

Abstract of Workplace Dispute Resolution in China

Gallagher, M. E. (2004). "Time is money, efficiency is life": The transformation of labor relations in China. *Studies in Comparative International Development* , 39(2), 11-44. doi: 10.1007/BF02686276

Abstract:

This article provides context for the evolving role of labor relations and dispute resolution in China. In 1978, 78% of the urban workforce was employed by state owned enterprises, with the highest wages and an expectation of lifetime employment. Today, that is no longer the reality. The author highlights the dynamics across regional liberalization and ownership liberalization: the former varies among localities which bear the extension of special economic zones and thus the seeking for more autonomy; the latter sees the changes in the amount of State Owned Enterprises (SOEs) and new non-state-owned sectors which adopt capitalist labor approaches and in practice present more managerial autonomy. Public ownership is increasingly irrelevant for the determination of labor relations.

The author credibly explains the overwhelming power of management to determine a firm's internal labor practices. As excerpted, "this reality reflects not just the lack of capacity of the trade unions or the development-oriented attitude of local governments, but also the uneven implementation of new labor laws and regulations. Enforcement of labor law is weak. As a counter balance, China's adoption of the labor contract system was intended to solve two problems: labor contracts would end lifetime employment and encourage labor mobility, and the legalization of labor law around the labor contract would reduce the potential of exploitation in the new non-state sectors. Despite this law, work conditions in many factories continue to be 'nasty, brutish and short.' Due to the historically and politically induced weak status of trade union system and the negligible effects of collective contracts, firms have enterprise-level trade unions that are used as a middleman for mediating disputes and relaying worker opinions to management rather than as a representative for the workforce." The article concludes with examples of Foreign Invested Enterprises that see a strengthening in unionization, and the various ways to create a mediation position during labor disputes within corporations across different ownership forms.

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