds of workers finally protested in front of the hospital building. Still, the Putian City Labour Union was praised by the [Workers' Daily](#) for carrying out the “Best Nurse” activities for five consecutive years in August 2023, campaigns that neither touch on the core interests of healthcare nor stop the protracted labour violations by Hanjiang Hospital.

Workers also approach government departments and seek judicial means to solve problems. However, when unions are absent, it is hard for individual workers to make management solve the problems. In the wage and pension arrear case of Tianyou Medical Group in Shaanxi, we see that the problem continued for years even though local governments were involved and workers went through legal procedures (see Chapter 2).

Tianyou has also set up several unions in its branch hospitals (e.g., a labour union in [Shanghai Tianyou Hospital](#) and a labour union committee in a hospital in [Liquan, Shaanxi](#) province), but the unions failed to intervene before the conflict erupted. After the incident, they also failed to help workers

defend their rights. Workers could only seek help from government departments or go through the time-consuming legal channels to seek justice.

The union was also ineffective in protecting healthcare workers from daily occupational safety hazards and the lack of adequate protection during the time of COVID (see Chapter 6). **The trade union has a responsibility to safeguard a safe working environment.** Article 7 of the Work Safety Law states that the union shall “organize the workers to participate in the democratic management and supervision of the work safety”. Article 60 of the Law states that unions “shall have the right to demand rectification of any violation of the laws and regulations on work safety”. The union also has the right to “put forward proposals to solve problems when they find that production and management units have violated the rules and regulations on work safety.” In fact, ensuring work safety should be the most routine work of the unions. The fact that the personal safety of healthcare workers continues to be jeopardised is also a consequence of a lack of union actions.

Similarly, the union has not taken seriously the concerns of healthcare workers who are excluded from the status of workers and, therefore, not protected by labour law, such as medical students/residents. Trade unions should first organize these workers, just as they did in the past with the “migrant workers joining union” (农民工工会) and the “eight major groups” (八大群体).

Going back to the 2010 document published by the ACFTU’s Union of Education, Science, Culture, Health and Sports, the sectoral union requested local trade unions to participate in the formulation of reform policies and represent the interests of healthcare workers. It also explicitly stated that trade unions should “strengthen democratic management”, “conduct an in-depth analysis of the reform policies of healthcare workers, reflect voices promptly, and maintain the stability of the healthcare workforce and general society”.

More than ten years after the release of the 2010 document, the interests of healthcare staff continue to be infringed upon (including by the effects of the 2009 healthcare reform). Therefore, CLB asks, **what should China’s official union do to best protect and represent the interests of healthcare workers?**

China Labour Bulletin's Recommendations for the ACFTU to Represent Healthcare Workers in China

Based on the research and findings in this report, CLB has the following suggestions for trade unions in China:

(1) Ensure that all healthcare workers have the right to join a labour union

Specialized healthcare unions should be set up for all kinds of staff to join. In addition to formal doctors and nurses, informal healthcare workers, as well as medical trainees and postgraduates should all be able to join the union. The national ACFTU can consider breaking off a section of the ESCHS and creating a sectoral union for healthcare workers. Healthcare unions in local hospitals should have a direct channel with the sectoral union to communicate the issues workers face in their jurisdictions.

(2) Medical unions should actively represent their members in negotiations with hospitals

When enterprise unions in hospitals become broadly representative, they should negotiate on behalf of their members. Trade unions should ensure that hospitals fulfil their legal responsibilities and treat workers fairly, including paying salaries, allowances and social security contributions on time, giving staff equal pay for equal work, not withholding promised benefits, and ensuring work safety. At the same time, trade unions should sign annual collective contracts through negotiation to gradually improve the welfare benefits of staff.

(3) Medical unions should actively represent individuals to defend their rights

When individual healthcare workers encounter labour disputes or unfair treatment, they should be able to seek the immediate intervention of union representatives.

(4) When policies may affect the interests of healthcare workers, healthcare unions should put forward policy proposals as early as possible

Local healthcare labour unions need to pay extra attention to the impact of government policies on workers, identify problems early, and propose appropriate solutions.

Main References

1) China Labour Bulletin's Strike Map and Workers' Calls-for-Help Map

- The [Strike Map](#) project started in 2011, collecting cases of protests and strikes by Chinese workers from the media and online information. It has been steadily collecting cases of healthcare workers in hospitals every year since 2013.
- The [Calls-for-Help Map](#) project started in 2021. It collects information on workers' requests for help through official help websites such as “Message Board for Leaders” (领导留言板), social media, and traditional media. The project has been steadily collecting cases of healthcare workers in hospitals.

2) Zhang Xinqing's Research Group. [Report on the Working Conditions of Nurses in China](#) (张新庆课题组《中国护士从业状况调查报告》)

- In 2010, the research group distributed questionnaires to nurses in hospitals in Beijing and seven provinces across the country to learn about nurses' labour conditions, such as work pressure and risk of work-related injuries, fairness in salary and promotion, job satisfaction and resignation, and nurse-patient relationship. A total of 3,311 valid questionnaires were returned from nurses (response rate of 89.9%).

3) Zhang Xinqing. [Survey Report on the Working Conditions of Medical Staff in China](#) (张新庆《中国医务人员从业状况调查报告》)

- A research group from the Chinese Academy of Medical Sciences / Peking Union Medical College conducted a survey of medical staff in hospitals in Beijing and eight provinces across China in 2013. The survey covered work pressure, physical and mental health, job satisfaction,

doctor-patient relationship, and expectations for the new medical reform. The group retrieved 5,852 valid questionnaires from medical staff (response rate of 78.7%) and 1,820 valid questionnaires from patients (response rate of 77.1%).

4) China Social Welfare Foundation's 919 Nurses Care Program. [*Survey on the Development Situation of China's Nurses*](#) (中国社会福利基金会 919 护士关爱计划《中国护士群体发展现状调查》)

- The Foundation conducted a nurse survey in December 2016 in 30 provinces, municipalities and autonomous regions nationwide (except Tibet), involving 311 cities, with a total of 51,406 valid questionnaires collected from working nurses. The questionnaires covered nurses' salary, working hours, work injuries, physical and mental health, nurse-patient relationship, and turnover intention.

5) Chinese Physicians Association. [*White Paper on the Practice Situation of Physicians in China*](#). (中国医师协会《中国医师执业状况白皮书》)

- The Chinese Physicians Association distributed questionnaires to physicians nationwide in 2016-2017, covering salary, working hours, doctor-patient relationship, occupational stress, attitude toward healthcare reform, etc. A total of 44,600 hospitals participated in the survey, and about 146,200 physicians completed the questionnaire.

Appendix

Appendix 1: Number of hospital healthcare workers' cases on the Strike Map, by year

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wage/social insurance/ housing fund arrears	1	5	6	4	4	6	10	6	5	4	11
Demand for equal treatment/ equal pay for equal work	0	2	4	2	5	5	0	0	1	9	0
Salary/ Performance Pay/ Subsidy	2	2	2	3	3	1	0	1	0	0	0
Restructuring	1	6	5	3	4	2	2	0	0	0	2
Work Safety Issues	1	2	1	2	1	0	0	0	0	10	0
Others	1	2	1	2	0	1	1	0	0	1	0
Total ⁹	6	18	18	15	14	13	13	7	5	15	11

⁹ As some cases have more than one cause, the total number for each year may not be equal to the sum of the number of cases for each cause in that year.

Appendix 2: Number of hospital healthcare workers' cases on the Call-for-Help Map, by year

	2021	2022	2023
Wage/social insurance/housing fund arrears	16	21	34
Demand for equal treatment/equal pay for equal work	0	2	1
Salary/Performance Pay/Subsidy	0	2	3
Work Safety Issue	0	4	1
Others	0	1	0
Total ¹⁰	16	29	39

–End–

¹⁰ As some cases have more than one cause, the total number for each year may not be equal to the sum of the number of cases for each cause in that year.