

The Emerging Industrial Relations of China

Edited by William Brown and Chang Kai



'By combining their deep expertise on how western countries have addressed these issues with equally deep expertise on the history and current employment practices in China, the authors have produced what is destined to be the go-to textbook and scholarly resource on this subject.'

Thomas A. Kochan, *Professor at the MIT Sloan School of Management*

'This is a unique work of scholarship which provides a comprehensive view of the emergence of industrial relations in China. William Brown and Chang Kai are internationally eminent scholars who present an insightful account of the transition to collective labour relations in China.'

Russell Lansbury, *Emeritus Professor of Industrial Relations, University of Sydney, Australia*

'This book is a landmark study in the area of Chinese labour relations. The authors have carried out extensive fieldwork on the All-China Federation of Trade Unions and its activities over the recent years of the economic reforms, and now present their empirical findings in a highly readable form.'

Malcolm Warner, *Professor and Fellow Emeritus, Wolfson College, University of Cambridge, Cambridge*

William Brown is Emeritus Professor of Industrial Relations and Emeritus Master of Darwin College at the University of Cambridge.

Chang Kai is Director of the Institute of Industrial Relations and Professor at the School of Labour and Human Resources, Renmin University of China.

Cover image: Chang Kai.

CAMBRIDGE
UNIVERSITY PRESS
www.cambridge.org

ISBN 978-1-107-11441-8



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University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
4843/24, 2nd Floor, Ansari Road, Daryaganj, Delhi – 110002, India
79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107114418

DOI: 10.1017/9781316335222

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First published 2017

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Names: Brown, William Arthur, 1945– editor. | Chang, Kai, 1952– editor.

Title: The emerging industrial relations of China / edited by William Brown, University of Cambridge, Chang Kai, Renmin University of China, Beijing.

Description: Hoboken : Cambridge University Press, 2017.

Identifiers: LCCN 2017020506 | ISBN 9781107114418 (hardback)

Subjects: LCSH: Industrial relations – China. | Labor movement – China. | Labor laws and legislation – China. | BISAC: BUSINESS & ECONOMICS / Human Resources & Personnel Management.

Classification: LCC HD8736.5 .E54 2017 | DDC 331.0951–dc23

LC record available at <https://lcn.loc.gov/2017020506>

ISBN 978-1-107-11441-8 Hardback

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The Emerging Industrial Relations of China

Labour relations are at the heart of China's extraordinary economic rise. This growth, accompanied by internal migration, urbanisation and rising income have brought a dramatic increase in the aspirations of workers, forcing the Chinese government to restructure its relationships with both employers and workers. In order to resolve disputes and manage workplace militancy, the once monolithic official trade union is becoming more flexible, internally. No longer able to rely on government support in dealing with worker unrest, employers are rapidly forming organisations of their own. In this book, a new generation of Chinese scholars provide analyses of six distinct aspects of these developments. They are set in the broader context by the leading authority on Chinese labour law and two western specialists in comparative labour relations. The result is a comprehensive study for scholars and graduate students working in Chinese industrial relations, comparative labour law, human resource management, NGOs and international labour organisations.

William Brown is Emeritus Professor of Industrial Relations and Emeritus Master of Darwin College at the University of Cambridge. He was previously Director of the Industrial Relations Research Unit at the University of Warwick. He is the author and editor of six books on Industrial Relations, including *The Evolution of the Modern Workplace* (2009), also with Cambridge University Press, as well as countless contributions to books and journals.

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Preface

A profound change is taking place in employment relations in China. The opening up of the economy to both national and international competition is transforming the way in which employers and workers interact. It is also changing the institutions through which they interact and the ways in which the Chinese government is involved. Markets were initially slow to develop after China's post-revolution period as a centrally planned economy and they are still subject to a high level of state regulation. As exposure to market forces has gathered pace, the consequences for workers have often been difficult. The strike wave in the summer of 2010 emphasised the extent to which their response has increasingly been collective rather than individualistic. This has raised industrial relations challenges for China that echo those previously encountered elsewhere in the industrialised world.

In many ways these developments are unique to China, shaped by the country's long and continuous history. The context of employment in China is very different from that of Western countries where industrial relations institutions first evolved. But, under the pressures of market competition, the everyday treatment of workers by employers has increasingly resembled that of employers in market economies elsewhere in the world. The response of the workers has many similarities with that to be found wherever employment is exposed to the uncertainties and pressures of market competition. Governments tackle questions of worker protection and collectivism in different ways, but there are many common underlying issues. Chapter 1 sets out the theoretical framework for what is to follow by discussing the general characteristics of industrial relations systems in industrialised countries with mixed economies. It focusses on the power relationships that are endemic to employment. They are shaped by worker organisations and employer strategies, both of which are strongly influenced by state intervention. This is important in China despite the fact that it has a single legally authorised trade union and no clear legal provision of a right to strike.

Chapter 2 discusses the background to the transition that has been taking place in China over the past decade from individualistic to more collective industrial relations. It describes the development of government policy towards individual rights and the challenge of increased collective worker behaviour, culminating in the strikes of 2010. Chapter 3 picks up the story with an account of more recent developments. It analyses the divide that has been emerging between the official labour movement and grass-roots activism. Chapter 4 describes the structure and distinctive function of the Chinese trade unions and considers how they are adapting to a market economy.

The extraordinary rapid growth of the market sector in China has brought a varied galaxy of private sector employers into view. Chapter 5 discusses the strategies they have been developing both individually and through employer organisations, at a time when the state is increasing legal constraints on them but is less willing to become directly involved in dispute resolution. The increasing impact of market forces is also affecting the role played by the state in China. Chapter 6 argues that government policy towards labour relations has evolved largely by a series of cautious and pragmatic steps. Having established individual employment rights, the government is increasingly forcing employers to take responsibility for collective issues.

The next three chapters are concerned with relations between employers and employees. Chapter 7 describes the development of collective consultation, a more appropriate term in the Chinese context than collective bargaining, which is now central to government policy. Chapter 8 considers how long-established institutions of worker participation, once the bedrock of the centrally planned economy, are being introduced and adapted in the private sector in response to official guidance. Chapter 9 discusses what happens when labour relations break down in strike action. An account of how the character of strikes has been changing is followed by a discussion of the debate over more explicit legal rights to strike. To provide an international perspective, Chapter 10 compares how greater market exposure has altered the regulation of employment in China, Russia and Vietnam. All three countries have been replacing a centrally planned economy with one dominated by competitive markets over much the same period, but their approaches to labour relations have been very different. We conclude with a brief summary of some of the implications of the findings presented in these chapters.

Most of this book has been researched and written by the younger generation of Chinese scholars now studying labour relations in their country. They have little tradition of empirical work on which they can build. Whatever their research methods – statistical surveys, field-work

interviews or documentary analysis – they are all fairly exploratory. There has been little independently gathered data on the rapidly changing scene of Chinese labour over the past 20 or 30 years with which they can make comparisons. The subject is, however, commanding considerable attention from this new generation of scholars and there can be no doubt that a solid body of research is beginning to emerge. Each chapter is the independent work of its named author. The role of the editors has been to ensure that they complement each other and are written in English in a style appropriate for publication. The support of The Leverhulme Trust is gratefully acknowledged.

Abbreviations

ACFIC	All-China Federation of Industry & Commerce
ACFTU	All-China Federation of Trade Unions
CEC	China Enterprise Confederation
CEC/CEDA	China Enterprise Confederation/China Enterprise Directors Association
CLA	Collective Labour Agreement (Russia)
CLB	China Labour Bulletin
CPC	Communist Party of China
CPCCC	Communist Party of China Central Committee
FDI	Foreign direct investment
FIE	Foreign invested enterprise
FNPR	Federation of Independent Trade Unions of Russia
FPAD	Federation of Air Traffic Controllers' Unions (Russia)
FTU	Federation of Trade Unions
IEO	International Organisation of Employers
ILO	International Labour Organisation
KTR	Confederation of Labour of Russia
MHRSS	Ministry of Human Resources and Social Security
MOLISA	Ministry of Labour and Social Security (Vietnam)
MPRA	Inter-regional Trade Union of Motor Industry Workers (Russia)
NGO	Non-governmental organisation
NPC	National People's Congress
NPG	National Independent Miners Union (Russia)
NWC	National Wage Council (Vietnam)
PRC	People's Republic of China
RMB	Renminbi
SOE	State-owned enterprise
TPP	Trans-Pacific Partnership

VCA	Vietnam Cooperative Alliance
VCCI	Vietnam Chamber of Commerce and Industry
VCP	Vietnamese Communist Party
VGCL	Vietnam Confederation of Labour
VTsSPS	All Union Central Council of Trade Unions (Russia)

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