Triadic Interaction and Collective Bargaining of Autoworkers in South China

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Abstract:

A study of autoworkers in Guangzhou, China found that Chinese workers successfully negotiated wages through collective bargaining. The emergence of collective bargaining comes from the triadic interaction among three conflicting agents: workers, local state and employers. The intention of the local state to shift labor-intensive industries towards more value-added industries and the tendency of the local police to avoid the use of violence have contributed to a less hostile labor environment and more political opportunities for the workers. To improve their own position and control labor unrest, regional unions form a vertical coalition with workers while autoworkers invoke their workplace bargaining power by engaging in strikes. At the same time, workers develop low risk strike strategies to reduce potential state suppression and employ anti-Japanese rhetoric to reduce pressure from management. We conclude with a discussion on whether the collective bargaining practices of autoworkers in Guangzhou can be replicated in other spaces or industries.

Keywords: autoworkers, enterprise collective bargaining, worker activism, China

Introduction

In 2013, workers of the Baimu auto parts factory¹ in Guangzhou, China organized a sit-in strike to demand higher annual bonuses. The strike occurred during the biannual collective bargaining process when Japanese managers refused to continue negotiations with the elected enterprise union. To pressure the management staff, several enterprise union leaders initiated a strike that involved all production workers, effectively halting production. The strike forced management to return to the bargaining table where workers sent three enterprise union committee members and eight union representatives to conduct negotiations. Five hours later, management conceded and signed a

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¹ Baimu is a Japanese-owned auto parts factory that supplies car doors and windows to auto assembly factories, including Guangqi Toyota and Dongfeng Nissan in Guangzhou. Established in 2004, Baimu employed 352 workers in November 2013.

collective contract with the Baimu union to increase annual bonuses to 3.5 months of salary for all employees (RMB7,000 or USD1,145 per worker).

The Baimu case is not an isolated example. After a series of strikes launched by autoworkers in 2010, the local state and regional unions in Guangdong province, the largest manufacturing region in China, reformed enterprise unions and the collective consultation system to sustain industrial relations. Since then, there have been notable examples of authentic collective bargaining² in the auto parts industry in Guangzhou.³ These collective bargaining practices have been characterized by a combination of union-initiated collective negotiations and threats of strikes.

Previous studies have indicated that the Chinese version of collective negotiation, known as ‘collective consultation’ (集体协商),⁴ is intrinsically different from collective bargaining in many Western countries. First, while the institutionalization of collective bargaining in the West is a result of militant labor movements,⁵ collective consultation in China is a bureaucratic system introduced by the state to regulate labor relations in the reform era wherein workers are only formally consulted.⁶ Second, collective bargaining in the West is based on the freedom of association and legal right to

² In the article, we adopted the standards in Kuruvilla and Zhang (2016) to evaluate the authenticity of a collective bargaining agreement, which included whether (1) unions and employers actually engaged in negotiations, (2) workers articulated demands that the union negotiated on their behalf, and (3) the negotiations resulted in concrete outcomes (p. 171). See: Sarosh Kuruvilla and Hao Zhang, ‘Labor Unrest and Incipient Collective Bargaining in China,’ *Management and Organization Review* 12(1), (2016), pp. 159-87.

³ Kuruvilla and Zhang, ‘Labor Unrest’; Mingwei Liu and Sarosh Kuruvilla, ‘The State, the Unions, and Collective Bargaining in China: the Good, the Bad, and the Ugly’, *Comparative Labor Law & Policy Journal* 38, (2017), pp. 187-210; Cheng Chang and Fang Lee Cooke, ‘Layers of Union Organising and Representation: the Case Study of a Strike in a Japanese-Funded Auto Plant in China’, *Asia Pacific Journal of Human Resources* 56, (2018), pp. 492-517; Siqi Luo and Tao Yang, ‘Moderated Mobilization: a New Model of Enterprise-Level Collective Bargaining in South China’, *China Quarterly*, (2019), DOI: 10.1017/S0305741019001061; Lu Zhang and Tao Yang, ‘Worker Activism and Enterprise Union Reform in China: A Case Study of Grassroots Union Agency in the Auto Parts Industry’, *Development and Change*, (2019), DOI: 10.1111/dech.12551; Yunxue Deng, ‘The Development of Elected Workplace Trade Unions in Authoritarian China: The Case of Guangzhou’s Auto Parts Industry’, *The China Review* 20(1), (2020), pp. 83-108.

⁴ Legal provisions for collective consultation can be found in a series of laws in China, such as the Trade Union Law (1992), the Labor Law (1994), the revised Trade Union Law (2001) and the Labor Contract Law (2008).

⁵ See: for example, Gay W. Seidman, *Manufacturing Militance: Workers' Movements in Brazil and South Africa* (Berkeley: University of California Press, 1994); Beverly Sliver, *Forces of Labor: Workers' Movements and Globalization since 1870* (New York: Cambridge University Press, 2003).

⁶ Sek-Hong Ng and Malcolm Warner, ‘Industrial Relations versus Human Resource Management in the PRC: Collective Bargaining with “Chinese Characteristics”’, in *Changing Workplace Relations in the Chinese Economy*, ed. Malcolm Warner (London: Palgrave Macmillan, 2000), pp. 100-116; Simon Clarke, Chang-Hee Lee, and Qi Li, ‘Collective Consultation and Industrial Relations in China’, *British Journal of Industrial Relations* 42(2), (2004), pp. 235-254; Chris King-Chi Chan and Elaine Sio-leng Hui, ‘The Development of Collective Bargaining in China: From “Collective Bargaining by Riot” to “Party State-led Wage Bargaining”’, *The China Quarterly* 217, (2014), pp. 221-242.

strike, whereas collective consultation in China has no such basis of collective labor rights. Collective worker representation in China has been monopolized by the All-China Federation of Trade Unions (ACFTU), which functions more like a state organ than labor organization,⁷ and its organizations at the enterprise level are seen as managerial puppets.⁸ As a result, effective representation for workers is notably absent in collective consultations. Moreover, without legal provisions for the right to strike,⁹ Chinese workers have been deprived of the most effective bargaining strategy in collective consultations. Third, while collective bargaining in the West is seen as a cornerstone process to improve employment conditions;¹⁰ collective consultation in China involves no genuine negotiations between workers and employers, and has been ineffective in furthering the interests of workers.¹¹

However, the development of collective bargaining in Guangzhou since 2010 has indicated that, despite institutional constraints, Chinese autoworkers have been able to transform formalistic collective consultation into authentic collective bargaining, where autoworkers articulated their collective demands, and permitted enterprise unions and negotiation representatives to bargain with management on their behalf to secure higher wages and annual bonuses. This new phenomenon raises several questions: What conditions enabled the emergence of enterprise collective bargaining in South China? And, what strategies have autoworkers utilized through the collective consultation system to increase their wages and bonuses? To answer these questions, this article examines the development of enterprise collective bargaining in Guangzhou from 2011 to 2018.

We argue that, compared to collective bargaining in the Western context, collective bargaining practices in China show a distinct triadic interaction pattern. Collective bargaining in the West is a dyadic interaction between workers (represented by enterprise unions) and employers

⁷ Bill Taylor and Qi Li, 'Is the ACFTU a Union and Does It Matter?', *Journal of Industrial Relations* 49(5), (2007), pp. 701-15; Simon Clarke and Tim Pringle, 'Can Party-Led Trade Unions Represent Their Members?', *Post-Communist Economies* 21(1), (2009), pp. 85-101.

⁸ Mingwei Liu, 'Union Organizing in China: Still a Monolithic Labor Movement?' *Industrial and Labor Relations Review* 64(1), (2010), pp. 30-52.

⁹ The right to strike was written into the Chinese Constitution in 1975 but revoked in 1982.

¹⁰ See: for example, Sidney Webb and Beatrice Webb, *Industrial Democracy* (London: Longmans, Green, 1897); Susan Hayter, Tayo Foshoyin, and Thomas A. Kochan, 'Collective Bargaining for the 21st Century', *Journal of Industrial Relations* 53(2), (2011), pp. 225-47.

¹¹ Clarke, Lee, and Li, 'Collective Consultation'; Chan and Hui, 'The Development of Collective Bargaining in China'.

(management) because legal rights and conditions are relatively established and workplace unions are already in place. Negotiations are made within the current legal frameworks and the state is not involved. Strikes and independent unions are still illegal in China; however, workers still use strikes or threats of striking in negotiations. In this context, the state is an important entity in collective bargaining and needs to decide if they have to intervene, suppress a strike, or use violence to quash the strikes. As a result, the importance of the local state results in a triadic rather than dyadic interaction during the negotiation process and thus constitutes a major difference between collective bargaining in China and the West.

In exploring this triadic negotiation process, we found that Chinese autoworkers enhance the effectiveness of the state-promoted collective consultation system to pursue their collective interests. The emergence of collective bargaining was made possible by the unexpected vertical coalition between the local state and autoworkers. To gain legitimacy and avert the protests of autoworkers, the local state (represented by regional unions)¹² supported autoworkers to make moderate economic demands through the reformed collective consultation system. The advocacy of the regional unions created an unprecedented political opportunity for autoworkers to bring their employers to the negotiating table. Therefore, although state-aligned regional unions have different agendas and objectives from the workers, they are compelled to align with the autoworkers against management because of the increase in labor unrest.

The emergence of collective bargaining in the auto industry is also the result of autoworkers' substantial workplace bargaining power. Rather than simply relying on the formal procedures of collective consultation or regional unions, autoworkers sometimes took direct action to disrupt the production chain and forced employers to meet their demands. Their past experiences in protesting informed them of the tolerance limits of the local state toward strikes, so they strategically carried out strikes that avoided state suppression. They also strategically used nationalistic rhetoric during strikes

¹² Official trade unions in China are three-tiered, including the national federation of unions, regional unions (at the provincial, municipal, district/county, and town levels) and enterprise unions. At the national and regional levels, the unions are integrated into the government apparatus and are de facto government organs.

to minimize retaliation from management. Therefore, this article argues that the emergence of autoworkers' collective bargaining in China is the result of a triadic interaction among conflicting agents: workers, the local state (represented by the regional unions) and employers. We focus on the mechanisms behind the vertical coalition between workers and the local state at the micro-level and how these processes facilitated collective bargaining in a society where workers have no legal rights to independently self-organize or strike. We turn now to the autoworker strikes of 2010 and the development of collective bargaining in China.

Autoworker Strikes and a Changed Labor Environment

Compared to workers in low-end manufacturing industries, autoworkers in China have several characteristics that enhance their capacity to pressure employers to meet them at the bargaining table. First, the production organization of the auto industry is characterized by tightly integrated production systems and just-in-time (JIT) delivery. These have allowed walkouts at strategic nodes of the production chain to effectively disrupt the entire system.¹³ Second, autoworkers are relatively more well-educated than other migrant workers. A 2013 survey found that over 75 percent of auto parts workers in the Pearl River Delta have a vocational or high-school education,¹⁴ while only 22.8 percent of migrant workers nationwide have the same education level.¹⁵ Third, autoworkers from different factories are geographically concentrated in massive auto industrial and collective dormitory zones, which facilitates cross-factory interpersonal contacts, increases information flow and enhances social learning about strikes. As a result, strikes have a ripple effect and autoworkers' strategies become

¹³ Sliver, *Forces of Labor*; Lu Zhang, *Inside China's Automobile Factories: The Politics of Labor and Worker Resistance* (New York, NY: Cambridge University Press, 2015).

¹⁴ Sun Yat-sen University, 'Labor Standard, Production Model and Labor Relation in the Auto Parts Industry in the PRD in China: Survey Report of 12 Enterprises', Unpublished Report of International Center for Joint Labor Research, Guangzhou. Quoted in Zhang and Yang, 'Worker Activism and Enterprise Union Reform in China', p.12.

¹⁵ National Statistics Bureau, 2013 年全国农民工监测调查报告 ['2013 National Survey Report about Migrant Workers in China'], accessed August 20, 2020, http://www.stats.gov.cn/tjsj/zxfb/201504/t20150429_797821.html.

more sophisticated.¹⁶ Moreover, autoworkers use their advantages to lobby for higher wages, which was demonstrated through strikes in Guangzhou over the summer of 2010.

The 2010 strikes first broke out at the Honda Auto Parts Manufacturing Company (CHAM) in Foshan city on May 17, where about 1,800 workers started a sit-in strike to protest their low wages.¹⁷ They demanded a wage increase of RMB800 (USD120) and democratic reform over their enterprise union. They also bypassed the enterprise union and demanded to directly negotiate with their employer. The strike lasted 17 days and halted production in all four Honda assembly plants in mainland China. The workers were rewarded with a remarkable wage increase and the right to conduct enterprise union elections.¹⁸ Indeed, throughout that summer, the Honda strike created a significant chain reaction.¹⁹ Guangzhou alone witnessed over 100 strikes from May to July 2010, with a majority occurring in the auto parts and motor manufacturing industries.²⁰ Moreover, they refused representation by enterprise unions during the strikes and elected their own delegates to undergo the bargaining process with their employers.

The strikes in 2010 challenged the conventional understanding of labor protests in China. Previous studies have shown that most Chinese worker strikes in the 1990s and early 2000s were apolitical and based on legal rights.²¹ In contrast, the 2010 strikes were notably characterized by

¹⁶ Yunxue Deng, 'Space and Strike Diffusion in a Decentralized Authoritarian Country', in *Workers' Movements and Strikes in the Twenty-First Century: A Global Perspective*, ed. by Jörg Nowak, Madhumita Dutta and Peter Birke (London: Rowman & Littlefield, 2018), pp. 45-61.

¹⁷ Even though CHAM is one of the most profitable auto parts manufacturers in mainland China, the basic wage of the lowest ranking workers was only RMB675 (about USD99.7) before the strike in May 2010, which was below the legal minimum wage in Foshan city (RMB720 or USD106.4). See: International Trade Union Confederation/Global Union Federation Hong Kong Liaison Office (IHLO), 'A Political Economic Analysis of the Strike in Honda and the Auto Parts Industry in China', July 2010, accessed March 12, 2020, <https://intercoll.net/A-Political-Economic-Analysis-of-the-Strike-in-Honda-and-the-auto-parts>.

¹⁸ On June 4, 2010, Honda management and workers reached a collective agreement: wage increases of RMB500 (USD73.9) for contract workers (32.4% increase) and RMB634 (USD93.7) for student interns (70% increase). In addition, Honda workers could re-elect their enterprise union under the guidance of the regional unions in 2010.

¹⁹ Florian Butollo and Tobias ten Brink, 'Challenging the Atomization of Discontent: Patterns of Migrant-Worker Protest in China during the Series of Strikes in 2010', *Critical Asian Studies* 44(3), (2012), pp. 419-440; IHLO, 'A Political Economic Analysis of the Strike in Honda'.

²⁰ Weiguang Chen, 广州市总工会第十六届委员会第十一次全体会议工作报告 [*Work Report of the Guangzhou Federation of Trade Union on the 11th Plenary Session of the Sixteenth Committee Meeting*], Guangzhou Federation of Trade Union, 2011.

²¹ For example, Ching-Kwan Lee, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt* (Berkeley: University of California Press, 2007).

demands for wage increases and better working conditions far beyond legal stipulations,²² which challenged the ‘low wage regime of labor.’²³ There was also an increasing inclination to reform enterprise unions and the collective consultation system²⁴ for a more effective bargaining process.²⁵

Note that when the strike wave broke out, the Guangdong provincial government took a relatively pro-labor stance, which was in stark contrast to its past pro-capital stance. Since the mid-2000s, the Guangdong provincial government has evolved its industrial structure and developed both capital- and technology-intensive industries. The government issued a document titled ‘Decision to Promote Transfer of Industries and Labor Force’ (关于推进产业转移和劳动力转移的决定), which is considered a strategy that ‘emptied the cage to change the bird’ (腾笼换鸟). In this context, economic-oriented labor protests and wage collective negotiations were viewed as mechanisms to accelerate industrial change: that is, since labor protests and collective negotiations increased labor costs and forced low-labor-cost industries to relocate, the government could use those freed lands to attract more value-added industries. Hence, during the 2010 strike wave, the local government did not summon the police to suppress the striking workers. Instead, they directed regional unions to settle the disputes through collective negotiation. Additionally, then-Provincial Party Secretary Wang Yang (汪洋) emphasized that enterprise and regional unions should position themselves as worker representatives and protect the legal rights of the workers.²⁶ The relative pro-labor stance of the local

²² Butollo and ten Brink, ‘Challenging the Atomization of Discontent’; Manfred Elfstrom and Sarosh Kuruvilla, ‘The Changing Nature of Labor Unrest in China’, *Industrial & Labor Relations Review* 67(2), (2014), pp. 453-480.

²³ Boy Lüthje, ‘Labour Relations, Production Regimes and Labour Conflicts in the Chinese Automotive Industry’, *International Labour Review* 153(4): 535-560.

²⁴ For example, on June 7, 2010, representatives of the CHAM workers issued an open letter to the public, which clearly stated that ‘We strive for the democratic election of union representatives and the establishment of a collective negotiation system,’ thus revealing their demand for institutional change. See: ‘本田员工代表致社会各界的感谢信’ [A Thank You Letter to the Public from Representatives of the CHAM Workers], accessed April 10, 2020, <https://www.globalmon.org.hk/zh-hant/node/1158>.

²⁵ Chris King-Chi Chan and Elaine Sio-leng Hui, ‘The Dynamics and Dilemma of Workplace Trade Union Reform in China: the Case of the Honda Workers’ Strike’, *Journal of Industrial Relations* 54(5), (2012), pp. 653-668; Kevin Gray and Youngseok Jang, ‘Labour Unrest in the Global Political Economy: The Case of China’s 2010 Strike Wave’, *New Political Economy* 20(4), (2015), pp. 594-613.

²⁶ Qianzi Liu, ‘工会的新机会’ [A New Opportunity for Trade Unions], 中国新闻周刊 [China Newsweek], (Jun 28, 2010), pp. 18-22.

state thus created a political space for regional unions to reform the collective consultation system to increase their effectiveness.

Within this changed context, sustainable authentic collective bargaining became a practice in the auto parts industry of Guangzhou.²⁷ Chan and Hui²⁸ also noticed that this more genuine form of bargaining was possible because the political power of the state and official unions supported the workers in the bargaining process. After the 2010 strike wave, the state and regional unions attempted to subdue worker protests by actively promoting wage negotiations. Since this approach relied on top-down authority, this form of collective bargaining was intrinsically ‘party state-led collective bargaining.’²⁹ In comparison to Chan and Hui, Luo and Yang attributed such bargaining to the enterprise union strategy of ‘moderated mobilization.’³⁰ They noted that while the state and regional unions ceased to intervene after 2012, worker-centered enterprise unions played a key role in shaping wage bargaining practices. By pragmatically mobilizing worker support while reducing their militancy through the collective bargaining process, elected enterprise unions have successfully encouraged employers to make economic concessions.³¹

This article focuses on practices in the enterprise collective bargaining process. Unlike previous studies, this article argues that it is not possible to properly understand the dynamics of collective bargaining practices in South China by focusing only on the top-down strategies of the state and regional unions or the bottom-up efforts of workers and enterprise unions. Instead, the triadic interactions among the involved parties: the local state (official unions), workers (and their elected enterprise unions) and capitalists, have to be seen together. Each of these actors have their own agency and objectives. While the latter two are contentious by nature, the presence and position of the local state are key in the dynamics of this triadic interaction. Using the interactionist perspective, this article will illustrate how autoworkers seized political opportunities when the local state took a pro-labor or

²⁷ Chan and Hui, ‘The Development of Collective Bargaining in China’; Luo and Yang, ‘Moderated Mobilization’; Deng, ‘The Development of Elected Workplace Trade Unions’.

²⁸ Chan and Hui, ‘The Development of Collective Bargaining in China’.

²⁹ Ibid.

³⁰ Luo and Yang, ‘Moderated Mobilization’.

³¹ Ibid.

neutral stance, used strategic measures that brought employers to the negotiating table, and increased the effectiveness of the collective consultation system. This paper contributes to a more dynamic understanding of the micro-level mechanisms in the emergence of collective bargaining in China.

Data and Method

The study is based on 13 months of field research in Guangzhou, the auto manufacturing center of South China. In 2018, Guangzhou produced 2.96 million cars³² with 277 auto parts manufacturing enterprises that boasted an annual revenue of over RMB20 million (USD3 million) and a total workforce of approximately 996,000 workers.³³ The development of this industry was mainly driven by Japanese auto manufacturers, which comprised of three Sino-Japanese automotive assembly enterprises and over 150 Japanese auto parts enterprises in 2017.³⁴

From November 2013 to September 2014, the first author volunteered as an assistant at a grassroots labor nongovernmental organization (NGO) that provided training workshops on enterprise union elections and collective bargaining for autoworkers in Guangzhou, followed by three field trips in June and July 2015, and July 2018. Through the labor NGO network, the first author interviewed 28 enterprise union leaders and 59 workers in the auto parts industry. The interviews focused on strike experiences, participation in enterprise unions and collective bargaining, and perspectives of the effectiveness and limitations of collective bargaining. In addition, we followed the work of elected enterprise unions in four auto parts factories from 2013 to 2015. By interviewing the enterprise union leaders and workers before, during and after the collective bargaining process, we documented 12 sessions of biannual collective bargaining in the four factories. Finally, we

³² 广州统计局 [Guangzhou Statistical Bureau], 2018 年广州市国民经济和社会发展公报 [Statistical Bulletin on National Economy and Social Development in Guangzhou], accessed February 17, 2020, http://tjj.gz.gov.cn/tjgb/qstjgb/content/post_2788664.html.

³³ 广州统计局 [Guangzhou Statistical Bureau], 广州统计年鉴 2018 [*Guangzhou Statistics Yearbook 2018*] (北京: 中国统计出版社 [China Statistics Press], 2019).

³⁴ Li Jiang, ‘全球化生产网络中日资车企对广州汽车企业升级的影响研究’ [A Study on the Impact of Japanese-Owned Auto Enterprises on Upgrading of Guangzhou’s Auto Enterprises in the Global Production Network], in 广州汽车产业发展报告 (2018) [*Report on the Development of Auto Industry in Guangzhou (2018)*], eds. Zaigao Yang, Xingya Feng, Xibo Wu and Jian Tan (北京: 社会科学文献出版社 [Beijing: Social Science Academic Press]), pp. 155-156.

interviewed nine reform-minded regional union officials, including two at the provincial-level, and seven at the city- and district-levels.

Based on these in-depth interviews, we recorded 50 sessions of enterprise collective bargaining between 2013 and 2018, including 26 sessions of biannual collective bargaining about wage increases, 20 sessions on annual bonuses, three sessions on the use of dispatched workers and one on work hours. The data collected included the duration, demands, strategies and outcomes of collective bargaining, as well as the interactions among local state officials, regional and enterprise unions and workers during the process. Coding and data analysis were completed independently by the two authors. The two then met numerous times to compare and discuss notes. The main themes and arguments emerged from those discussions. By examining collective bargaining processes, we developed an in-depth understanding of the dynamic mechanisms for successful enterprise collective bargaining in the auto parts industry in Guangzhou.

Regional Unions: Lobbying for Wage Collective Negotiation

In light of the increasing activism of autoworkers, the Guangzhou Federation of Trade Union (GZFTU)³⁵ and its regional branches reformed the collective consultation system to avert strikes and enhance its legitimacy. The GZFTU encouraged managers to negotiate with workers and supervised collective negotiation processes. Their strategies contributed to the institutionalization of collective bargaining in the workplace.

Reforming the Collective Consultation System

As the 2010 autoworker strikes demonstrated, ineffective collective consultation processes failed to address grievances or defuse labor disputes. To curb labor unrest, the GZFTU had to increase the effectiveness of the collective consultation system, and it did so by revamping the system to

³⁵ The GZFTU is one of the largest city-level union in China with 40,800 enterprise unions, which comprise 4.61 million employees as of January 2018. See: Hanghao Tang, '广州市工会第十八次代表大会工作报告' [Working Report of the GZFTU at the 18th Representatives Congress], accessed 15 March 2020, <http://www.gzgh.org.cn/Home/ArticleDetail?articleId=8cac2291daee460fa8a8161dff97ab67>

increase its control over enterprise unions and its capacity to regulate labor relations in the workplace. Previous studies showed that enterprise unions were subject to the control of company management although they were nominally led by the ACFTU and its regional branches.³⁶ These enterprise unions often failed to heed labor grievances or stabilize industrial relations on the shop-floor. To meet its own institutional interests, the GZFTU reformed enterprise unions to enhance their ability to control worker activism, as explained by a GZFTU senior official:

An effective [enterprise] union is much better than an obedient, inactive one... The [enterprise] unions should be mobilized to control worker aggression... If the workers listen to the union chairman, he can persuade them to go back to work [during a strike].³⁷

Further, the 2010 strikes increased the authority of the regional unions in the eyes of management and enhanced their capacity to make institutional reforms in the workplace. Before the strikes, factory management routinely ignored regional union instructions to organize enterprise unions, pay union funds or engage in collective negotiations with employees. According to a GZFTU cadre, management was ‘inaccessible, contemptuous, rude and uncooperative’ (门难进, 脸难看, 话难听, 事难办) toward the union. The autoworker strikes have since increased the authority of the GZFTU as managers have become more eager to settle disputes to prevent more production losses and rely on regional unions to organize wage collective negotiations. A union cadre said,

The strike was not a bad thing. Afterwards, the status of the unions improved... During the Nansha Denso strike [in 2010],³⁸ the Japanese general manager did not even look at us. But after the strike, he bows really deeply whenever we meet.³⁹

The wave of strikes, therefore, enabled the GZFTU to exert greater influence on employers in privately-owned enterprises and pressure them to comply with its reforms at the enterprise level.

³⁶ For example, Liu, ‘Union Organizing in China’.

³⁷ Interview with a GZFTU official, November 30, 2013.

³⁸ Nansha Denso is a Japanese-owned auto parts plant in Guangzhou with a workforce of 1,100 persons in 2010. After the Honda strike, the Nansha Denso workers organized a copycat strike and demanded a wage increase of RMB800 (about USD118.2) as well as the right to elect their enterprise union. After three days of striking, they received a wage increase of RMB800 and re-elected their enterprise union in 2011.

³⁹ Interview with a GZFTU cadre, June 3, 2015. A deep bow symbolizes deep respect in the Japanese culture.

After the 2010 strikes, the GZFTU increased the effectiveness of collective consultation by introducing new regulations on enterprise union elections that emphasized the right of union members and member representatives to vote, thus allowing workers to elect union leaders as their representatives.

As part of reforming the system, the GZFTU also strengthened the enforcement of the collective consultation procedures by actively implementing the ‘Guangdong Provincial Instructions for Enterprise Wage Collective Consultation’ (2010) and ‘Guangdong Provincial Regulation on Collective Contracts for Enterprises’ (2015). The newly enforced collective consultation system increased the participation of rank-and-file workers in three ways. First, collective negotiations had to be conducted once a year. When employees make a request to negotiate, management has to give a written reply within the stated days⁴⁰ and cannot refuse to participate in a wage collective consultation without justifiable reasons. Second, this new collective consultation system allowed workers and elected enterprise unions to elect negotiation representatives. According to the regulations, negotiation representatives for the employees had to be selected by trade unions in enterprises that have trade unions; in the absence of a trade union, negotiation representatives shall be recommended by employees and more than half need to be in consensus. Third, regulations require a vote on collective contracts at the Staff and Workers Congress (SWC) or the Staff and Workers Representatives Congress (SWRC) and more than half of the employees or their representatives need to assent.

Compared to the previous formalistic collective consultations, the reformed collective consultation system increases the participation of workers in the negotiation process. Nevertheless, the system still lacks power to impose repercussions on enterprises that refuse to negotiate with workers and strikes are still prohibited, both of which deter strategies for collective action and reduce the bargaining power of workers. Therefore, the system’s own lack of power means that its ability to

⁴⁰ The Guangdong Provincial Instructions for Enterprise Wage Collective Consultation (2010) stated when employees or the management make a request to negotiate, the other party shall give a written reply within 15 days; while the Guangdong Provincial Regulation on Collective Contracts for Enterprises (2015) stipulated a period of 30 days for a written reply.

influence the behavior of employers and sustain effective collective bargaining is greatly limited. The success of collective bargaining still requires intervention from regional unions and the mobilization of workers.

Empowering Enterprise Unions by Supervising the Collective Negotiation Process

In addition to institutional reform, regional unions have also further empowered autoworkers to collectively bargain through limited but important channels. That is, to defend the collective negotiation rights of elected enterprise unions, regional unions sometimes acted as supervisors of the collective negotiation process. In doing so, the regional unions have increased the legitimacy and capacity of the enterprise unions to exercise collective negotiations.

After the 2010 strikes, many auto parts employers established a wage collective negotiation system to ensure the stability of their production process. Nevertheless, employers have often exploited institutional deficiencies and disrupted negotiations with elected enterprise unions to reduce economic concessions to the workers, such as bypassing the enterprise unions to informally negotiate with the workers, creating obstacles to the unions in their election of negotiation representatives, and prohibiting them from voting on bargaining outcomes. When these employers violated collective consultation regulations, the GZFTU would attempt to regulate labor relations and use the system to request management abide by state-sanctioned laws. For instance, after the 2010 strikes, the district-level union guided workers at Company A in the reelection of their union leaders. The elected union chair was an office worker who was advocating for worker interests. From February 4 to April 19, 2013, the elected union and management engaged in intense collective bargaining over annual wage increases. After 5 rounds of negotiations, management refused to negotiate any further on April 30. The enterprise union then formally requested intervention of the regional unions. On May 7, several cadres from the provincial-, city- and district-level unions arrived to meet with the enterprise union and management, and concluded that while the wage demands were excessive, ‘Management should not violate the enterprise union’s legal rights in collective negotiation. It has to respect the

independence of the enterprise union as a workers' organization.'⁴¹ The regional unions then asked management to initiate a new round of collective bargaining with the enterprise union.

Likewise, the enterprise union of Company A demanded a bonus that was equivalent to five months of basic wages for each employee while the company only agreed to a 1.5-month bonus during a collective bargaining session in 2015. When negotiations came to a gridlock, the workers organized a sit-in strike on January 22, 2015. To settle the strike, eight trade union officials from the provincial-, city- and district-level unions arrived and organized a new round of collective bargaining. However, this was met with opposition from management who prohibited the enterprise union from organizing an SWRC meeting to vote on the bargaining outcome. The enterprise union leaders then asked for the intervention of the regional unions. Although the latter did not support the strike, they sided with the enterprise union since 'the SWRC has the legal right to vote on the collective bargaining outcome.'⁴² With their support, the enterprise union eventually held an SWRC meeting to vote for the plan, which was ultimately rejected.

By acting as collective bargaining administrators, the regional unions enhanced their capacity to mediate conflicts during negotiations. This led to the dependence of the autoworkers on the official unions for political support during collective bargaining, and thus pre-empted the emergence of more independent negotiating bodies for the autoworkers.

In short, to depoliticize and avert protests from the workers, the regional unions allied with the autoworkers by creating a new means to make economic claims against management. The reformed institutional framework increased the participation of workers in wage bargaining. Moreover, the regional unions reminded employers of the collective consultation rights of enterprise unions in order to increase the effectiveness of the collective consultation system and avert autoworker protests. Regional unions, therefore, would sometimes mobilize their political power to increase the negotiation capacity of autoworkers.

⁴¹ Retold by union chair of Company A during an interview, November 3, 2011.

⁴² Interview with a GZFTU cadre, July 9, 2015.

Autoworker Strategies for Enterprise Collective Bargaining

Despite institutional reform and support from regional unions, the reformed collective consultation system in China is still too underdeveloped to convince employers to provide more concrete economic concessions. Workers must further transform the reformed collective consultation system into collective bargaining so that it meaningfully advances their interests. This section discusses how workers have transformed the reformed collective consultation system into a source of power and instigated timely and sustainable wage negotiations. Three strategies are discussed in detail: exploiting the representative role of enterprise unions, organizing strikes in negotiation processes, and reducing risks during strike actions.

Enacting the Representative Role of Enterprise Unions

Effective enterprise unionism is a precondition for collective bargaining.⁴³ Without genuine worker representation, workers are not organized and cannot effectively negotiate with employers. To fill the ‘representation gap’, autoworkers in Guangzhou took advantage of the enterprise union reform and exploited the representative role of enterprise unions to give themselves a greater voice in the collective bargaining process.

As previously mentioned, the GZFTU has been organizing enterprise union elections since 2010, including the election of union representatives, union committee members and union chairs. Our fieldwork has found that most union representative elections are democratic and direct, while elections for trade union committee members and chairpersons are usually indirect and likely to be manipulated by management and the local state. Although the elections are not fully democratic, they still offer an opportunity for autoworkers to increase the representativeness of the enterprise unions. Take the election of union representatives for example: since elections are usually held at the department level, autoworkers vote for activist workers in their department whom they believe can advance their interests. As a result, some strike leaders and activist workers are elected as

⁴³ Chan and Hui, ‘The Development of Collective Bargaining in China’.

representatives. Furthermore, the election of union representatives also increases the reach of enterprise unions. Since union representatives usually account for 8% to 20% of the total workforce, it would be difficult for management to manipulate all of them. In addition, the autoworkers have actively elected bargaining representatives to participate in collective bargaining. According to Article 12 of the Guangdong Provincial Regulation on Collective Contracts for Enterprises (2015), workers and enterprise unions can elect three to nine bargaining representatives, who are headed by chairs of the enterprise unions. The autoworkers have therefore used the elections as a means to transform the previous puppet unions into more genuine representation.

As Feng Chen argued, before the trade union elections were in place, the trade unions were generally autonomous from the workers in collective negotiations.⁴⁴ The elections allowed two previously separated players to integrate at the enterprise level, creating unity among autoworkers for collective bargaining. After the elections, the elected individuals can enact the formal status of the enterprise unions as worker representatives and enhance their bargaining power by mobilizing support from workers during collective negotiations. As a first step, the elected individuals organize workers to raise demands for collective bargaining. A well-practiced strategy invented by enterprise unions is implementing a questionnaire survey to articulate collective demands. Union representatives distribute the questionnaires to all workers weeks before the collective bargaining process and ask about their expectations for annual wage increases and bonuses. The enterprise unions then draft the labor proposals for collective bargaining based on the survey outcomes. Worker involvement in the claims-making process increases the legitimacy of the union proposals and clarifies common goals. For example, the elected enterprise union of Company B organized a questionnaire survey in 2013 that asked its workers, ‘In your opinion, how much annual bonus should be given to employees and why?’ The survey outcome showed that workers expected a bonus equal to six months of basic wages (at least RMB10,250 (USD1,665) per worker) on average, which the union proposed to the employer,

⁴⁴ Feng Chen, ‘Trade Unions and the Quadripartite Interactions in Strike Settlement in China’, *The China Quarterly*, 201, (2010), pp. 104-124.

insisting, ‘This is not the demand of a few [enterprise] union leaders. We represent the opinions of all employees as shown by the hundreds of questionnaires.’⁴⁵

Equally important, some of the elected enterprise unions have increased worker participation by granting them more decision-making rights, which allow them to resist pressure from management. As mentioned above, the acknowledged version of a collective contract should be endorsed at the SWC or SWRC based on the new regulations for collective consultation in Guangzhou. Company B had 73 union representatives, or 12.5% of the total employees, who were directly elected by workers at the end of 2013. The bargaining agreement was voted on by more than two-thirds of the union representatives and accepted by over half of them. In a collective bargaining session over wage increases in 2014, the union sent eight representatives to negotiate with the employer. When management pressured them to accept its proposal, one of the representatives replied, ‘It’s useless to pressure us. The bargaining outcome needs to be voted on by employee representatives. If they reject it and workers take any [collective] action, it would be your responsibility.’⁴⁶ Thus, by granting decision-making rights to the SWC or SWRC, elected enterprise unions can resist manipulation and intervention from management.

In summary, although the autoworkers in Guangzhou still lack independent organizing rights, they have increased the representative capacity of elected enterprise unions and strengthened their collective voice at the bargaining table by taking advantage of union reforms.

Striking to Enact Strong Workplace Bargaining Power

Based on their bargaining experience, elected enterprise unions and autoworkers have found that reasoning with employers is futile, so they are more direct in the negotiation process. For instance, a union leader in Company A stated,

Wage increases in the auto parts industry are not achieved by negotiations, but strikes... No matter how persuasive you are at the bargaining table and how much data you present, the

⁴⁵ Interview with a Company B union bargaining representative, May 15, 2014.

⁴⁶ Interview with a Company B union bargaining representative, May 14, 2014.

boss will not agree to your demands... Only when you have ammunition, then he would consider your proposal.⁴⁷

Our study found that sit-in strikes and blocking outgoing goods are two frequently used strategies. The autoworkers understand that the key is not to simply stop production but to paralyze the entire system. Thus, in most cases, workers would arrive at the plant but refuse to work on the production line. To further devastate the production chain, they also sometimes occupy the warehouse or main roads to the factory to disrupt the JIT delivery of auto parts in assembly plants. Their knowledge of the system increased their confidence that such actions would lead to quick results, as one worker from Company B noted:

If our strike forces the assembly plant to halt production, the company has to pay Honda RMB60,000 (USD9,067) for every minute of production loss as penalty. So, we know the company can't afford a prolonged strike.⁴⁸

Another good example is the strike at Company C, which is a Japanese–Taiwanese joint venture that supplies petrol tanks and front bumpers to the assembly plant of Guangqi Toyota. In a collective bargaining session over wage increases in April 2014, the union demanded a 15% increase for all employees but management only agreed to a 10% increase. In response, about 10 union leaders secretly organized a sit-in strike. Approximately 700 workers participated, which quickly brought production to a halt. The workers also occupied the warehouse and main roads to the factory to cut off supply to the assembly plant. Ten minutes after the strike commenced, the Japanese General Manager asked to restart negotiations. After three hours, production stopped. The strike lasted only one day, but Guangqi Toyota suffered a production loss of RMB200 million (USD32.6 million) and Company C was fined RMB1 million (USD162,800) by Guangqi Toyota. Management subsequently agreed to the 15% increase.

In a nutshell, autoworkers acted beyond the institutional frameworks of collective consultation and relied on shop-floor militancy to receive concrete concessions from their employers. They know

⁴⁷ Interview with a union leader in Company A, December 28, 2013.

⁴⁸ Interview with a Company B worker, July 15, 2018.

which parts of the production chain are vulnerable and deliberately exploit their bargaining power to pressure their employer.

Developing Low-Risk Strike Strategies and Invoking Anti-Japanese Rhetoric

The autoworkers have also learnt to downplay the risks associated with strikes and enhance their effectiveness by strategically interacting with police and management during strikes. Their strategies include exploiting the political space for strikes that police must tolerate and invoking anti-Japanese rhetoric to disengage Chinese management personnel from the Japanese automakers through moral burden. Both strategies reduced police and middle management intervention, thus contributing to the success of their collective actions.

As mentioned earlier, the Guangdong provincial government adopted a relatively tolerant attitude towards strikes. As such, the autoworkers capitalized on this advantage and developed effective, low-risk strike strategies, such as sit-in strikes within factory gates without public disruption or radical political claims. Such strategies not only have reduced the likelihood of police suppression, but also reduced the risk that the police would use force.

Previous studies have shown that even though workers do not have the legal right to strike in China, local police also do not have the right to use force against the strikers at will as this would draw attention from upper-level authorities or central government.⁴⁹ Subduing workers without justifiable reasons would also damage police image. For example, the Guangzhou Police Bureau was widely criticized on social media and in the general public for organizing several anti-terrorist drills on December 2009 with the aim of controlling migrant workers who demanded unpaid wages.⁵⁰ Such public pressure discourages the police from resorting to violence when handling strikes.

⁴⁹ Yongshun Cai, 'Power Structure and Regime Resilience: Contentious Politics in China', *British Journal of Political Science* 38, (2008), pp. 411-432; Yongshun Cai, *State and Laid-Off Workers in Reform China: The Silence and Collective Action of the Retrenched* (London and New York: Routledge, 2006), pp 86-86.

⁵⁰ For example, see: Mingsheng Hui, '评论：反恐演习别拿“工人讨薪”开涮' [Comments: Anti-Terrorist Drills Should Not Target Workers Striving for Unpaid Wage], 齐鲁晚报 [Qilu Evening Post], December 10, 2009.

We observed that the police were generally reluctant to subdue autoworkers in sit-in strikes. Usually, they would arrive at the scene of the strike to watch and inform striking autoworkers on what is permissible or unacceptable. Specifically, the police would mark a line (警戒线) at the factory gates as a warning to strikers that they are not allowed to rush out beyond the factory to demonstrate in public space, such as city squares. Estlund argued that workers in the United States do not have the right to strike in privately-owned factories since this violates the private property rights of employers, so they have to retreat to public property to carry out their protest.⁵¹ In comparison, police in the Chinese context are less tolerant of strikes in public areas because public protests could imply weakness in the authoritarian state or problems with social control.⁵² Instead, the police in Guangzhou tended to confine economic-oriented strikes within factory gates to reduce their public visibility and prevent strikers from mobilizing other workers in nearby factories. Therefore, the police limit the space of the strikes without use of force, and thus avoid escalation while maintaining their own legitimacy. For Chinese autoworkers, the spatial strategy of the police means that sit-in strikes on factory campuses are relatively safe and police presence also deters employers from hiring replacement workers during the strike.

Moreover, the police would warn strikers to refrain from violent or disruptive actions. For example, several of the police officers told the striking workers of Company C,

The strike is fine but don't break the machines. Don't attack anyone. We urge you to reach an agreement [with your employer] as soon as possible.⁵³

Another example is Company D where workers organized a strike in 2013 to demand a bonus equal to five months of basic salary. During the strike, the police announced over a loudspeaker,

According to Chinese Public Order Management and Punishment Law, you have the right to not work (你们有不工作的权力) but not the right to stop production (但是你们没有阻

⁵¹ Cynthia Estlund, *A New Deal for China's Workers?* (Cambridge, Massachusetts: Harvard University Press, 2017), p. 232.

⁵² Cai Yongshun, *Collective Resistance in China: Why Popular Protests Succeed or Fail* (Stanford: Stanford University Press, 2010), p.3.

⁵³ Retold during an interview by a Company C striking worker, May 6, 2014.

碍生产的权力)... You can go home to rest... But you cannot prevent others from working on the line.⁵⁴

These examples show that the police understand the level of tolerance of the local state towards strikes: while certain forms of strikes are tolerated, autoworkers have to ensure that their actions do not escalate into a large-scale disruptive riot.

Evidence shows that autoworkers coordinate collective action based on their understanding of police tolerance. First, they clearly stated their demands to the police and demonstrated the absence of anti-government political motives behind their strike. Additionally, when they requested enterprise union re-elections or collective bargaining rights, autoworkers justified their political demands by citing related labor laws (such as the Trade Union Law) and asked for guidance from regional unions. As such, they emphasized that they are not fighting for any one union but exercising their legal union and collective negotiation rights as granted by the state and official unions. For instance, a union representative of Company D drafted a petition letter to demand the re-election of the union chair. He then sent the letter to a district-level union cadre to inquire if the requirements of the enterprise unions conformed with the Trade Union Law.⁵⁵ In doing so, the enterprise union leader attempted to downplay the controversy around their actions.

The autoworkers also emphasized that their actions were peaceful and did not disrupt public order unlike those frequently used by migrant workers, such as protesting on the streets or vandalizing factory property.⁵⁶ During a 2014 strike at Company C, a worker explained why they were not worried about state suppression:

⁵⁴ Shown in a video recorded by a Company D striking worker.

⁵⁵ Interview with an enterprise union leader, November 24, 2013.

⁵⁶ Lee, *Against the Law*; Pak Nang Leung and Ngai Pun, 'The Radicalisation of the New Chinese Working Class: A Case Study of Collective Action in the Gemstone Industry', *Third World Quarterly* 30(3), (2009), pp. 551-565; Chris King-Chi Chan, *The Challenge of Labour in China: Strikes and the Changing Labour Regime in Global Factories* (Abingdon, Oxon; New York: Routledge, 2010).

Because our strike is not violent but very rational (理性) and civilized (文明)... We don't protest on the streets or disrupt public order. We just sit in the staff canteen, wait for meals or assemble on the sports field to sing the national anthem.⁵⁷

By confining their strike actions within certain boundaries, the autoworkers avoided direct confrontation with the police and exploited the political space to stage strikes.

Furthermore, the autoworkers strategically used anti-Japanese rhetoric to disengage the Chinese management staff from their Japanese employers during strikes. The rhetoric resources available to counter capitalists are now more limited and restricted because class discourse, such as notions of 'class struggle' (阶级斗争), have been rejected by the state as it now promotes social stability and harmony.⁵⁸ Nonetheless, post-socialist China has cultivated strong nationalist sentiments to build the legitimacy of its regime⁵⁹ and this has led to widespread anti-Japanese sentiments and increased nationalism.⁶⁰

As noted by He and Huang, using fashionable political rhetoric is a key strategy for worker activists and labor NGOs to justify their activities.⁶¹ Echoing their study, we found that autoworkers have learnt to exploit the strong nationalistic sentiments to frame their collective actions. Since the majority of auto parts enterprises in Guangzhou are Japanese-owned, it is common for autoworkers to utilize anti-Japanese sentiments to morally chastise their Chinese managers. As a large number of

⁵⁷ Interview with a striking worker, May 15, 2014.

⁵⁸ Ngai Pun and Chris King-Chi Chan, 'The Subsumption of Class Discourse in China', *Boundary 2* 35(2), (2008), pp. 75-91; Yingjie Guo, 'Classes without Class Consciousness and Class Consciousness without Classes: The Meaning of Class in the People's Republic of China', *Journal of Contemporary China* 21(77), (2012), pp. 723-739.

⁵⁹ Heike Holbig and Bruce Gilley, 'Reclaiming Legitimacy in China', *Politics & Policy* 38(3), (2010), pp. 395-422; Peter Hayes Gries, *China's New Nationalism: Pride, Politics and Diplomacy* (Berkeley, CA: University of California Press, 2004).

⁶⁰ Yang Zhong and Wonjae Hwang, 'Why Do Chinese Democrats Tend to Be More Nationalistic? Explaining Popular Nationalism in Urban China', *Journal of Contemporary China*, (2019), DOI: 10.1080/10670564.2019.1621530.

⁶¹ Alex Jingwei He and Genghua Huang, 'Fighting for Migrant Labor Rights in the World Factory: Legitimacy, Resource Constraints and Strategies of Grassroots Migrant Labor NGOs in South China', *Journal of Contemporary China* 24(9), (2015), pp. 471-492.

the management positions are held by Chinese,⁶² this strategy effectively reduces the likelihood that Japanese employers will undermine strikes.

For example, the workers of Company B demanded six months of salary (at least RMB12300 (about USD1956) for each worker) as an annual bonus in 2013.⁶³ During the strike, when several Chinese management staff approached the workers to stop the strike, they were scolded, ‘Traitors (汉奸)! Shameless traitors!’⁶⁴

‘Traitor’ was a popular insult used by Chinese people to express hatred for Chinese who assisted the Japanese invaders during the Second Sino-Japanese War. It is therefore morally wrong for Chinese managers to side with the Japanese against their fellow Chinese workers. This strategy was effective at Company B, as evidenced by a female manager who wept and the management staff who then left the strike scene.

Likewise, the workers of Company A named two Chinese management staff who prevented workers from striking in an online chat group of the enterprise union in January 2015, and called them ‘lapdogs of the Japanese devils’ (日本鬼子的走狗). One of them commented:

The Japanese devils murdered 300,000 Chinese during the Nanjing Massacre.⁶⁵ But now you’re allying with the Japanese to bully your Chinese compatriots? How can you still call yourself Chinese? Shame on you!⁶⁶

Another worker explained, ‘After we called out their names publicly, the other [Chinese management staff] became less active in forcing us to resume production.’⁶⁷ The Chinese managers are less willing

⁶² In the Japanese-owned auto parts enterprises in Guangzhou, top-level managers (such as the General Manager) are usually Japanese and the majority of the mid- and low-level managerial staff (such as Department Manager and Supervisors of the production line) are Chinese.

⁶³ The strike lasted one day and the workers eventually received an annual bonus equivalent to five months of basic salary (at least RMB10,250 yuan or USD1,630 for each worker).

⁶⁴ Interview with a worker from Company B, April 21, 2014.

⁶⁵ The Nanjing Massacre, which commenced in December 13, 1937, was an episode of mass murder that lasted six weeks. It was estimated the soldiers of the Imperial Japanese Army murdered over 300,000 Chinese civilians and disarmed combatants. See: Samuel Totten and Paul R. Bartrop, *Dictionary of Genocide* (London: Greenwood Press, 2008), p. 299.

⁶⁶ Online discussion record of the enterprise union QQ group, January 27, 2015.

⁶⁷ Interview with a worker from Company A, June 10, 2015.

to disrupt the collective actions to protect their moral image. Therefore, by invoking anti-Japanese rhetoric, the workers sometimes successfully avoided management pressure.

Thus, the autoworkers of Guangzhou believed they needed to rely on shop-floor militancy to force employers to make concessions, and they did so using the following effective strategies. They increased their representation in collective negotiations through elections. They pressured their employer by utilizing strikes to exploit production chain vulnerabilities, and adjusted their strike activities based on their understanding of police and state tolerances to reduce the risk of state repression. Lastly, the autoworkers utilized anti-Japanese rhetoric to disengage Chinese management staff from their Japanese employers. Thus, by taking low-risk collective actions, the autoworkers increased their bargaining power and forced employers to meet their demands.

Conclusion

This article depicts the interactional dynamics that lead to the emergence of authentic collective bargaining by autoworkers in South China. The desire of the local state to facilitate industrial advancements and control labor unrest has changed the labor environment in Guangdong. As a result, trade unions at different levels and police give workers space—albeit limited—to carry out strikes. This standardized way of collective bargaining is feasible due to the activism of autoworkers, the tendency of regional unions to reform and increase their power, and the desire of the police as an agent of the state to maintain peace. Compared to collective bargaining in Western contexts, the success of collective bargaining in China is the result of a triadic interaction among those three competing agents: workers, the local state (represented by the regional unions) and employers. Moreover, since the absence of the legal right to strike and form unions gives discretionary power to the local state to determine how strikes should be handled, the position of the local state is a key factor that shapes the outcomes of collective bargaining in China.

Theoretically, we draw on the interactionist perspective to emphasize the importance of examining micro-level interactions among different actors to better understand the mechanisms that

shape the outcome of resistance under the unique political and legal contexts in China. Two mechanisms contribute to such collective bargaining practices. First is the establishment of a vertical coalition between autoworkers and official unions. As discussed, the protests provoked and empowered regional unions to adopt a representative and safeguarding role while unions reformed the collective consultation system to enable autoworkers to pursue economic interests collectively. Therefore, the emerging collective bargaining trend of autoworkers is not only made possible through ‘moderated mobilization,’⁶⁸ but autoworkers and unions are also the beneficiaries of larger changes within their social context. In addition, the embeddedness of enterprise unions in the ACFTU structure and institutional linkage between enterprise and regional unions have provided limited but important legitimacy and political resources for autoworkers. By enhancing the representation of rank-and-file autoworkers through enterprise union elections, enabling the representative role of enterprise unions and mobilizing the authority of regional unions, autoworkers have increased their capacity to compel employers to respect their right to collectively bargain.

Second, although collective bargaining is partially dependent on the authorities of the official union, it is different from ‘party state-led collective bargaining.’ Unlike Chan and Hui,⁶⁹ we emphasize that authentic collective bargaining is made possible by the ability of autoworkers to strategically take advantage of their bargaining power. As such, autoworkers have made the collective consultation system more effective in advancing their collective interests. The strike waves in 2010 pushed the local state to change its labor policy and reform the collective consultation system. Yet, similar negotiation success did not happen in other industries in Guangzhou, even though similar reform policies apply to all other industries.

Undoubtedly, this collective bargaining system is still not institutionalized. First, the collective bargaining practice is partially dependent on the ability of autoworkers to ally with regional unions; however, support from regional unions is precarious and unreliable in the long term because

⁶⁸ Luo and Yang, ‘Moderated Mobilization’.

⁶⁹ Chan and Hui, ‘The Development of Collective Bargaining in China’.

the power of regional unions relies on their official government status rather than the mobilization of workers.⁷⁰ Second, the collective bargaining system is empowered by the strategies of autoworkers to strike during negotiations, which is also not institutionalized in China. Since collective bargaining is under-institutionalized, the triadic pattern is highly time-sensitive and subject to change under different economic-political climates. If economic growth slows down or the political environment becomes more hostile to labor activism, regional unions might be less supportive of enterprise unions, and the police might tighten their stance on strikes, thus making it harder for autoworkers to improve working conditions and wages through collective bargaining.

Furthermore, whether similar bargaining practices and successful results can be extended to other industries or other parts of China remains questionable. As such, there are two directions for future research. First, despite the policies of the local state, autoworkers still have relatively high workplace bargaining power. Whether autoworkers have the capacity to implement a collective bargaining system under different political conditions can be observed in other parts of China where the local state might have a different agenda in terms of industrial development and labor policy. Second, whether workers from other industries can conduct similar collective bargaining practices in China either through their own activism or institutional isomorphism from the auto parts industry can be explored. These empirical questions are left for future studies.

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⁷⁰ Feng Chen, 'Union Power in China: Source, Operation and Constraints', *Modern China* 35(6), (2009), pp. 662-689.

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