

***Bill Taylor, Chang Kai and Li Qi: Industrial Relations in China. Cheltenham, UK; Northampton, Mass.: Edward Elgar. 2003 pp. x + 267.***

Over the last twenty-five years, behind the rhetoric of the 'socialist market economy' and the 'modern enterprise system', China has restored capitalism. With the restoration of capitalism, can one begin to talk about the emergence of a system of industrial relations in China? The Chinese government has introduced the core institutional components of such a system by legislating for individual and collective labour contracts and a disputes resolution system and revising the trade union law to define the rights and obligations of the trade unions (although there is still no equivalent definition of the rights and obligations of employers). What are we to make of all this?

Most Chinese commentators take the laws, regulations and decrees at face value and proclaim the existence of a unitary system of industrial relations based on the common interests of employers and employees. Many researchers have conducted case studies in Chinese enterprises over the past few years which have tended to confirm this view of the industrial relations system as unitary, though based on the exclusion of workers from the system rather than on their active incorporation into it. However, the limitation of such studies is that they have tended to treat Chinese employers and trade unions like their developed capitalist equivalents, looking for elements of industrial relations systems familiar from developed capitalist countries.

One great merit of the book under review is that it rejects such attempts to incorporate China into a traditional industrial relations framework, instead locating industrial relations in China within a wider political and economic perspective. In particular, industrial relations in China are much too important to be left to trade unions and employers. The government, mindful of the fate that befell the Communist regimes of the Soviet Union and Central and Eastern Europe and of its own experience of revolt in 1989, sees the industrial relations system not primarily as the means of regulating the employment relation, but more fundamentally as a means of maintaining social stability in a period of rapid social and economic change.

The government plays a central role not simply by intervening in industrial relations processes, but also in moulding the industrial relations actors and dictating the outcomes. The first part of the book deals with the actors, before considering the industrial relations processes in which they engage in the second half of the book. This approach is effective in explicitly problematising the identity of the industrial relations actors and in facilitating a consideration of their diversity, which underlies the diversity of industrial relations processes, rather than trying to locate Chinese industrial relations in relation to a common pattern or a single continuum.

The Chinese Party-state does not play the role of a third party in the regulation of industrial relations but strongly influences the character and activity of the first two parties. While the Chinese trade unions continue to be kept firmly under the wing of the Party, the government has ample means of influencing employers, including those in the private and foreign-invested sectors, so that the Party-state strongly influences all aspects of industrial relations. One aspect of this influence that the authors emphasise is the way in which the Party-state is able to maintain and exploit the fragmentation of employers and workers as a means of reinforcing its economic and political control.

The review of industrial relations processes, which makes up the second half of the book, considers in turn 'participation'; labour conflict and settlement; and the negotiation of collective contracts. These have all been means by which the government has sought to contain the potential conflicts to which rapid economic change gives rise. However, as the authors show, all three processes have been imposed and are systematically controlled from above so that they have failed to provide workers with any channels through which to articulate their aspirations or express their grievances. Managers are still kept in check not from below, through forms of democratic participation in management or the negotiation of collective contracts, but from above, through Party-state structures. The majority of workers, moreover, fall outside these systems, confronting private employers as powerless and isolated individuals. The formal dispute resolution procedures are heavily weighted against workers and only a small proportion of disputes are pursued through such procedures. Moreover, the majority of workers continue to see the government as being ultimately responsible for their situation, so most industrial conflicts rapidly assume a political character and are directed not against employers but against local government bodies.

This book is an invaluable resource in providing a detailed, nuanced and well-documented account of industrial relations in China, which draws on a wide range of Western and Chinese research to grasp the complexity of the current situation. The overall impression given by the book is that there is no *system* of industrial relations in China. On the one hand, there is no clear demarcation of the parties involved in industrial relations. The influence of the state is pervasive, while the trade union in the workplace is a part of the management apparatus that remains under close Party control. On the other hand, there is no uniform system of regulation of the employment relation, with marked differences between state and former state enterprises, on the one hand, and private enterprises, on the other, as well as between large and small enterprises and between one region and another. A semblance of uniformity is provided only by the uniformity of laws and regulatory procedures, which the government is trying, with limited success, to extend from the state to the private sector. Finally, none of the industrial relations processes introduced by the government function effectively as such because they do no more than articulate power relations in which the employers, backed by the Party-state, enjoy absolute authority over their fragmented employees.

In conclusion the authors suggest that this is not a stable situation, that the interests of both workers and employers are becoming more homogeneous, particularly as capital penetrates the countryside, but the inability of workers to organise independently impedes the development of class consciousness on the basis of collective action. Seeing little prospect of trade union development, they anticipate that the key conflict in determining the future course of Chinese development will not be that between workers and employers, but that between workers and the state.

Central to this prognosis is their pessimism about the possibility of independent trade union development. There is no doubt that the current leadership of ACFTU is committed to the top-down approach to industrial relations and implicitly or explicitly supports the state repression of industrial conflict and social protest, which has prevented the emergence of independent trade unionism. However, as the authors note, there are many younger and more progressive cadres who would like to see ACFTU playing a more active role as representative of workers in relation to their employers and it is not inconceivable that over time the CCP could sanction such

developments, if the incorporation of workers into an industrial relations system holds out better prospects of social stability (and international acceptance) than the overt repression of protest. This would not be a revolutionary development, but it would be a great step forward in the making of a Chinese working class.

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