

**The Transforming Pioneer of Collective Bargaining in the Pearl River Delta:
the Case of Luogang, 2010-2015**

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Introduction

The 2011 labor unrest in China, chiefly in the form of successive waves of strikes in both coastal and inland areas, ushered in a new phase of state-capital-labor relations in one of the most dynamic economies in the world. Spearheaded by workers' collective actions in the Nanhai Honda Corporation in Foshan, Guangdong, most strikes had to do with dissatisfaction with the actual wage level and related compensations.¹ Alerted by the failure of the preexisting national mechanism for determining wage rate to live up to workers' expectation, the All China Federation of Trade Unions (ACTFU), the official trade union integral to the party-state apparatus at the national level reaction, issued in June 2010, the apex of sweeping strikes in many provinces, a circulation calling for the amelioration of the collective consultation system through strengthened workplace unions in foreign-invested firms. More concrete three-year operation plans for deepening collective wage bargaining in a comprehensive fashion, which emphasized coverage rate among firms and workforce, were promulgated in 2011 and 2014.

Ironically, whereas the ACTFU appeared to be put on the defense in 2010 by adapting the preexisting institution to changing realities in labor governance, collective bargaining as an institutional device was precisely the pet project of the ACFTU in the first place in an attempt to advance workers' interest when the device

¹ For an analytic overview of the 2010 labor unrest in China as well as its impacts, see Kevin Gray and Youngseok Jang, "Labour Unrest in the Global Political Economy: The Case of China's 2010 Strike Wave," *New Political Economy*, Vol. 20, No. 4 (August 2015), pp. 594-613; and Eli Friedman, "Getting Through the Hard Times Together? Chinese Workers and Unions Respond to the Economic Crisis," *Journal of Industrial Relations*, Vol. 54, No. 4 (September 2012), pp. 459-475.

had seemed premature. In 2006, the ACFTU, Ministry of Labor and Social Security and the National Enterprise Association issued in a joint fashion “Opinions Regarding the Task of Developing Regional and Industry-specific Collective Consultation.” The document stated that labor agencies at all levels of government, union organizations and enterprise federations and associations ought to double up their efforts to set up regional and industry-specific collective consultations “under the leadership of the local party committee and government.”² The tripartite consultation mechanism is another way that the ACFTU had advocated to gain representation over labor issues, including collective consultation. The first implementation of the tripartite consultative mechanism took place in 2001 among the government (represented by the Labor Ministry and its local agencies), labor (represented by the ACFTU), and capital (represented by the Chinese Enterprise Confederation). Such a structure was criticized by some observers as being unable to meet the standards of tripartism spelled out by the International Labor Organization, because of the lack of independence of ACFTU and enterprise organizations from the party-state.³ Other scholars noted that the structure had been turning increasingly relevant to the articulation of labor interests over time.⁴

How effectively has China’s party-state responded to the mounting challenges to labor governance after 2011 through the alleged revamp in, among other things, collective bargaining? To map out the evolutionary contour and assess the post-2011 condition of the collective bargaining in China, Chris King-Chi Chan and Elaine Sio-leng Hui identify three stages: collective consultation as a formality, collective

² China Labor Bulletin, “Breaking the Impasse: Promoting Worker Involvement in the Collective Bargaining and Contract Process,” *China Labor Bulletin*, Research Report No. 4 (2007), p. 9.

³ Simon Clarke and Chang-Hee Lee, “The Significance of Tripartite Consultation in China,” *Asia Pacific Business Review*, Vol. 9, No. 2 (May 2002), pp. 65-66.

⁴ Shao Sijun, Chris Nyland and Cherrie J. Zhu, “The Application of Tripartism in China in its Transition toward a Market Economy—NTTCC Case Study,” Monash University Business and Economics Working Paper 13/05, June 2005, <http://www.buseco.monash.edu.au/mgt/researchg/working-papers/2005/wp13-05.pdf>.

bargaining by riot, and party state-led collective bargaining. By scrutinizing primarily the changes taking place at the Nanhai Honda and the catering business in Wuhan City of Hubei, Chan and Hui suggest that what has emerged in the last stage is increasingly the predominant pattern in practice all over China. The main features of the party state-led model that they discern include: 1) partial reform of the workplace trade union at the enterprise level (*qiye gonghui*), with indirect election and exclusion of rank-and-file workers from the candidacy for workplace trade union leaders; 2) substantive instead of symbolic bargaining between capital and labor over myriad labor conditions, including wage level; and 3) heavy party-state control via official trade unions over the initiation, negotiation process, and the final outcome of the collective bargaining, couched in the concept of official trade unions (at a higher level) supplanting enterprise trade unions (at a lower level) (*yishang daixia* 以上代下).⁵

Whereas Chan and Hui examine the overall evolution of collective bargaining in China, cross-regional practices demonstrate salient divergences of which many facets deviate from the picture depicted by Chan and Hui. The main goal of this paper is to explore to what extent the post-2011 collective bargaining, exemplified by all the realities during 2010 to 2015 in the Luogang District of Guangzhou in Guangdong—also located in the Pearl River Delta where Chan and Hui draw their findings—consists with or departs from the aforementioned party-state model. The empirical information about Luogang is based upon the author’s field observation and interviews during 2012-2015. In many facets the practice in Luogang stands out as a pioneer case of collective bargaining in contrast with the Nanhai Honda case. On the other hand, the Luogang case is still under continuing transformation over time, while more convergence is found between other localities and Luogang, rather than

⁵ Chris King-Chi Chan and Elaine Sio-Ieng Hui, “The Development of Collective Bargaining in China: From ‘Collective Bargaining by Riot’ to ‘Party State-led Wage Bargaining,’” *The China Quarterly* 216 (December 2013), pp. 1-22.

Nanhai Honda.

Launching Substantive Collective Bargaining in the Luogang District

The Luogang District of the Guangzhou City was established in 2005, as the successor of the Economic Development Zone of Guangzhou created in 1984, and was merged in February 2014 into the Huangpu District. Pillar industries of Luogang include petrochemicals, automobile parts, shipbuilding, electronics and information technologies, biochemical and medical technologies, new materials, etc. As of March 2016, among the 6,000-plus registered industrial firms in Luogang, roughly 1,600 have attained annual revenue above 20 million yuan, and 35 are listed in the stock market. About half of all the manufacturing firms are foreign-invested, and 442 of them have been officially certified by the central government as high-tech enterprises.

Like most other locales in Guangzhou, Luogang was not immune from the ripple effect of the strike in Nanhai Honda in 2011. For instance, the RH Corporation, a subsidiary of a Japanese firm specializing in the production of valve springs, compressed springs, and hard-disk drivers used exclusively on automobiles, also underwent a major strike due to the workers' unaddressed demand for pay raise.⁶ For about four months from June to September, the management of RH remained firmly uncompromising, counting on the inventory in stock that was believed to sustain long enough until the workers come to yield, pretty much as what had occurred before. What differed from the past experience beyond prediction, however, was that the wide-ranging strikes throughout the upstream, midstream, and downstream firms in the automobiles in the Pearl River Delta disrupted the supply chain of all related intermediate and final products quite seriously. As a result, it

⁶ The information about the RH Corporation was drawn from the author's interviews conducted in February and July of 2014, and June and November of 2015.

turned increasingly uncertain whether or not there would be enough incoming parts for RH to restore the normal output level when the inventory would be running out. The management of RH was thus forced to agree in mid-October to an open negotiation requested by the workers.

Notably, the agreement was publicly announced when the officials from the Guangzhou Federation of Trade Union (GZFTU) and Luogang District Trade Union (LDTU) had both sent circulations and made phone calls, but short of making personal visits to RH. This was apparently different from the Guangdong Federation of Trade Unions (GDFTU) officials' frequent face-to-face communication and persuasion toward the management of Nanhai Honda, as recorded by Chan and Hui. The variance is significant as a managerial personnel indicated,

We do care about to what degree local trade unions take a matter seriously, while past experience tells us that we also have to make such judgments based on the union officials' concrete actions. A circulation or document from local trade unions imposing certain regulations is of course authoritative in legal terms. But issuing such documents is a routine that lower level bureaucrats carry out almost on a daily basis, usually out of the need for conforming to some foregoing decrees from superior levels. We often would wait and see what will actually ensue in the case of a document issued without subsequent actions aimed at detailed implementation, inspection, or monitoring. If we receive phone calls from union officials, that will be somewhat different. But a lot depends on what the officials express and the wording they use to request our compliance with policies or regulations. And compared to documents and phone calls, a face-to-face communication, particularly if it happens because trade union officials visit us rather than the other way around, is what makes us feel that what they say is for real.

In fact, not only RH but also all the other 14 firms that accepted open negotiation and were interviewed in Luogang had confronted no pressures in a face-to-face fashion from union officials. As some managerial personnel from the firms suggested, as they understood it, the reason was primarily because Luogang had not yet been placed in the list of top priority, as Nanhai, Nansha, and Zhongshan were, for

local trade unions to cope with.

The implication from the reality above is that the initiation of the collective bargaining was not so much due to the pressures from the official trade unions, as the party state-led model purports. Rather, it was chiefly the expected financial loss that played the main role in motivating capital to accept bargaining. In comparison with what usually takes place in Western societies, the dynamics leading to the commencement of collective bargaining in Luogang appeared to be not so much different. In particular, it was the aforementioned aggregate effect of strikes all over the supply chain of auto parts, a scenario not present in the past, which brought about much greater threat to normal production and thus pressured the management into negotiation.

One might argue that the viability and thus the credibility of a threat posed by strikes are definitely not the same between China and the West. To be sure, staging strikes is a legally enshrined right of workers in the West but not in China. Nevertheless, the lack of the legality in China had not in effect prevented strikes from growing in magnitude and frequency. For instance, the incidents of strikes and worker protests in China increased by more than 50 percent from 2013 to 2014, and by more than 100 percent from 2014 to 2015.⁷ It is apparent that the lack of legality has been less and less relevant to deterring the onset of strikes. At the same time, numerous cases like that of RH demonstrate that staging strikes prove an effective instrument to elicit concessions from capital, contributing to the desirability of strikes as a feasible strategy across the board.

⁷ “Strikes and Protests by China’s Workers Soar to Record Heights in 2015,” *China Labour Bulletin*, January 7, 2016, <http://www.clb.org.hk/en/content/strikes-and-protests-china%E2%80%99s-workers-soar-record-heights-2015>.

Grassroots Workers Directly Elected as Workplace Trade Union Leaders

The extent to which collective bargaining involves genuine contestation between the competing interests of capital and labor hinges, among other things, on the representativeness of the competing parties by their delegated negotiators. Chief among the factors leading to the collective consultation in formality during the first stage pinpointed by Chan and Hui was precisely the failure of workplace trade union leadership, often assumed by corporate managerial personnel in China, to act on behalf of the rank-and-file workers. This was the reason why in most of the strikes in 2011, a key demand from workers was to replace the preexisting mechanism for producing workplace trade unions with direct, open, and competitive elections that remove all the hefty restrictions on qualifications for candidacy.⁸

In view of the contradictions inherent in the corporate management's usurpation above, the absence of grassroots workers taking over the enterprise trade union of Nanhai Honda in the final outcome for resolving the strikes does not seem a logical consequence. Chan and Hui ascribe the upshot to the GDFTU's vehement rejection of displacing the original chairperson and active intervention with the new electoral process. The GDFTU's tough stance brought about literally indirect instead of direct election to generate a leadership team still dominated by the managerial and supervisory level.⁹ Nonetheless, it is not clear why, even faced with the party-state's pressures, the workers were able to force the concession on the material benefits and labor conditions—the ultimate goal they pursued—but not on the makeup of the agents representing them, which was in nature an instrument for accomplishing the goal.

The author's interviews with activists among workers in Nanhai Honda and

⁸ Kai Chang, "Legislating the Right to Strike in China: Historical Development and Prospects," *Journal of Industrial Relations* Vol. 57, No. 3 (June 2015), pp. 442-443.

⁹ Chan and Hui, "The Development of Collective Bargaining in China," pp. 12-14.

Luogang point to factors that appear quite unique in the context of Nanhai Honda's post-strike resolution. They are unique in the sense that such factors were not found in many other cases in Guangdong, including Luogang. They help us understand why in all of the post-strike re-elections of enterprise trade unions in Luogang, direct election prevailed and rank-and-file workers took over the union chairmanship.

The first factor had to do with the administrative level from which the party-state apparatus stepped in. In Nanhai it was the GDFTU at the provincial level, but in Luogang it was the GZFTU at the prefecture level. As the perceived political clout often increases along with the escalation of the bureaucratic status, workers in the two cases harbored divergent expectations about to what degree the rival side was determined and able to push through. Second, the substantive standpoints between major officials of the GDFTU and GZFTU were also manifested tangible dissimilarity. Kong Xianghong, the deputy chair of the GDFTU, is described by interviewees at Nanhai Honda to be in general an open-minded and relatively progressive union official, who though had not been publicly supportive of systematic conversion of workplace trade union leadership into the hands of workers. By contrast, Chen Weiguang, the chair of GZFTU, had been much more outspoken and critical of a wide variety of current national as well as local policies and practices carried out by official trade unions, including the problematic composition of workplace trade union leadership. One example reveals the likely image that Chen has established on the minds of his colleagues or superiors in the trade union bureaucracy. In a report about Chen featured in the GDFTU's official website, Chen is characterized as a "controversial reformer." Among his defiant opinions were the comment that the whole official trade union system had long suffered "alienation from the mass" in general, and the recommendation in as early as 2002 to the face of Wei Jianxing, national chair of the ACFTU, to establish industry-specific trade unions above the city

level. Such a notion of trade unions had been comprehended to be aimed at displacing the role of official trade unions in order to achieve better representation and protection of workers' interest.¹⁰ In congruence with Chen's leading status to promote progressive agendas on labor affairs, he indeed endorsed workers' demand for direct election and inclusion of grassroots workers into the candidacy when he met with representatives of workers on strike in Luogang in June 2010, as interviewees in Luogang recollected vividly.

Third, much like rightful resisters in rural China, workers in urban areas are always aware of all opportunities as well as constraints to adapt their protest behaviors.¹¹ This is true even in the case of dramatic actions of tactical escalation such as the major strike of Nanhai Honda. According to an interviewee joining that strike, most participants were keenly wary of the fact that they had positioned themselves at the heart of a highly symbolic incident which precipitated sweeping waves of similar actions not only in the Pearl River Delta, but also in the nation as a whole. Such mentality shaped their expectation of the outcome quite forcefully in a way that few participants adhered tenaciously to the notion of an overwhelming victory in the end. To the degree that they could envisage improvement in wages and labor conditions, in large part thanks to the endorsement from influential actors like Kong Xianghong, it made sense to compromise on the issue of workplace trade unions' leadership composition.

Equally important was the workers' cost-benefit calculation about seeking the union leadership. Within three days of the first round of strike in Nanhai Honda, two workers considered to have played a leading role were fired. Into the second week the management and GDFTU indicated that communication and negotiation were

¹⁰ Huang Xiong, "Chen Weiguang: You Zhengyi de Gaigezhe" (Chen Weiguang: A Controversial Reformer), *Guangdong Sheng Zonggonghui* (Guangdong Federation of Trade Unions), http://www.gdftu.org.cn/hdjl/ftzb/201306/t20130604_390921.htm.

¹¹ Kevin J. O'Brien and Lianjiang Li, *Rightful Resistance in Rural China* (New York: Cambridge University Press, 2006), pp. 38-49.

ready to move ahead, as long as representatives from the workers' side were finalized. Nevertheless, what happened in the past and to the two recent strike leaders prevented the workers from electing someone willing to take all the risks associated with being a negotiation representative. Similarly, all those workers conducting face-to-face communication with media or the management began to wear masks to conceal their identity.¹² Such risk-averse stance was crucial to account for why the workers did not insist upon replacing the original chair from the management with their own comrades to staff the trade unions.

By contrast, among all the strikes in the Pearl River Delta in 2010, those in Luogang were far from comparable to those in Nanhai and Foshan in terms of both scale, media coverage, public attention, and spillover effect. Accordingly, the chair of the trade union of the GR Corporation in Luogang, hailing from the rank and file and participating in GR's 2010 strike, professed that he hardly knew any other activists in Luogang harboring the conservative expectation found in Nanhai Honda. In addition, punishment on leaders of the strikes occurred in only 3 of the 34 firms where at least ten workers stopped performing their tasks in an orchestrated fashion. Above all, as mentioned above, Chairman Chen Weiguang of GZFTU was quite receptive to the demand for revamping the enterprise trade unions in Luogang completely through direct and democratic election. It thus turned out that all of the 14 firms the author visited in Luogang elected non-managerial employees as chairpersons of the trade unions at the firm level.

Indeed, Nanhai Honda appeared evidently a unique scenario; the Luogang case was more typical of what occurred in the Pearl River Delta not only in 2010, but also in subsequent years. Two years after the 2010 outbreaks, as ill will toward the

¹² “*Nanhai Bentian Gongzi Jiti Xieshangan Shimo*” (The Case of Collective Wage Bargaining of the Nanhai Honda Corporation), *Sinanet*, August 8, 2011, <http://news.sina.com.cn/c/sd/2011-08-08/101422953422.shtml>.

strikes receded gradually, Guangdong's provincial party secretary Wang Yang began advocating publicly the need for wider direct election of workplace trade unions, in order to pave the way for the deepening of collective wage bargaining.¹³ Soon after that a first spate of 163 enterprises in Shenzhen were slated to embrace direct election when the incumbents' tenure expired.¹⁴ To be sure, the direct election is not only a necessary condition, but also exerts immense influence close to a sufficient condition for substantive, contentious collective wage bargaining. On the one hand, without the direct election to create those union leaders with the mandate to strive for workers' interest, collective wage bargaining is likely to be bogged down to formality as in the past. On the other, under most circumstances it would be inconceivable for directly elected union leaders to remain inactive to pursue workers' welfare on various labor issues.

The implication is that the indirect electoral mechanism still at the mercy of the official trade unions, and therefore the state-dominated process and outcome of collective wage bargaining, two components central to the party state-led model are but transient phenomena as a result of short-term crisis management in 2010. Over time the rapidly growing autonomy and prowess of the workers, far beyond what the party state-led model posits, are already set in motion. The following discussion of the actual bargaining practices in Luogang will display such transformation.

Collective Bargaining in Luogang

An exploration of the operation of the trade union at BM Corporation, a

¹³ Lan Zhixin, Zhang Huan, "Wang Yang Zhichi Gonghui Zhixuan, Guangdong Gongzi Jiti Xieshang Ligui Chouchu Qianxing" (Wang Yang Supports Direct Election in Enterprise Trade Unions, and the Institutionalization of Collective Wage Bargaining in Guangdong Moves Ahead Incrementally), *Renminwang* (People's Net), August 1, 2012, <http://finance.people.com.cn/BIG5/n/2012/0801/c1004-18642223.html>.

¹⁴ Wen Xiaoyi, "Gonghui Zhixuan: Guangdong Shijian de Jingyan yu Jiaoxun" (Direct Election in Enterprise Trade Unions: Experiences and Lessons from the Practices in Guangdong), *Kaifang Shidai* (Open Times), 257 (October 2014), pp. 39-40.

manufacturer of door frames, window lifters, seat regulators, and article exteriors used all in automobiles, sheds important light on the process of collective bargaining common to many firms in Luogang. After Mr. XDJ, who had been a squad leader on the production line of window lifters and then popularly elected to the chairmanship, assumed the position in June 2011, he initiated the request for collective bargaining with the corporate management in July. Taking advantage of the first opportunity of negotiation on equal footing with the management, XDJ and his colleagues raised an array of issues beyond wage rate, including guaranteed paid leave, coverage of unpaid premiums of social insurance and unpaid housing funds (*zhufang gongjijin*) to be shouldered by the employer, payment of the arrears from overtime services, allowance for reasonable break time during work hours not subject to deduction of wages, dispensing of subsidy for services under high temperatures, establishment of rules permitting maternity leaves, and routine health examination focusing on vocational diseases for all employees.

The management rejected to discuss most issues above except wage rate and subsidy for services under high temperatures. While it did not take long for both sides to arrive at tentative agreement on these two issues, the workers were particularly disgruntled by the lack of paid break time during work hours. The longstanding practice of BM had been to permit 20 minutes in total as the break time in a day, and thus to require 20 extra minutes after the ending of regular work hours to offset the loss from break time, without extra pay for the extra 20 minutes. Faced with the employer's firm objection, on the ground of no violation of law by the preexisting practice, XDJ resorted to Mr. DM, a well-known lawyer for the protection of citizens' rights (*weiquan lushi*). DM and his colleagues provided legal advices to the BM trade union, with respect to both the legality of the practice and the legal protection of workers should they resort to any radical action, during the four rounds

of talks which revolved around the issue of unpaid extra time and took as much time as until January 2012. As the negotiation came to a deadlock due to the lack of any concrete legal foundation that de-legitimated the employer's standpoint, the workers threatened a boycott against pre-scheduled overtime services from 7 to 10 PM, starting February 1, 2012. Facing the concerted efforts by the workers, the management soon announced the abrogation of the unpaid extra time of 20 minutes the next day.

On January 9, 2013, XDJ initiated a new round of collective bargaining, due to many workers' disappointment with the (lunar) year-end bonus level, set at 1.4 months of regular salary, to be dispensed before the Chinese New Year. The union proposed that the employer heighten the level by Jan. 21, while the employer did not respond by the deadline. The union thus convened an internal meeting and passed its own version of bonus, and demanded a meeting with the management on Jan. 22. As the management gave no response to the demand, the workers staged an "autonomous" strike from 10 to 11 AM of Jan. 22, in the absence of XDJ. This prompted the management's quick agreement with the meeting in the afternoon, and led to a consensus with the workers reached within just one hour of the meeting, where the bonus level grew from 1.4 months to 3.5 months, just slightly below the union's bid of 3.8 months. More importantly, given the workers' victories in both rounds above, XDJ seized the opportunity to routinize the collective bargaining by requesting the talks in April of 2013 and 2014. According to XDJ, once the routinization turned entrenched, there would be no more need either to threaten a strike every time so as to bring the employer into the negotiation, or to count on official trade unions to talk the employer into it.

There are other firms in Luogang, such as FD in the auto industry and YQ in electronics, which reached final agreement in the collective bargaining without the

workers launching or threatening strikes, and without waiting for the official trade unions to interfere by asking both sides in the negotiation to compromise. Still others like HT and RJ in the auto industry wrapped up the bargaining through bilateral concessions facilitated by either the GZFTU or the Luogang Trade Union in 2014 and 2015. Given the variation, it warrants a closer look at the conditions that distinguish those cases with and without intervention of official trade unions in order for the final agreement. The related information about the conditions and intervention in nine firms in Luogang is shown in Table 1.

(Table 1 about here)

A comparison among firms in Table 1 unveils that there does not seem to be any correlation between the presence/absence of official trade unions' intervention on the one hand, and the two likely factors that are expected to affect the chance of intervention—the number of employees and the type of industry—on the other. The variation among firms and the result from Table 1 point to the inference that official trade unions, unlike what the party state-led model purports, neither seek to influence capital and labor in collective bargaining across the board, nor choose which enterprises to intervene in a systematic way.

Substantive Assistance from Official Trade Unions

Whereas intervention to facilitate final agreement in collective bargaining may not be a well-established policy device by official trade unions, they play another crucial role in the process by granting substantive assistance to the workplace trade unions, reorganized through direct election after 2010, in Luogang. A major type of assistance is to offer training courses and seminars tailored to the need of union

leaders from enterprises. The training process concentrate on the basics and application of the trade union law, collective contract regulations, and local regulations governing collective bargaining, as well as strategies and techniques for negotiation. The LGTU also compiled and circulated an anthology of real cases drawn from a national pool of collective bargaining. In addition, the LGTU started counselling service in 2014 to provide advices to enterprise unions on collective bargaining. According to Mr. LWD, chair of the union at the RJ Corporation,

My education background stops at junior college, and I had only minimal understanding about all the relevant laws and regulations with regard to collective bargaining. I was thus really not quite confident when I was first elected the union chair by my fellow workers in 2011, since I knew that I have been charged with the responsibility to fight with the management for their benefits. And soon the district trade union contacted me and mentioned that it was providing some training courses for enterprise union leaders like me. At first I did not have any high expectation of such courses, partly because, I guess, workers like me have not felt any camaraderie with the district trade union. But after two to three weeks into the courses, I began to be intrigued by the whole thing. I came to perceive that I was somewhat different in handling the daily errands associated with my union chairmanship. The process of the bargaining in 2012 was still full of pressures on me, which was the incipient period for me to apply what I have learned during the training sessions. Yet I felt myself much more confident, and that the management showed much more respect to me in the bargaining of 2013.

Another type is the supply of crucial information which may incur significant transaction cost for enterprise unions to acquire. Negotiations in general entail the exchange of and competition between the information presented by the participants, while criteria for justifiable outcome based on principles such as fairness and proportionality are usually subject to less contestation. In particular, the quantity and quality of information on, for instance, comparable wage rate or profit rate in the industry and society as a whole, and to the business and financial indicators of the firm in question, may exercise decisive influence upon the relative advantage between

participants and upon the final outcome of collective bargaining. Workers often have a good idea about the specific indicators on their own enterprises and those to their immediate contiguity, but find it costly to know about those in a much broader setting. For example, the union negotiators at YQ and FD in 2010 asked for pay raise chiefly by referring to the actual surge in the firms of the same industry in the nearby Huangpu District. Yet their demand came to be potently refuted by their rival who cited many more indicators as powerful evidence.

Right after the end of the 2010 bargaining, the unions sought help from the LGTU for broader and more credible information. Under the information supply and guidance of LGTU, they have set up a more comprehensive and detailed database to buttress the annual bargaining, which includes: 1) result from a survey covering all employees regarding their expectation on various dimensions of wages and benefits, such as the specific approach to determining wage growth (e.g., growth in terms of percentage or absolute amount), distribution among employees (e.g., whether or not to differentiate among those undertaking frontline operation and logistical support), and specific categories to be included into bargaining (e.g., basic salary, bonus, and earmarked subsidy); 2) aggregate and itemized average incomes, consumer price indexes and consumption levels in Guangzhou, and the estimated living expenses decomposed into various categories that the employees of that firm have to shoulder; 3) minimal wage levels in all the districts of Guangzhou; 4) changes in the total workforce and total output of that firm; 5) the average wage in that firm and the average income in Luogang; 6) average wage levels in the same and related industries in Guangzhou and Guangdong, as well as the basic salary, bonuses, housing funds, and subsidies for each and every task or service found in comparable enterprises; 7) exit rate of that firm's workforce; 8) employees' willingness to sustain regular performance and to accept paid overtime work when the demand for total labor input

increases; and 9) annual growth rate of all the various compensations for all the myriad tasks and services.

The vital assistance from official trade unions exhibits that the party-state does not aim to contain the collective influence of workers by leaving the workplace unions controlled by management and supplanting them to negotiate with enterprise owners. Quite different from such a propensity identified in the party state-led model, the LGTU endeavors to shore up the resources of workplace unions, fostering their overall capacity as independent negotiators to countervail business owners. Nor is the party-state exclusively concerned with the fulfillment of some agreement whatsoever between capital and labor. At least in many localities of the Pearl River Delta such as Luogang, official trade unions undertake concrete actions to promote the likelihood of collective bargaining tilted in favor of workers.

Conclusion

By examining the developments of collective bargaining in Luogang during 2010 to 2015, this paper discovers that the party state-led model based on the case of Nanhai Honda is apparently more unique among than representative of the prevalent practice in the Pearl River Delta. The evidence on all the dimensions in collective bargaining—the dynamics for substantive bargaining, the pathways leading to direct versus indirect elections of workplace union leadership as well as grassroots versus managerial personnel assuming the leadership, the process of bargaining, rank-and-file workers versus official trade unions as the main actor involved in substantive bargaining, and the nature of the official unions' support for enterprise unions—point invariably to an evolution increasingly attesting to the empowerment of workers, as well as qualified influence but not overwhelming domination of the party state. On the other hand, an opposite development has been unfolding in other

regions of China. In Wuhan, for example, where the case in catering business is allegedly typical of the party state-led model, the author's interview records display a growing propensity on the part of local official unions prioritizing the coverage rate of collective bargaining exclusively. The substance of the bargaining, such as the degree of contestation and equal competition between capital and labor, turns out to be increasingly downplayed by the local bureaucracy.

Table 1. Official Trade Union's Intervention to Facilitate Agreement in Collective Bargaining

Firms	Intervention before Final Agreement	Launch or Threat of Strikes	Number of Employees	Type of Industry
HT	Yes	No	485	auto
RJ	Yes	No	1722	electronics
RH	Yes	No	2110	auto
MX	Yes	No	506	electronics
FD	No	No	2348	auto
YQ	No	No	1271	electronics
BT	No	Yes	429	auto
SQ	No	Yes	872	information technologies
BM	No	Yes	636	auto