Document generated on 04/24/2024 1:49 p.m.

Relations industrielles
Industrial Relations

The Emerging Industrial Relations of China, Edited by William Brown and Chang Kai (2017) Cambridge: Cambridge University Press, 250 pages. ISBN: 978-1-107-11441-8

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Volume 73, Number 2, Spring 2018

URI: https://id.erudit.org/iderudit/1048576ar
DOI: https://doi.org/10.7202/1048576ar

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Publisher(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (print)
1703-8138 (digital)

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Cite this review

Kaufman, B. E. (2018). Review of [*The Emerging Industrial Relations of China*, Edited by William Brown and Chang Kai (2017) Cambridge: Cambridge University Press, 250 pages. ISBN: 978-1-107-11441-8]. *Relations industrielles / Industrial Relations*, *73*(2), 395–398. https://doi.org/10.7202/1048576ar

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Recensions / *Book Reviews*

The Emerging Industrial Relations of China

Edited by William Brown and Chang Kai (2017) Cambridge: Cambridge University Press, 250 pages. ISBN: 978-1-107-11441-8.

William Brown, Britain's leading industrial relations scholar-expert, and Chang Kai, China's leading industrial relations scholar-expert, have joined forces to produce a first-rate volume describing the emerging industrial relations (IR) system in China. The volume is a collection of eleven chapters: two are coauthored by the editors, two are separately written by each editor, six are written by Chinese authors, and one is written by a British author.

Oftentimes a reader's first reaction to seeing an edited book with a title like *The Industrial Relations System in Country XYZ*, particularly when Country XYZ is far off with a different language and culture, is to stifle a yawn in expectation it is likely a rather dull, uneven, and descriptive product full of unpronounceable names and unfamiliar labour laws and institutions. This volume, I am happy to report, defies expectations and provides across the chapters a nicely accessible, interesting, and informative account of historical trends and contemporary events and challenges in the IR system of the world's most populous and rapidly-developing nation. Quite possibly this volume would not have been published in the English language by a prestigious university press, nor have achieved its high quality, without the active involvement and time commitment of the first editor, so kudos are deserved by Professor Brown.

The theme of the volume is set out in the opening paragraph of the first joint chapter by Brown and Chang. They say: "A transition from individual to collective labour relations is taking place in China. It is a consequence of employment becoming increasingly market-oriented." (p. 21). They could have added, as Brown notes in his introductory chapter (p. 7), that the transition is equally from a Marxist version of state unitarism toward a capitalist version of institutional pluralism, albeit with Chinese characteristics indelibly stamped on it.

Mao Zedong and fellow communist revolutionaries seized control of China in 1949, liquidated the capitalist and rich peasant classes, and established a collectivized socialist economy governed in Leninist-Stalinist style by a Communist Party acting as the dictatorship of the proletariat. The social balance sheet for China between 1949 and Mao's death in 1976 contains a complex and contentious set of pluses and minuses but, on balance, the record fell short in the important areas of sustained economic growth, rising living standards, and transition to a modern, technologically advanced economy. The reaction, initiated by Deng Xiaoping in 1978 and gradually accelerated by his successors, was to shift course and move toward a state-guided form of market economy, including greater decentralized management of enterprises, end of 'iron rice bowl' pay and employment security for industrial workers, and introduction of free(r) labour markets and capitalist-type employment relationships.

This transition is still in motion with uncertain destination and hence the word "emerging" in the book's title to describe the present-day industrial relations situation in China is apt and well chosen. While the book provides readers with the necessary historical big picture, the bulk of attention across the chapters is on IR developments of roughly the last decade, particularly since enactment of the *Labour Contract Law* of 2008 and World Financial Crisis of the same year.

Both events gave China's IR system a significant push toward a new institutional configuration, with attendant interest conflicts and power plays. The World Financial Crisis forced many China-located companies, particularly with international

exposure, to do what an earlier generation of state-owned enterprises would dare not contemplate, which was to put profit and company interests ahead of workers' interests and job protection. This shift in stakeholder priorities on the part of companies, with accompanying layoffs, speed-ups, harsh management treatment, and extra-long work hours, led to an unprecedented increase in spontaneous protests and strike actions, culminating in a strike wave in 2010. While worker unrest was largely a local-level and bottom-up development, the new *Labour Contract Law* encouraged a state-initiated, top-down replacement of individual dealing between employer and employee with new forms of collective consultation and enterprise labour contracts.

This context sets the stage for the eleven chapters in the book. In the introductory chapter, Brown sets out in masterful style the intellectual themes and traditions of the IR field and their application to the case of China. Chapter 2 by Chang and Brown lays out the larger IR developments and themes in China, with particular focus on the transition from individual dealing between strong and often autocratic employers and weak, dependent employees to the beginning of a more balanced system of collective organization and consultation, albeit with still strong party and local government control of most unions and organized workers' groups.

The next eight chapters explore particular facets of the IR system transition. Chapter 3 by Chang Kai is on the development of two different types of labour movements—one that is state supervised from top-down and the other that is local level, relatively spontaneous, and bottom-up. The two systems interact in an evolving, ill-defined combination of conflict and cooperation. Perhaps some readers, like myself, will read this account with a sense of *déjà vu* per Alan Flander's well-known description of the British IR system in the 1960s as a dual system of central unions and formal contracts and plant-level shop stewards and informal fractional bargaining.

In Chapter 4, Chang Cheng, second-generation IR scholar trained at Cambridge under Brown and taking forward the legacy of her father Chang Kai, writes on the response of trade unions to market and government pressures. The unions have traditionally been agents of state policy and protectors of social order and, at the local level, typically dominated by enterprise management and local party leaders. But, as market pressures develop, workers experience greater risk, instability, and management pressure and, finding their unions too often captive agents of the state and employers, resort to unofficial protests, strikes, and worker organizations. To contain the workers' movement, the official unions are being forced to give greater emphasis to protecting workers' rights, sometimes with relatively adversarial push-back against recalcitrant managers, party leaders, and multinational companies.

Chapter 5, by Wen Xiaoyi, examines employers' strategies in collective labour relations. Chinese companies are facing a new employment relations landscape as labour shortages start to develop, the newer generation of migrant workers are demanding better conditions and treatment, and the central government is gradually strengthening labour law standards and enforcement. The strategies of companies differ: some stubbornly cling to traditional methods, others openly resist government or union pressures for change, others establish some form of shadow consultation system, while yet others move toward genuine stakeholder governance and joint consultation.

Chapter 6, by Tu Wei, is on the changing role of government towards labour. He concludes that viewed over a thirty-year period the change has been incremental, cumulatively significant in certain areas, but not a major departure from or trans-

formation in the government's approach to labour policy. The government's policy attention early in the economic reform process was on creating open and flexible labour markets to support industrial development. As labour unrest emerged and intensified, government shifted to include protection of individual labour rights as an official policy objective, with some areas of progress. Recently, government policy has started to address collective labour rights and representation and bargaining institutions but Tu concludes that so far progress has been limited.

Chapter 7, by Lei Xiaotian, explores more deeply the introduction of collective consultation rights and procedures in the Chinese IR system, particularly since these developments were given impetus by, respectively, the *Labour Contract Law and Labour Dispute Mediation and Arbitration Law* (both 2008). Collective consultation is a top-down initiative shaped by central government directives and policy goals and centered on enterprise-level collective labour contracts, ostensibly negotiated with the workers. This type of consultation is perhaps a foot in the door for more substantive bilateral governance and negotiation in the future but, at present, takes the form of what North Americans know as the 1930s-type dominated, largely pro forma 'company union.'

Chapter 8, by Zhan Jing, is on challenges faced by enterprise-level employee participation. The movement has been one of retrogression in state-owned enterprises where participation was once widely embedded in periodic workers' congresses but is now in retreat as more autonomous plant managements assert unilateral control in reaction to greater profit and efficiency pressures. The picture is highly diverse in private owned companies and foreign-owned enterprises with a mix of company opposition, token implementation, and examples of substantive voice and influence. Reluctance of companies, managers, government, and state-sponsored unions to share power and decision making with workers is presented as the fundamental obstacle to further advance.

Chapter 9, by Meng Quan, is on strikes, legal treatment of strikes, and strike resolution methods. Meng notes that labour strikes are a touchy subject for the government and even mention of the word is discouraged. He describes how the market reforms fundamentally changed the identity and consciousness of workers from a protected class of the state to an insecure and economically vulnerable market-traded 'hired hand' and subordinate, relatively voiceless and powerless labourer in the factory, mill, and mine. Not unexpectedly, labour unrest began to awaken and spread, culminating in the strike wave of 2010. Also not unexpectedly, the rise of strikes and worker protests was greeted with a combination of repression, temporary pacifiers, and eventual reshaping of labour laws and institutions, including greater effort of official trade unions to resolve conflicts before they boil out of control.

Chapter 10, by Tim Pringle, is a comparative study of labour relations reforms in post-socialist China, Russia, and Vietnam. All three countries had centralized one-party command economies and state-controlled trade union federations, and he describes how in reaction to market liberalization, with some degree of accompanying political liberalization, each of the countries responded in terms of revamping their legal regimes and union institutions. The details differ across the three countries but the overall pattern is similar, marked by incremental gains for workers, but continued state and party control and subordination.

The last chapter, by the co-editors Brown and Chang, ably summarizes the volume's main themes and findings and draws out implications for the future of Chinese industrial relations. The major paradox they draw attention to is that China and its government leaders have opted for a policy of

greater collective organization of industrial relations in reaction to intensified market pressures and worker dissatisfaction, while most other nations of the world have gone in the opposite direction of deregulation and individualization of employment relations. The success of this strategy, they conclude, is too imponderable to predict but critically hinges on the ability of unions to grow into more independent agencies for effective worker representation and voice at the enterprise and polity levels.

In early 2018, a year after this book was published, the nation's constitution was amended so China's President, Xi Jinping, could become ruler for life. An interesting question for the second edition of this volume, say a decade from now, is whether China can also go against the tide of history and successfully decentralize and democratize industrial relations while the national government, on a separate track, is (apparently) moving in the opposite direction of greater political centralism and control. China watchers will have to wait and see.

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Defying Expectations: The Case of UFCW Local 401

By Jason Foster (2018) Edmonton: AU Press, Athabasca University, 195 pages. ISBN: 978-1-77199-5.

In the later decades of the Twentieth century, Canadian locals of the United Food and Commercial Workers (UFCW) enjoyed a 'cosy' non confrontational relationship with various supermarket stores and other employers in their orbit. Deals were completed by leaders with limited involvement and input from members. In the 1990s, industrial relations became more difficult for UFCW and its locals with the entry of low cost competitors which resulted in employers seeking to achieve give backs and more flexibility, such as the use of more part time labour than hitherto. Local 401 of UFCW, based in Alberta, found that its 'top down' approach was ineffective in countering the now 'tougher' bargaining stance of employers. It suffered a major defeat after a 74 day strike against Safeway in 1997. One of the major problems it encountered was in knowing how to align itself with a changed workforce from traditional white Canadians to one which was younger, female, from a variety of ethnic/immigrant backgrounds and employed on a part time rather than full time basis.

Local 401's leadership realized that it would have to adapt or die. It began to experiment with new ways of operating. For a start, it believed that there was a need to increase the level of strike pay to ensure members would maintain picket lines and be able to pay their bills during, potentially, long and drawn out strikes. Strike pay was increased to approximately eighty per cent of normal pay. Next, it did not shy away from representing members from diverse immigrant backgrounds. Leaders engaged with these groups, 'found' their 'organic' leaders (or the 'organic' leaders found them), and explained and educated them in what Local 401 was about and the principles of unionism. In turn, these 'organic' leaders were used to educate fellow members of their respective ethnic groups and Local 401 devoted resources to providing printed material in different languages and dialects. They would also use photos and statements from representatives of these groups in their campaign literature to demonstrate to them and others how their interests and needs were uppermost in the campaigns being waged by Local 401.

Finally, and most importantly, the leadership of Local 401 devoted itself to interacting with its members at meetings and other occasions. Leaders spent much of their time on the road visiting members, rather than being holed up in the office. It treated all members with equal respect, as it sought to understand their problems and views, and